

Report of the Governors and

Financial Statements

for the Year Ended 31 August 2023

for

Burghill Community Academy

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

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for the Year Ended 31 August 2023

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Burghill Community Academy

Reference and Administrative Details  
for the Year Ended 31 August 2023

<b>MEMBERS:</b>	C Stevenson D Truluck P Littlewood
<b>GOVERNORS</b>	J Symonds * D A Davies Executive Headteacher * C Porter Parent Governor G Downes Community Governor D Thomas (appointed 29.6.23)
* members of the finance and general purpose committee	
<b>SENIOR LEADERSHIP TEAM</b>	
Executive Headteacher	A Davies
Deputy Headteacher	J Symonds
School Business Manager	V Turner (resigned 30.4.23)
School Business Manager	C Weaver (appointed 1.5.23)
<b>ACCOUNTING OFFICER</b>	A Davies
<b>COMPANY NAME</b>	Burghill Community Academy
<b>COMPANY SECRETARY</b>	C Weaver
<b>REGISTERED OFFICE</b>	Burghill Hereford Herefordshire HR4 7RP
<b>REGISTERED COMPANY NUMBER</b>	08472117 (England and Wales)
<b>SENIOR STATUTORY AUDITOR</b>	Lisa Weaver FCCA
<b>AUDITORS</b>	Thorne Widgey Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS
<b>SOLICITORS</b>	HY Education 3 Reed House Hunters Lane Rochdale OL16 1YC

**BANKERS**

Lloyds Bank Plc  
6-8 High Town  
Hereford  
HR1 2AE

HSBC Bank Plc  
1 Broad Street  
Leominster  
Herefordshire  
HR6 8BU

Report of the Governors  
for the Year Ended 31 August 2023

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2023. The governors have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 5 to 11 in Herefordshire. It also operates a governor run pre-school setting, for up to 20 children a day from the ages of 2 to 4. It has a pupils on roll of 98 in the school census on 1 October 2022.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

The principal object and activity of the school is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad range of curriculum of pupils of different abilities.

The aims of the school during the period ended 31 August 2023 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to develop the Academy sites so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the school's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Our school is a community in which children, staff and parents should be part of a happy and caring environment.

The academy has enhanced its provision considerably during the academic year, as we have now built pre-school classroom, which can accommodate up to 20 children on a day to day basis. This houses its own outdoor play area and kitchen and toilet facilities. It has also freed up space in the school building to allow for an additional learning space. Both the pre-school and learning space have been furnished with touch screen monitors to enhance the learning experience further.

#### **Objectives, Strategies and Activities**

- to continue our journey towards being recognised as an outstanding school
- to continue to develop our curriculum to meet the needs of our community and achieve the very best for every pupil who attends
- to ensure progress and attainment levels remain high in all year groups and across all key groups
- to develop the grounds and create a learning area which focuses on outdoor activities such as gardening and Forest Schools work
- to continue to introduce new technology to continue in support of children's learning across the curriculum

#### **Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Report of the Governors  
for the Year Ended 31 August 2023

**STRATEGIC REPORT**

**Achievement and performance**

**Key financial performance indicators**

During the academic year 2022-2023, we are extremely pleased with the attainment and progress of all the children across the school.

KS1 results are as follows:

	<b>Reading</b>	<b>Writing</b>	<b>Maths</b>	<b>Science</b>
Expected	93%	87%	87%	100%
Greater Depth	33%	13%	20%	N/A

KS2 results are as follows:

	<b>Reading</b>	<b>Writing</b>	<b>Maths</b>	<b>SPAG</b>	<b>Science</b>
Expected	90%	79%	79%	84%	95%
Greater Depth	42%	16%	16%	42%	N/A

These are exceptional results and for the expected standard are well above the National figures. Since the COVID-19 pandemic, we have maintained high standards across the board and this year have consistently achieved above national expectation in all areas.

The children in KS1 progress from the Early Years Foundation Stage at a very good rate and achieve well. Above all, the quality of our provision and the effective school ethos means that our children enjoy their education at Burghill Community Academy and achieve extremely well academically.

**Financial review**

**Principal funding sources**

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2023, total expenditure of £465,896 (2022: £469,875) was covered by recurrent grant funding from the DfE. The net incoming resources before transfers and revaluations for the period was £25,190 (2022: £69,934).

At 31 August 2023, the net book value of fixed assets was £1,129,517 (2022: £1,141,175) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**Investment policy and objectives**

The school will invest any surplus funds on deposit to ensure it maximises its return.

**Reserves policy**

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

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £73,589 (2022: £70,127), all of which is free reserves.

Burghill Community Academy trustees confirms that the current level of reserves is appropriate in going forward. The level of reserves is maintained as the school continues to plan for the future. With 50% of the buildings being over 150 years old - funds will be allocated to refurbishments and replacements.

Report of the Governors  
for the Year Ended 31 August 2023

**STRATEGIC REPORT**

**Financial review**

**Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies and in the notes to the financial statements.

**Fundraising**

The school's PTFA has reformed and have managed to fundraise during the academic year. A number of events have taken place, with the Croc 8 fun run being the main success, raising over £2,500.

**Principal risks and uncertainties**

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable.

Due to the nature of the academy's buildings and surrounding playing fields consideration is given to site security to ensure it is safe and secure for the pupils. The condition of the estate is periodically reviewed to identify any areas which require improvement and the cost of any rectifications are sought and considered by the Board and within the main budget for the year. Where there is a need for a specific project to improve the facilities, additional funding will be sought wherever possible.

**Financial and risk management objectives and policies**

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually. The board of trustees has selected members operating a Finance Committee. This committee scrutinises closely the academy's accounts and information is shared on a monthly basis. The committee then reports back to the full governing board at termly intervals. An Audit Risk Committee has been set up to ensure standards are maintained and address any financial risks that are addressed as a result of the internal scrutiny. A pay and personnel committee meets annually to discuss staffing increments and promotions to ensure a fair pay system at the academy.

Report of the Governors  
for the Year Ended 31 August 2023

**STRATEGIC REPORT**

**Future plans**

Over the last 5 years the academy has seen significant changes. All classrooms now furnished with touch screen monitors (along with the hall, pre-school and intervention rooms). There has also been two build projects, including a new Classroom for Reception children, and the Pre-school building. Staff parking and landscaping has also been improved. Plans include looking at the old section of the school and how this can be improved to accommodate the older children more effectively.

Plans for the future include building on the links made between Burghill, Stretton Sugwas and Canon Pyon Academies with the executive head role in place and future MAT developments.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The company was incorporated on the 3rd April 2013 and converted from a Local Authority School to an Academy Trust on the 1st May 2013.

The governors act as the trustees for the charitable activities of Burghill Community Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Burghill Community Academy. Through this academic year, the trustee board has conducted a skills audit to determine any areas of weakness within the board. During the year we have appointed two new governors and mindfully sought to ensure the skills set complimented the current board. Area of finance are now significantly stronger as a result. With half termly full board meetings, along with rigorous school reports, trustees are able to scrutinise and challenge all areas effectively, including safeguarding.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

**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.

**Governors' Indemnities**

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance was provided by Zurich until June 2023, where it was then provided via an RPA.

**Principal activities**

This is defined in the Articles of Association.



Report of the Governors  
for the Year Ended 31 August 2023

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

This is defined in the Articles of Association:

The members shall appoint not less than 3 and up to 7 Governors.

The members may appoint Staff Governors through such process as they may determine.

A minimum of 2 Parent Governors shall be elected by parents of registered pupils at the Academy. A parent Governor must be a parent at the Academy at the time when he/she is elected. There is currently a vacancy so only 1 parent Governor at this time.

The total number of Governors (including the Principal) who are employees of the Academy Trust shall not exceed one-third of the total number of Governors.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held in secret ballot.

**Organisational structure**

The Academy has a leadership structure which consists of the governors, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The school appoints an Executive Headteacher who acts as the Accounting Officer.

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

The Senior Management Team consists of the Headteacher and the School Business Manager. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor.

**Induction and training of new trustees**

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Conflicts of interests are discussed at each meeting. At the beginning of each academic year, all trustees reference any declarations of interests and this is filed with the clerk to governors and published on the academies website.

**Key management remuneration**

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

**Connected Organisations, including Related Party Relationships**

From 1 September 2018 D A Davies became Executive Headteacher for Burghill Community Academy and Stretton Sugwas C Of E Academy provide a financial SLA for the academy.

Additionally, from 1 September 2021 D A Davies became Executive Headteacher for Canon Pyon C of E Academy and Stretton C of E Academy provide a financial SLA for the academy.

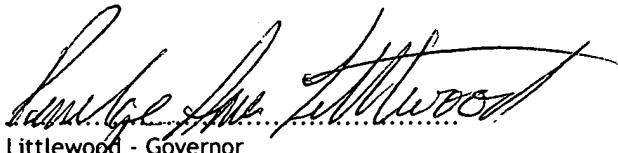
Report of the Governors  
for the Year Ended 31 August 2023

**AUDITORS**

Insofar as the governors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governors report, incorporating a strategic report, was approved by order of the board of governors on  
.....11/12/23..... and signed on its behalf by:

..........  
P Littlewood - Governor

## Burghill Community Academy

### Governance Statement for the Year Ended 31 August 2023

#### **Scope of Responsibility**

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

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

The board of the governors has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Burghill Community Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors' Responsibilities. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
P Littlewood (Chair)	6	6
R Griffiths - Member - Appointed 29.11.22 will attend AGMs only	0	0
C Kent - Member - Appointed 29.11.22 will attend AGM's only	0	0
D A Davies (Executive Headteacher)	6	6
G Downes (Community Governor)	6	6
J Symonds	6	6
C Stevenson (Community Governor)	6	6
D Truluck (Vice Chair)	5	6
C Porter (Parent Governor)	6	6
D Thomas (Community Governor) - Appointed 27.06.23	1	1

#### **Governance Review**

The Academy reviews the skills set of the Governors periodically to ensure a broad range of knowledge/expertise is represented. They seek to rectify any shortfalls in skills as soon as possible.

#### **Conflicts of interest**

The Academy maintain an up-to-date and complete register of interests, which is included as a standing agenda item at each Board and committee meeting. Any conflicts identified are reviewed as soon as possible and appropriate action is taken.

The Resource Committee is a sub-committee of the main Governing Body. Its purpose is to consider and advise the governing body on standards and other matters relating to the school's finance and resources, including statutory requirements and the school's financial policy. Attendance during the period at meetings of the resource committee was as follows:

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of possible</b>
D Truluck	2	3
P Littlewood	3	3
J Symonds	3	3
D A Davies	3	3

- External review of governance has been made with discussions with the RSC. Each board meeting looks at the membership of the board and ensuring it satisfies what is written in the articles.
- We currently have vacancies, with the aim to address this shortfall with developing a MAT.
- We are currently looking at developing a MAT, therefore governance will have an external review and self evaluation in the next 12 month period.

Governance Statement  
for the Year Ended 31 August 2023

**Review of Value for Money**

As accounting officer the executive headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management achieved in return for the taxpayer resources received.

We regularly work with "Education Property Partnership" to identify areas of site safety and maintenance, this schedule of works is prioritised according to the health and safety need. Tenders are obtained in accordance with our financial procedures to ensure the best value for money is achieved although there might be occasions where an urgent need might not allow this.

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

**Improving educational results**

Our rigorous, broad and balanced curriculum ensures all pupils have the opportunity to fulfil their academic and emotional potential.

We regularly review the staffing structure to ensure staff are efficiently and effectively deployed and are appropriately qualified and experienced including the use of specialists for specific areas of the curriculum as appropriate.

Teaching is of good quality and performance management is used effectively to develop staff skills to improve outcomes for pupils. Where teaching has identified weaknesses, staff are supported to improve or performance management competency procedures are followed.

We bring in additional staff to target key curriculum areas, such as providing expert tuition in music and teaching of the PE curriculum with a sports specialist. We also provide targeted support for pupils as appropriate through individual and small group intervention with teaching assistants and through narrowing the gap time with teachers.

We focus on the differing needs of every individual pupil. This is reflected in the outcomes we achieve for our Services population and FSM pupils.

We have effective assessment and tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.

We have consistently produced excellent outcomes for our FSM students ensuring the school continues to close the gaps in attainment. Pupil Premium monies have been allocated to optimal effect, as illustrated by the detailed breakdown on the Burghill Community Academy website.

The academy has continued to appoint an Executive Head and shared Business Manager, allowing the school to make savings, not only in the costs of having a Headteacher and BM at the school alone, but also through better negotiations with SLAs, with better buying power and driving down costs.

**Financial Performance**

All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our school.

Contracts have been taken where better Value for Money can be achieved, such as a new telephone system and internet provider.

School identifies where any areas are significantly over or under spent and are thoroughly investigated and assurances provided that the spend is appropriate to our school. For example we have looked at the higher spend on supply cover due to staff sickness absence and have reviewed our insurance cover.

The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects. A minimum of 3 quotes are obtained before spending for any major projects.

Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Burghill Community Academy for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly and termly financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided to use an external party to conduct internal scrutiny work.

The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems as described above. They regularly report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Burghill Community Academy

Governance Statement  
for the Year Ended 31 August 2023

**Review of Effectiveness**

As Accounting Officer, the Headteacher 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 Finance and General Purposes 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 governors on .....1/12/23..... and signed on its behalf by:

.....  
P Littlewood - Governor

.....  
A Davies - Accounting Officer

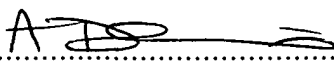
Burghill Community Academy

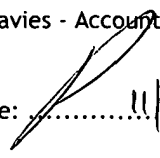
Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2023

As accounting officer of Burghill Community Academy I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy 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 2022, including responsibilities for estates safety and management.

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

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

  
.....  
A Davies - Accounting Officer

Date:  11/12/23 .....

Burghill Community Academy

Statement of Governors' Responsibilities  
for the Year Ended 31 August 2023

The governors (who act as trustees of Burghill Community Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

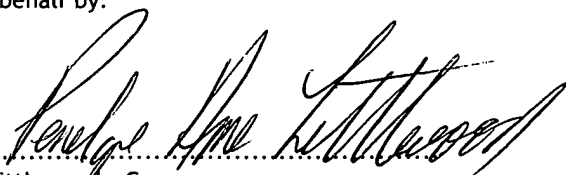
In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors 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.

In preparing these financial statements, the trustees are required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Approved by order of the members of the board of governors on .....11/12/23..... and signed on its behalf by:

  
.....  
P Littlewood - Governor



### **Opinion**

We have audited the financial statements of Burghill Community Academy (the 'academy') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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) and the Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the governors' 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 academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

We have nothing to report in respect of the following matters where 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

**Responsibilities of governors**

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the Academy itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Department for Education, the Education and Schools Funding Agency, the Academies Trust Handbook 2022, the Academies Accounts Direction 2023, Companies Act legislation and Charities Act and FRS102 SORP legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- Making enquiries of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Assessing the design effectiveness of the controls in place to prevent and detect fraud;
- Assessing the risk of management override including identifying and testing journal entries;
- Challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of  
Burghill Community Academy (Registered number: 08472117)

**Use of our report**

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



Lisa Weaver FCCA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ...18/12/23.....

Independent Reporting Accountant's Assurance Report on Regularity to  
Burghill Community Academy and the Education and Skills Funding Agency

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

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

**Respective responsibilities of Burghill Community Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Burghill Community Academy's funding agreement with the Secretary of State for Education and the Academies Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the 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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended.
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters.

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity to  
Burghill Community Academy and the Education and Skills Funding Agency

*Thorne Widgey Accountancy Ltd*  
Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Reporting Accountant  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ....*8/12/23*.....

Burghill Community Academy

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

					31.8.23	31.8.22
	Notes	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	176	17,048	16,622	33,846	15,777
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	59,658	-	612,695	672,353	604,471
Other trading activities	4	52,360	-	2,419	54,779	47,702
Investment income	5	11	-	-	11	9
<b>Total</b>		<b>112,205</b>	<b>17,048</b>	<b>631,736</b>	<b>760,989</b>	<b>667,959</b>
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations	7	108,741	36,810	590,248	735,799	737,893
<b>Total</b>		<b>108,741</b>	<b>36,810</b>	<b>590,248</b>	<b>735,799</b>	<b>737,893</b>
<b>NET INCOME/(EXPENDITURE)</b>						
Transfers between funds	17	3,464	(19,762)	41,488	25,190	(69,934)
Other recognised gains/(losses)		-	8,103	(8,103)	-	-
Actuarial gains on defined benefit schemes		-	-	65,000	65,000	180,000
<b>Net movement in funds</b>		<b>3,464</b>	<b>(11,659)</b>	<b>98,385</b>	<b>90,190</b>	<b>110,066</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		70,127	1,141,177	(108,155)	1,103,149	993,083
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>73,591</b>	<b>1,129,518</b>	<b>(9,770)</b>	<b>1,193,339</b>	<b>1,103,149</b>


The notes form part of these financial statements

Balance Sheet  
31 August 2023

	Notes	31.8.23 £	31.8.22 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,129,517	1,141,175
<b>CURRENT ASSETS</b>			
Debtors	13	22,702	14,277
Cash at bank and in hand		100,358	68,719
		<u>123,060</u>	<u>82,996</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(32,238)	(36,022)
		<u>90,822</u>	<u>46,974</u>
<b>NET CURRENT ASSETS</b>			
		1,220,339	1,188,149
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>PENSION LIABILITY</b>	18	(27,000)	(85,000)
		<u>1,193,339</u>	<u>1,103,149</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>	17		
Restricted funds:			
General Annual Grant		17,232	(23,155)
Restricted Pension Fund		(27,000)	(85,000)
Conversion and depreciation		853,793	868,313
DfE/ESFA Capital Grants		151,134	137,585
Other Fixed Asset Fund		124,591	135,279
		<u>1,119,750</u>	<u>1,033,022</u>
Unrestricted funds:			
General Fund		9,670	9,483
Muddy Boots Pre-school		63,189	65,082
Clubs		730	(4,438)
		<u>73,589</u>	<u>70,127</u>
<b>TOTAL FUNDS</b>		<u>1,193,339</u>	<u>1,103,149</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Governors and authorised for issue on 11/12/23 and were signed on its behalf by:

  
P Littlewood - Governor



Burghill Community Academy

Cash Flow Statement

for the Year Ended 31 August 2023

	Notes	31.8.23 £	31.8.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	38,836	8,345
Net cash provided by operating activities		<u>38,836</u>	<u>8,345</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(24,256)	(26,000)
Capital grants from DfE/EFA		17,048	5,091
Interest received		11	9
Net cash used in investing activities		<u>(7,197)</u>	<u>(20,900)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>31,639</u>	<u>(12,555)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>68,719</u>	<u>81,274</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>100,358</u></u>	<u><u>68,719</u></u>

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2023

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.23 £	31.8.22 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	25,190	(69,934)
<b>Adjustments for:</b>		
Depreciation charges	35,914	35,980
Capital grants from DfE/ESFA	(17,048)	(5,091)
Interest received	(11)	(9)
(Increase)/decrease in debtors	(8,425)	6,052
Decrease in creditors	(3,784)	(1,653)
Difference between pension charge and cash contributions	7,000	43,000
<b>Net cash provided by operations</b>	<u>38,836</u>	<u>8,345</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.22 £	Cash flow £	At 31.8.23 £
<b>Net cash</b>			
Cash at bank and in hand	68,719	31,639	100,358
	<u>68,719</u>	<u>31,639</u>	<u>100,358</u>
<b>Total</b>	<u>68,719</u>	<u>31,639</u>	<u>100,358</u>

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Burghill Community Academy meets the definition of a public benefit entity under FRS 102.

### **Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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.

The trustees have considered the impact of the current economic climate on the future finances of the academy.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £73,589 (2022: £70,127) all of which is free reserves. The level of general annual grant reserves is no longer in deficit (2022: £23,155 deficit).

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue as a going concern.

The Trustee's assessment that is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding, during this period; and
- c) income is received in line with the forecast

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received 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 period is deducted from income and recognised as a liability.

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

**1. ACCOUNTING POLICIES - continued**

**Grants**

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.

**Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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

**Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

**Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- Straight line over 50 years
Improvements to property	- 5% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets in the course of construction are included at cost. Depreciation of these assets is not charged until they are brought into use.

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.

Long leasehold land and buildings are subject to a 125 year lease with the local authority. Land and buildings were valued by the ESFA on conversion to academy status. Depreciation on the buildings element is included within expenditure in the SOFA in accordance with the above policies.

**Leased Assets**

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

**Investments**

Any surplus funds will be invested to ensure maximum deposit.

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. 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.

**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

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

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

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

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

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

Retirement benefits to employees of the academy 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 academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, the results of which came into effect from 1 April 2023.

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, 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 the year end. 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.

**Liabilities**

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

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

**1. ACCOUNTING POLICIES - continued**

**Liabilities**

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
Other grants and payments	176	5,628	5,804	2,812
Grants	-	17,048	17,048	5,091
School trips	-	10,994	10,994	7,874
	<u>176</u>	<u>33,670</u>	<u>33,846</u>	<u>15,777</u>

The comparatives include restricted funds of £15,692 and unrestricted funds of £85.

Grants received, included in the above, are as follows:

	31.8.23 £	31.8.22 £
Capital Grant	<u>17,048</u>	<u>5,091</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	512,555	512,555	463,088
FSM	-	16,490	16,490	14,240
Sports Premium	-	16,820	16,820	16,820
Pupil Premium	-	30,852	30,852	23,233
Supplementary Grant	-	21,763	21,763	6,025
Other DfE/ESFA Grants	-	6,770	6,770	5,096
	<u>-</u>	<u>605,250</u>	<u>605,250</u>	<u>528,502</u>
<b>Other Government grants</b>				
Local Authority - NEF	59,657	-	59,657	66,470
Local Authority - SEN	-	7,446	7,446	7,455
	<u>59,657</u>	<u>7,446</u>	<u>67,103</u>	<u>73,925</u>
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Covid Catch-up Premium	-	-	-	2,044
	<u>59,657</u>	<u>612,696</u>	<u>672,353</u>	<u>604,471</u>

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

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

2022

The academy received £2k of funding for recovery premium and costs incurred in respect of this funding  
 - totalled £2k

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Education	-	536,502	536,502	538,001
Nursery	-	59,657	67,970	66,470
	-	596,159	604,472	604,471

All of the figures included in the comparatives related to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Income from other schools	-	2,419	2,419	-
Other income	52,360	-	52,360	47,702
	52,360	2,419	54,779	47,702

The comparatives include unrestricted funds of £18,664 and restricted funds of £29,038 giving a total of £47,702.

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Short term deposits	11	-	11	9

All of the figures included in the comparatives related to unrestricted funds.



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

**6. EXPENDITURE**

	Non-pay expenditure			31.8.23	31.8.22
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	254,242	-	94,032	348,274	371,935
Allocated support costs	213,499	63,639	110,387	387,525	365,958
	<u>467,741</u>	<u>63,639</u>	<u>204,419</u>	<u>735,799</u>	<u>737,893</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.23	31.8.22
	£	£
Auditors' remuneration	7,665	7,300
Auditors' remuneration for non audit work	280	265
Depreciation - owned assets	35,914	35,984
Operating lease	825	415
	<u>      </u>	<u>      </u>

All of the figures included in the comparatives related to restricted funds.

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
Direct costs	35,320	312,954	348,274	371,935
Support costs	73,421	314,104	387,525	365,958
	<u>108,741</u>	<u>627,058</u>	<u>735,799</u>	<u>737,893</u>

	31.8.23 Total £	31.8.22 Total £
<b>Analysis of support costs</b>		
Support staff costs	213,499	196,501
Depreciation	21,394	21,460
Administration costs	3,141	7,308
Premises costs	63,639	64,136
Other support costs	77,907	68,988
Governance costs	7,945	7,565
Total support costs	<u>387,525</u>	<u>365,958</u>

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

**8. STAFF COSTS**

	31.8.23	31.8.22
	£	£
Wages and salaries	368,563	344,848
Social security costs	24,678	20,090
Operating costs of defined benefit pension schemes	73,833	65,645
	<hr/>	<hr/>
	467,074	430,583
Supply teacher costs	667	4,283
	<hr/>	<hr/>
	467,741	434,866
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	31.8.23	31.8.22
Teachers	4	4
Administration and support	15	17
Management	2	2
	<hr/>	<hr/>
	21	23
	<hr/>	<hr/>

No employees received emoluments in excess of £60,000.

**Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £50,402 (2022: £52,146).

From 1 September 2018, Burghill entered a service level agreement with Stretton Sugwas C of E Academy, for the provision of executive head services provided by the Executive Head, Mr A Davies, and the provision of finance services provided by the School Business Manager, Mrs V Turner/Mrs C Weaver, during this year. Both of which are included in the senior management team on page 1. During the year £44,000 (2022: £40,000) was paid in relation to this.

**9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

J Symonds (staff trustee):	Remuneration	£40,000 - £45,000	(2022: £35,000 - £40,000)
	Employers Pension Contributions	£5,000 - £10,000	(2022: £5,000 - £10,000)

The Executive Headship is paid via an SLA with Stretton Sugwas C of E Academy - see Related Party disclosure note.

Other related party transactions involving the trustees are set out in the notes to the financial statements.

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

**10. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	84	5,090	10,603	15,777
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	604,471	604,471
Other trading activities	18,664	-	29,038	47,702
Investment income	9	-	-	9
<b>Total</b>	<b>18,757</b>	<b>5,090</b>	<b>644,112</b>	<b>667,959</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	23,849	35,980	678,064	737,893
<b>Total</b>	<b>23,849</b>	<b>35,980</b>	<b>678,064</b>	<b>737,893</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(5,092)</b>	<b>(30,890)</b>	<b>(33,952)</b>	<b>(69,934)</b>
Transfers between funds	20,487	20,909	(41,396)	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains on defined benefit schemes	-	-	180,000	180,000
<b>Net movement in funds</b>	<b>15,395</b>	<b>(9,981)</b>	<b>104,652</b>	<b>110,066</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	54,734	1,151,158	(212,809)	993,083
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>70,129</b>	<b>1,141,177</b>	<b>(108,157)</b>	<b>1,103,149</b>

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

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £
<b>COST</b>			
At 1 September 2022	1,005,000	309,708	8,553
Additions	-	-	14,009
At 31 August 2023	1,005,000	309,708	22,562
<b>DEPRECIATION</b>			
At 1 September 2022	136,687	44,057	8,553
Charge for year	14,520	15,485	1,167
At 31 August 2023	151,207	59,542	9,720
<b>NET BOOK VALUE</b>			
At 31 August 2023	853,793	250,166	12,842
At 31 August 2022	868,313	265,651	-
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 September 2022	15,462	28,428	1,367,151
Additions	-	10,247	24,256
At 31 August 2023	15,462	38,675	1,391,407
<b>DEPRECIATION</b>			
At 1 September 2022	8,762	27,917	225,976
Charge for year	3,092	1,650	35,914
At 31 August 2023	11,854	29,567	261,890
<b>NET BOOK VALUE</b>			
At 31 August 2023	3,608	9,108	1,129,517
At 31 August 2022	6,700	511	1,141,175

Leasehold land and buildings are subject to a 125 year lease with the local authority and include £279,000 of non-depreciating land.

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

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.23	31.8.22
	£	£
Trade debtors	1,354	(316)
VAT	5,343	833
Prepayments	16,005	13,760
	<u>22,702</u>	<u>14,277</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.23	31.8.22
	£	£
Trade creditors	7,231	9,571
Social security and other taxes	13,316	13,457
Accruals and deferred income	11,691	12,994
	<u>32,238</u>	<u>36,022</u>

**Deferred income**

	£
Deferred income at 1 September 2022	10,961
Resources deferred in the year	8,071
Amounts released from previous years	<u>(10,961)</u>
Deferred income at 31 August 2023	<u>8,071</u>

At the balance sheet date, the Academy Trust was holding funds received in advance in relation to free school meals income (2022: free school meals and rates relief income) relating to the future academic years.

**15. 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.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Fund	Restricted Fixed Assets Fund	Restricted General Fund	31.8.23 Total funds
	£	£	£	£
Fixed assets	-	1,129,517	-	1,129,517
Current assets	74,328	1	48,731	123,060
Current liabilities	(739)	-	(31,499)	(32,238)
Pension liability	-	-	(27,000)	(27,000)
	<u>73,589</u>	<u>1,129,518</u>	<u>(9,768)</u>	<u>1,193,339</u>

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

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued**

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

				31.8.22
	Unrestricted Fund £	Restricted Fixed Assets Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	1,141,175	-	1,141,175
Current assets	70,968	2	12,026	82,996
Current liabilities	(841)	-	(35,181)	(36,022)
Pension liability	-	-	(85,000)	(85,000)
	<u>70,127</u>	<u>1,141,177</u>	<u>(108,155)</u>	<u>1,103,149</u>

**17. MOVEMENT IN FUNDS**

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
<b>Restricted general funds</b>				
General Annual Grant	(23,155)	48,490	(8,103)	17,232
Restricted Pension Fund	(85,000)	58,000	-	(27,000)
Conversion and depreciation	868,313	(14,520)	-	853,793
DfE/ESFA Capital Grants	135,279	5,446	10,409	151,134
Other Fixed Asset Fund	137,585	(10,688)	(2,306)	124,591
	<u>1,033,022</u>	<u>86,728</u>	<u>-</u>	<u>1,119,750</u>
<b>Unrestricted funds</b>				
General Fund	9,483	187	-	9,670
Muddy Boots Pre-school	65,082	(1,893)	-	63,189
Clubs	(4,438)	5,168	-	730
	<u>70,127</u>	<u>3,462</u>	<u>-</u>	<u>73,589</u>
<b>TOTAL FUNDS</b>	<u>1,103,149</u>	<u>90,190</u>	<u>-</u>	<u>1,193,339</u>

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

**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	512,553	(464,063)	-	48,490
Restricted Pension Fund	-	(7,000)	65,000	58,000
Conversion and depreciation	-	(14,520)	-	(14,520)
Other Restricted	26,490	(26,490)	-	-
Other DfE/ESFA funding	6,770	(6,770)	-	-
DfE/ESFA Capital Grants	17,048	(11,602)	-	5,446
Other Fixed Asset Fund	-	(10,688)	-	(10,688)
Other DfE/ESFA - Pupil Premium	30,852	(30,852)	-	-
Other DfE/ESFA - FSM	16,490	(16,490)	-	-
Other DfE/ESFA - Sports Premium	16,819	(16,819)	-	-
Other DfE/ESFA - Supplementary	21,763	(21,763)	-	-
	<u>648,785</u>	<u>(627,057)</u>	<u>65,000</u>	<u>86,728</u>
<b>Unrestricted funds</b>				
General Fund	187	-	-	187
Muddy Boots Pre-school	85,553	(87,446)	-	(1,893)
Clubs	26,464	(21,296)	-	5,168
	<u>112,204</u>	<u>(108,742)</u>	<u>-</u>	<u>3,462</u>
<b>TOTAL FUNDS</b>	<u><u>760,989</u></u>	<u><u>(735,799)</u></u>	<u><u>65,000</u></u>	<u><u>90,190</u></u>

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

## 17. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
<b>Restricted general funds</b>				
General Annual Grant	-	(6,784)	(16,371)	(23,155)
Restricted Pension Fund	(222,000)	137,000	-	(85,000)
Conversion and depreciation	882,833	(14,520)	-	868,313
Other Restricted	4,538	20,487	(25,025)	-
DfE/ESFA Capital Grants	146,292	(3,616)	(5,091)	137,585
Other Fixed Asset Fund	122,033	(12,754)	26,000	135,279
Other Dfe/ESFA - Sports Premium	4,653	(4,653)	-	-
	<u>938,349</u>	<u>115,160</u>	<u>(20,487)</u>	<u>1,033,022</u>
<b>Unrestricted funds</b>				
General Fund	9,391	92	-	9,483
Muddy Boots Pre-school	44,594	1	20,487	65,082
Clubs	749	(5,187)	-	(4,438)
	<u>54,734</u>	<u>(5,094)</u>	<u>20,487</u>	<u>70,127</u>
<b>TOTAL FUNDS</b>	<u>993,083</u>	<u>110,066</u>	<u>-</u>	<u>1,103,149</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Restricted general funds</b>				
General Annual Grant	463,091	(469,875)	-	(6,784)
Restricted Pension Fund	-	(43,000)	180,000	137,000
Conversion and depreciation	-	(14,520)	-	(14,520)
Other Restricted	113,562	(93,075)	-	20,487
Other DfE/ESFA funding	11,121	(11,121)	-	-
DfE/ESFA Capital Grants	5,091	(8,707)	-	(3,616)
Other Fixed Asset Fund	(1)	(12,753)	-	(12,754)
Other Dfe/ESFA - Pupil Premium	23,233	(23,233)	-	-
Other Dfe/ESFA - FSM	14,241	(14,241)	-	-
Other Dfe/ESFA - Covid Premium	2,044	(2,044)	-	-
Other Dfe/ESFA - Sports Premium	16,820	(21,473)	-	(4,653)
	<u>649,202</u>	<u>(714,042)</u>	<u>180,000</u>	<u>115,160</u>
<b>Unrestricted funds</b>				
General Fund	92	-	-	92
Muddy Boots Pre-school	1	-	-	1
Clubs	18,664	(23,851)	-	(5,187)
	<u>18,757</u>	<u>(23,851)</u>	<u>-</u>	<u>(5,094)</u>
<b>TOTAL FUNDS</b>	<u>667,959</u>	<u>(737,893)</u>	<u>180,000</u>	<u>110,066</u>



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

**17. MOVEMENT IN FUNDS - continued**

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/ESFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.
- Muddy Boots Pre-school fund : surplus income relating to the pre-school.
- Clubs fund : all income and expenses relating to after school clubs.

Transfers between funds relate to re-allocation of expenditure on fixed assets and transfer of surplus income relating to running of the pre-school.

**18. PENSION AND SIMILAR OBLIGATIONS**

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

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

Contributions amounting to £8,599 were payable to the schemes at 31 August 2023 (2022 - £7,540) 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 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.

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

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

**Valuation of the teachers' pension scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £47,058 (2022 - £42,113).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2023 was £34,932 (2022: £26,657), of which employer's contributions totalled £26,688 (2022: £19,390) and employees' contributions totalled £8,244 (2022: £7,267). The agreed contribution rates for future years are 13.6% for employers and between 5.5% and 12.5% for employees.

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

As the scheme is in deficit, the academy has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable will be the Future Service Rate of 13.6% of payroll plus phased lump sum deficit contributions of £4k per annum, increasing annually thereafter.

The current estimated recovery period is 24 years.

The assumptions used by the actuaries in the year end LGPS pension valuation do not take account of the current inflation rates. Although this would adjust the valuation, the Trustees feel this is an arbitrary exercise which would add unnecessary additional cost in these already financially challenging times. A full triennial valuation was performed in 2022, and the results of which came into effect from 1 April 2023.

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

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Present value of funded obligations	(268,000)	(292,000)
Fair value of plan assets	241,000	207,000
	<u>(27,000)</u>	<u>(85,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(27,000)</u>	<u>(85,000)</u>
Net liability	<u>(27,000)</u>	<u>(85,000)</u>

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Current service cost	30,000	61,000
Net interest from net defined benefit asset/liability	3,000	4,000
Past service cost	-	-
	<u>33,000</u>	<u>65,000</u>
Actual return on plan assets	<u>4,000</u>	<u>(4,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening defined benefit obligation	292,000	408,000
Current service cost	30,000	61,000
Contributions by scheme participants	8,000	7,000
Interest cost	13,000	7,000
Actuarial losses/(gains)	(71,000)	(187,000)
Benefits paid	(4,000)	(4,000)
	<u>268,000</u>	<u>292,000</u>

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

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening fair value of scheme assets	207,000	186,000
Contributions by employer	27,000	23,000
Contributions by scheme participants	8,000	7,000
Expected return	10,000	3,000
Actuarial gains/(losses)	(6,000)	(7,000)
Benefits paid	(4,000)	(4,000)
Administration expenses	(1,000)	(1,000)
	<u>241,000</u>	<u>207,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Actuarial gains/(losses)	<u>65,000</u>	<u>180,000</u>
	<u>65,000</u>	<u>180,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Equities	176,000	151,000
Bonds - Other	6,000	6,000
Cash/liquidity	2,000	4,000
Other	37,000	29,000
Property	20,000	17,000
	<u>241,000</u>	<u>207,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.23	31.8.22
Discount rate	5.30%	4.30%
Future salary increases	4.30%	4.30%
Future pension increases	2.90%	2.90%
Inflation assumption (CPI)	2.80%	2.80%

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

**18. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	31.8.23	31.8.22
Retiring today		
Males	21.5	22.6
Females	23.8	25
Retiring in 20 years		
Males	22.8	24.1
Females	25.6	27
Sensitivity analysis		
	31.8.23	31.8.22
	£	£
Discount rate +0.1%	(5,000)	(7,000)
Discount rate -0.1%	5,000	7,000
Mortality assumption - 1 year increase	5,000	6,000
Mortality assumption - 1 year decrease	(5,000)	(6,000)
CPI rate +0.1%	5,000	6,000
CPI rate -0.1%	(5,000)	(6,000)

**19. CONTINGENT LIABILITIES**

There are no significant contingent liabilities that the Governors are aware of.

**20. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.23	31.8.22
	£	£
Within one year	1,235	415
Between one and five years	4,322	104
	<u>5,557</u>	<u>519</u>

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

**21. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust have an interest. The following related party transactions took place in the financial period.

Stretton Sugwas C of E Academy- an academy which DA Davies (Executive Head Teacher) is a Governor (and Head Teacher) from 01.09.18

- During the year expenditure of £71,022 (2022: £67,876) was paid to Stretton Sugwas C of E Academy
- The above income and expenditure related to recharges of services and expenditure all in the normal course of business
- During the year income of £1,834 (2022: £759) was received from Stretton C of E Academy
- At the year end there was £Nil owed to Stretton C of E Academy (2022: £3,917).
- In entering into the transactions the academy has complied with the requirements of the Academy Trust Handbook 2022
- The element above £2,500 has been provided 'at no more than cost'.

Canon Pyon Academy - an academy which DA Davies (Executive Head Teacher) is a Governor (and executive Head Teacher) from 01.09.21

- During the year expenditure of £Nil (2022: £Nil) was paid to Canon Pyon Academy
- During the year income of £480 (2022: £Nil) was received from Canon Pyon Academy
- At the year end, there was £480 (2022: £Nil) owed to Stretton C of E Academy.