

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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RALPH SADLEIR SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Tye M King R Fuller (resigned 31 August 2022) S Forbes (resigned 31 August 2022)
Trustees	J Tye, Chair of Trustees M King R Fuller, Head Teacher (resigned 31 August 2022) S Forbes (resigned 31 August 2022)
Company registered number	08663956
Company name	Ralph Sadleir School
Registered and principal office	Ralph Sadleir School Station Road Puckeridge Hertfordshire SG11 1TF
Accounting Officer	R Fuller (resigned 31 August 2022) S Fanthorpe (appointed 1 September 2022)
Senior Management Team	R Fuller, Headteacher & Accounting Officer (resigned 31 August 2022) S Fanthorpe, Headteacher & Accounting Officer (appointed 1 September 2022) R Brown, Deputy Headteacher Academic (resigned 31 August 2022) K Campbell, Assistant Headteacher Pastoral
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank Plc 1 Legg Street Chelmsford Essex CM1 1JS

RALPH SADLEIR SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

Constituted as a single Multi Academy Trust, the Charitable Company currently operates a middle school academy serving a catchment area in the Rib Valley region of Hertfordshire. The School had a roll of 388 in the 2022 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes Ralph Sadleir School (the School or the Academy), which converted on 1st October 2013.

The operation of the Academy and employment of staff are the responsibility of the Board of Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Resources Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of a School Local Governing Body (LGB). Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 5 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end, the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the School, meetings with pupils and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

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

Organisational Structure

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

The Board of Trustees meets on at least 4 occasions per year and its two sub-committees (Resources Committee and Curriculum and Achievement Committee) at least 3 times per year. The Board of Trustees are responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about its direction, capital expenditure and senior staff appointments.

The Governors within their local committees are responsible for monitoring performance against budget and capital spend.

The Senior Leadership Team (SLT) control their Academy at an executive level, implementing policies and reporting to the LGB. The SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility for the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the pay scales for each role, outcome of performance appraisal meetings and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards in accordance with the Trust's appointment and pay policies.

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

Trade union facility time

There is no trade union facility time to report.

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education and care for pupils of different abilities within its local community between the ages of 9 and 13.

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

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- Ensuring good teaching throughout the School;
- Continued professional development of staff.

Our success in fulfilling our aims can be measured by:

- Improved learning resource centre and SEND department for learners;
- Improved teaching and learning areas for pupils and staff; and
- Recruitment of quality staff for academic year 2022/23.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

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

Specific achievements were as follows:

- Excellent progress from pupils when reviewing the year 8 entry to exit data;
- Recruitment of future teachers through our work with Hertfordshire and Bedfordshire Universities and the implementation of student teachers; and
- Excellent results from previous students in their 2022 GCSE results. All of whom attended Freman college, who collectively were in the top 3% in the country.

Key Performance Indicators

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

- 2021/22 KPI Target: Build upon the reserves and carried forward from 2020/21 by forecasting year end position and explanations for any significant changes.

Outcome: The monthly financial management accounts report monitors expenditure and earmarked funding throughout the financial year. The report details end of year projections which aids the financial planning of the 1-3-year financial forecast plan. The carry forward at the end of each financial year supports the reserves fund. These monthly accounts are reviewed and approved by the Chair of the Board of Trustees and the Headteacher. Actual carried forward of unrestricted funds for 2020/21 was £23,336. For 2021/22, the actual carried forward is £25,592. Reserves and contingencies are monitored by the SLT, Resources Committee and Board of Trustees.

The Trustees are confident that staffing levels are closely monitored to agreed necessary Full Time Equivalents and staffing structures all approved by the Board of Trustees.

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

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

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £2,341,540 of funding and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,147,905 (excluding amounts from restricted fixed asset funds). The Academy brought forward from 20/21, £253,287 restricted funds (excluding pension deficit) and £23,336 unrestricted funds. The carry forward for 21/22 is £490,522 restricted funds (excluding pension deficit) and £25,592 unrestricted funds.

A summary of the Trust's finances can be seen below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	2,265,428	76,112	10,050	-	2,351,590
Resources Expended	(1,974,049)	(73,856)	-	-	(2,047,905)
LGPS Charge	-	-	-	(161,000)	(161,000)
Depreciation	-	-	(104,369)	-	(104,369)
Employer contributions paid	-	-	-	61,000	61,000
Total Resources Expended	(1,974,049)	(73,856)	(104,369)	(100,000)	(2,252,274)
Assets Purchased from GAG	(54,144)	-	54,144	-	-
Actuarial Gains	-	-	-	573,000	573,000
Surplus / (Deficit) for the year	237,235	2,256	(40,175)	473,000	672,316
Balance at 1 September 2021	253,287	23,336	5,256,235	(556,000)	4,976,858
Balance at 31 August 2022	490,522	25,592	5,216,060	(83,000)	5,649,174

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FOR THE YEAR ENDED 31 AUGUST 2022

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £83,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £473,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

Reserves Policy

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

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £516,114.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £25,592. The Trust ended the year with a cash balance of £1,151,627.

The Trust has been in receipt of PE and Sport Premium from the ESFA. The ESFA stipulate that this must be spent by 31 August 2022. The Trust had committed to spend this by the year end, however due to extreme weather conditions in the summer the works were delayed by the supplier and as a result the expenditure could not be recognised in these financial statements. This has left the Trust with a carried forward of £19,381 relating to the PE & Sports Premium which there is a legal commitment to spend.

Principal Risks and Uncertainties

The Trustees work with the LGB in maintaining a central risk register identifying the major risks, to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the LGB via the Resources Committee with a formal review of the process undertaken on an annual basis. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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

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

As a Multi Academy Trust operating a single School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms in the medium to longer term. Unfunded salary increases for both teaching and support coupled with the spiraling energy costs is putting a strain on budgets;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;

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TRUSTEES' REPORT (CONTINUED)
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- Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the School is also reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Trust has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan

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

Plans for Future Periods

As an Academy, Ralph Sadleir School has just completed a new improvement plan for the period 2022-2023.

This includes the following areas of focus for the School:


- To have a clear and compelling vision of the future;
- A clear scheme of delegation that sets out the responsibilities at the various levels;
- Committed to outstanding leadership;
- Driven to further improve teaching and learning;
- Dedicated to provide all pupils with the opportunity to make substantial and sustained progress;
- Continue to foster a culture which promotes growth mind-set; additional to our implementation of our new approach to restorative behaviour, which focuses on building relationships with pupils;
- Continue to use a wide range of qualitative and quantitative data;
- Improving the wellbeing of staff and pupils, including a larger team supporting the mental health lead;
- Clear systems for ensuring financial probity; and
- Continue to develop and improve upon a defined strategy for growth.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved the Board of Trustees, on
16 Dec 2022 and signed on its behalf by:



J. Tye (Dec 16, 2022, 11:53am)
Chair of Trustees

RALPH SADLEIR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Ralph Sadleir School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control. The Board met fewer than six times during the year and is satisfied that through the use of sub-committees it maintains effective oversight of funds.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
J Tye, Chair of Trustees	5	5
M King	5	5
R Fuller, Head Teacher	5	5
S Forbes	5	5

Review of year:

During the academic year there were no changes within the composition of the Board of Trustees. The Board maintained responsibility for the strategic direction of the School.

Like many Schools and institutions, the academic year ending 31st August 2022 had some difficulties as the country continued to move forwards from the global pandemic. Students returned having completed differing amounts of home learning in the Spring term of 2021 and with different emotional needs.

In addition to the impact of the pandemic, the School operated without a Business Manager from early in the summer term through to the start of the next academic year, with many of the responsibilities falling to Senior Leadership and Governors.

Conflicts of Interest:

The Trust maintain a detailed register of interests which is updated annually. Despite being a Multi Academy Trust they are a single entity School so do not have any related parties, subsidiaries, joint ventures or associates.

Governance reviews:

The Board of Trustees has formally met five times during the year but they are satisfied that through the use of Sub Committees it maintains effective oversight.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board of Trustees employed the services of Juniper Education to complete two internal audit visits during the course of academic year 2021/22. Part of this review included looking at the Special Needs provision within the School and identifying any areas of weakness. Without a Business Manager at School for most of the summer term, Senior Leadership were aware that some areas may have slipped in their control environment, but they also saw it as an opportunity to improve on some outdated processes and procedures.

Within the area of financial governance, it was identified that the School's risk register was not up to date and should be a priority for the next academic year. The Trustees have taken this on board and collaborated with other similar sized Schools to obtain examples of their own risk register. From this, the Resources Committee have created a new, more dynamic version of the risk register which shows in great detail any areas that could be an area of weakness within the School and the relevant prevent and detection controls in place to ensure there is no financial risk. This register will be reviewed and approved by the Resources Committee in the spring term and will then later be passed on to the Board of Trustees.

In addition to this area, the Board of Trustees have updated policies including the schedule of financial delegation, the whistleblowing policy and bank mandates in line with Juniper recommendations.

The Board of Trustees have worked with Senior Leadership to refresh the Business Continuity Plan and provide a more detailed approach to any potential risks within the School.

The only area which remains an area of risk is the lack of cashflow forecast produced by the School. Given the size of the School and the reduced number of transactions, alongside the significant cash balance in the accounts, the Board have evaluated this risk as minimal.

Juniper have been appointed to complete another review in academic year 2022/23 and will complete visits in both the Spring and Summer term.

Committees

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the organisation's assets, review and propose the annual budget, monitor regular financial reports and review financial procedures. It also has delegated authority to liaise with the Auditors without prior reference to the Board.

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

- Capital spend and consideration of expansion for four entry.
- Amending the School Business Continuity Plan.
- Profitability of the catering contract.
- Review of potential section 106 money.

During the year there were no changes to the Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Tye	4	4
M King	4	4
R Brown	4	4
R Fuller	4	4

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the 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 achieved in return for the taxpayer resources received.

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 purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ralph Sadleir School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

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

The risk and control framework

The 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 periodic financial reports which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- identification and management of risks.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Internal Scrutiny/Audit

The Board of Trustees has decided to buy in the services of Juniper Education for the role of Internal Auditor. This option has been chosen because of the expertise they can deliver and the breadth of service that they can provide to the School.

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

- Payroll
- Website
- SEND

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

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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 Auditor;
- the school resource management self-assessment tool;
- the work of the external Auditors.

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

Approved by the Board of Trustees on 16 Dec 2022

and signed on their behalf by:



J Tye (Dec 16, 2022, 11:53am)

J Tye

Chair of Trustees



S Fanthorpe (Dec 19, 2022, 8:39pm)

S Fanthorpe

Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ralph Sadleir School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place 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 2021.

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

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

S.P. Fanthorpe

S Fanthorpe (Dec 19, 2022, 8:39pm)

S Fanthorpe
Accounting Officer

Date: 19 Dec 2022

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

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

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

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


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

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

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

Approved by the Board of Trustees on 16 Dec 2022
on its behalf by:

and signed



J Tye (Dec 16, 2022, 11:53am)
Chair of Trustees

RALPH SADLEIR SCHOOL
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustees with respect to going concern are described in the relevant sections of this Report.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH
SADLEIR SCHOOL (CONTINUED)**

Use of our Report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

20 December 2022

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ralph Sadleir School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ralph Sadleir School's Accounting Officer and the Reporting Accountant

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

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

Approach

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Reporting Accountant
Price Bailey LLP

Date: 20 December 2022

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	3,568	35,472	10,050	49,090	23,569
Other trading activities	5	3,422	-	-	3,422	1,372
Investments	6	68	-	-	68	48
Charitable activities	4	69,054	2,229,956	-	2,299,010	2,279,807
Total income		76,112	2,265,428	10,050	2,351,590	2,304,796
Expenditure on:						
Charitable activities	7	73,856	2,074,049	104,369	2,252,274	2,149,649
Total expenditure		73,856	2,074,049	104,369	2,252,274	2,149,649
Net income / (expenditure)		2,256	191,379	(94,319)	99,316	155,147
Transfers between funds	17	-	(54,144)	54,144	-	-
Net movement in funds before other recognised gains/(losses)		2,256	137,235	(40,175)	99,316	155,147
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	573,000	-	573,000	(108,000)
Net movement in funds		2,256	710,235	(40,175)	672,316	47,147
Reconciliation of funds:						
Total funds brought forward		23,336	(302,713)	5,256,235	4,976,858	4,929,711
Net movement in funds		2,256	710,235	(40,175)	672,316	47,147
Total funds carried forward		25,592	407,522	5,216,060	5,649,174	4,976,858

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


The notes on pages 23 to 46 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08663956

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	5,209,953	5,245,456
Current assets			
Debtors	14	105,099	59,944
Cash at bank and in hand		1,151,627	471,372
		<u>1,256,726</u>	<u>531,316</u>
Creditors: falling due within one year	15	(733,708)	(241,523)
Net current assets		<u>523,018</u>	<u>289,793</u>
Total assets less current liabilities		<u>5,732,971</u>	<u>5,535,249</u>
Creditors: amounts falling due after more than one year	16	(797)	(2,391)
Net assets excluding pension liability		<u>5,732,174</u>	<u>5,532,858</u>
Defined benefit pension scheme liability	24	(83,000)	(556,000)
Total net assets		<u><u>5,649,174</u></u>	<u><u>4,976,858</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	5,216,060	5,256,235
Restricted income funds	17	490,522	253,287
Pension reserve	17	(83,000)	(556,000)
Total restricted funds	17	<u>5,623,582</u>	<u>4,953,522</u>
Unrestricted income funds	17	<u>25,592</u>	<u>23,336</u>
Total funds		<u><u>5,649,174</u></u>	<u><u>4,976,858</u></u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue on 16 Dec 2022 and are signed on their behalf, by:


 J Tye (Dec 16, 2022, 11:53am)
 Chair of Trustees

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	740,597	362,485
Cash flows from investing activities	20	(60,342)	(112,549)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		680,255	249,936
Cash and cash equivalents at the beginning of the year		471,372	221,436
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	21, 22	<u>1,151,627</u>	<u>471,372</u>

The notes on pages 23 to 46 form part of these financial statements

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Ralph Sadleir School meets the definition of a public benefit entity under FRS 102.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.3 Company status

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

The registered office is Ralph Sadleir School, Station Road, Puckeridge, Hertfordshire, SH11 1TF.

1.4 Fund accounting

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Income

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

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

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

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

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

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

1.6 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.

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Government grants

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Interest receivable

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

1.9 Taxation

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

1.10 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold land	- 125 years
Leasehold buildings	- 35 - 50 years
Furniture and equipment	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 10 years

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

1.11 Debtors

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Cash at bank and in hand

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

1.13 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1.15 Operating leases

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 Pensions

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	3,568	35,472	-	39,040	13,860
Capital grants	-	-	10,050	10,050	9,709
Total 2022	<u>3,568</u>	<u>35,472</u>	<u>10,050</u>	<u>49,090</u>	<u>23,569</u>
Total 2021	<u>2,250</u>	<u>3,610</u>	<u>17,709</u>	<u>23,569</u>	

In 2021, donations were £13,860 consisting of £2,250 unrestricted donations, £3,610 restricted donations and £8,000 restricted fixed asset donations.

In 2021, all capital grants related to restricted fixed asset funds.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Provision of Education				
DfE / ESFA grants				
General Annual Grant (GAG)	-	2,015,227	2,015,227	1,744,200
Other DfE/ESFA grants				
Pupil Premium	-	80,426	80,426	74,017
Rates Relief	-	7,782	7,782	3,243
Supplementary Grant	-	24,442	24,442	5,924
PE and Sport Premium	-	17,980	17,980	18,030
Other ESFA grants	-	24,821	24,821	-
Teachers Pay Grant	-	-	-	25,164
Teachers Pension Grant	-	-	-	71,102
	-	2,170,678	2,170,678	1,941,680
Other Government grants				
Local Authority grants	-	46,473	46,473	217,592
Other income from the Academy Trust's educational operations	69,054	-	69,054	62,695
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	34,320
Mass Testing	-	12,805	12,805	23,520
	-	12,805	12,805	57,840
Total Provision of Education	69,054	2,229,956	2,299,010	2,279,807
	69,054	2,229,956	2,299,010	2,279,807
Total 2021 as restated	62,695	2,217,112	2,279,807	

In 2021, DfE/ESFA grants, COVID-19 additional funding and other Government grants were entirely restricted and other income from the Academy's educational operations which relates to catering income was entirely unrestricted.

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

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings income	1,350	1,350	1,350
Other income	2,072	2,072	22
Total 2022	3,422	3,422	1,372
Total 2021	1,372	1,372	

In 2021, lettings and other income was entirely unrestricted.

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	68	68	48
Total 2021	48	48	

In 2021, investment income was entirely unrestricted.

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of Education:					
Direct costs	1,221,935	-	78,827	1,300,762	1,277,445
Support costs	478,967	211,335	261,210	951,512	872,204
Total 2022	1,700,902	211,335	340,037	2,252,274	2,149,649
Total 2021	1,639,980	235,953	273,716	2,149,649	

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7. Expenditure (continued)

In 2022, of total expenditure, £73,856 (2021: £70,500) was to unrestricted funds, £2,074,049 (2021: £1,979,662) was to restricted funds and £104,369 (2021: £99,487) was to restricted fixed asset funds.

In 2021, direct expenditure consisted of £1,224,831 staff costs and £52,614 other costs.

In 2021, support expenditure consisted of £415,149 staff costs, £235,953 premises costs and £221,102 other costs.

8. Charitable activities

	2022 £	2021 £
Direct costs	1,300,762	1,277,445
Support costs	951,512	872,204
	<u>2,252,274</u>	<u>2,149,649</u>
	2022 £	2021 £
Analysis of support costs		
Support staff costs	478,967	415,149
Depreciation	104,369	99,487
Technology costs	32,603	20,749
Premises costs	106,966	137,399
Governance costs	17,300	16,945
Other support costs	210,827	182,225
Legal costs	480	250
	<u>951,512</u>	<u>872,204</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	15,160	10,640
Depreciation of tangible fixed assets	104,369	99,487
Fees paid to Auditors for:		
- audit	7,320	5,580
- other services	7,100	5,125
	<u>7,100</u>	<u>5,125</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,195,937	1,137,381
Social security costs	111,982	109,032
Pension costs	358,941	324,907
	<u>1,666,860</u>	<u>1,571,320</u>
Agency supply costs	34,042	28,918
Staff restructuring costs	-	39,742
	<u><u>1,700,902</u></u>	<u><u>1,639,980</u></u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	<u>-</u>	<u>39,742</u>

b. Special staff severance payments

Termination payment totalling £Nil (2021: £39,742) was paid to one staff member during the 2021 financial year after obtaining legal advice.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	21	20
Administration and support	22	25
Management	3	3
Total	46	48

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £70,001 - £80,000	1	1

The employee also participated in the Teacher's Pension Scheme. During the year ended 31 August 2021, pension contributions for this staff member amounted to £17,029 (2021: £16,624).

e. Key management personnel

The key management personnel of the Academy 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 was £239,162 (2021: £343,584).

Included in the above are employer pension contributions of £41,675 (2021: £52,909) and employer national insurance contributions of £21,357 (2021: £27,334).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

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

		2022 £	2021 £
R Fuller, Head Teacher	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2022, expenses totalling £552 were reimbursed or paid directly to 2 Trustees (2021 - £113 paid directly to 3 Trustee).

12. Trustees' and Officers' insurance

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

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	5,890,095	60,976	45,883	23,537	6,020,491
Additions	6,683	9,461	52,722	-	68,866
At 31 August 2022	<u>5,896,778</u>	<u>70,437</u>	<u>98,605</u>	<u>23,537</u>	<u>6,089,357</u>
Depreciation					
At 1 September 2021	692,564	41,062	28,856	12,553	775,035
Charge for the year	92,281	5,297	4,437	2,354	104,369
At 31 August 2022	<u>784,845</u>	<u>46,359</u>	<u>33,293</u>	<u>14,907</u>	<u>879,404</u>
Net book value					
At 31 August 2022	<u>5,111,933</u>	<u>24,078</u>	<u>65,312</u>	<u>8,630</u>	<u>5,209,953</u>
At 31 August 2021	<u>5,197,531</u>	<u>19,914</u>	<u>17,027</u>	<u>10,984</u>	<u>5,245,456</u>

14. Debtors

	2022 £	2021 £
Due within one year		
VAT repayable	28,991	43,769
Prepayments and accrued income	76,108	16,175
	<u>105,099</u>	<u>59,944</u>

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,083	159,209
Other taxation and social security	26,959	24,836
Other creditors	33,370	33,630
Accruals and deferred income	666,296	23,848
	<u>733,708</u>	<u>241,523</u>
	2022 £	2021 £
Deferred income brought forward	4,540	527
Resources deferred during the year	617,631	4,540
Amounts released from previous periods	(4,540)	(527)
Deferred income carried forward	<u>617,631</u>	<u>4,540</u>

Deferred income relates to LA Capital Grant and Trip income received in advance.

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

	2022 £	2021 £
Other creditors (Salix loan)	<u>797</u>	<u>2,391</u>

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	23,336	76,112	(73,856)	-	-	25,592
Restricted general funds						
GAG	47,488	2,015,227	(1,775,093)	-	-	287,622
Other DfE / ESFA grants	130,441	168,256	(117,011)	(54,144)	-	127,542
Other Government grants	75,358	46,473	(46,473)	-	-	75,358
Restricted donations	-	35,472	(35,472)	-	-	-
Pension reserve	(556,000)	-	(100,000)	-	573,000	(83,000)
	<u>(302,713)</u>	<u>2,265,428</u>	<u>(2,074,049)</u>	<u>(54,144)</u>	<u>573,000</u>	<u>407,522</u>
Restricted fixed asset funds						
DFC	10,779	10,050	-	(14,722)	-	6,107
Restricted fixed asset fund	5,245,456	-	(104,369)	68,866	-	5,209,953
	<u>5,256,235</u>	<u>10,050</u>	<u>(104,369)</u>	<u>54,144</u>	<u>-</u>	<u>5,216,060</u>
Total Restricted funds	<u>4,953,522</u>	<u>2,275,478</u>	<u>(2,178,418)</u>	<u>-</u>	<u>573,000</u>	<u>5,623,582</u>
Total funds	<u><u>4,976,858</u></u>	<u><u>2,351,590</u></u>	<u><u>(2,252,274)</u></u>	<u><u>-</u></u>	<u><u>573,000</u></u>	<u><u>5,649,174</u></u>

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

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

General Annual Grant (GAG)

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

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 31 August 2022.

Other DfE and ESFA grants

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

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the School.

Restricted donations

This represents donations received in the year for specific purposes.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a state controlled school.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC)

This represents funding from the DfE for capital projects.

Unrestricted funds

This represents income received that does not have restrictions and may be used towards meeting any of the charitable objectives of the Academy.

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	27,471	66,365	(70,500)	-	-	23,336
Restricted general funds						
GAG	-	1,744,200	(1,696,712)	-	-	47,488
Other DfE / ESFA grants	62,360	255,320	(187,239)	-	-	130,441
Other Government grants	-	217,592	(27,101)	(115,133)	-	75,358
Restricted donations	-	3,610	(3,610)	-	-	-
Pension reserve	(383,000)	-	(65,000)	-	(108,000)	(556,000)
	<u>(320,640)</u>	<u>2,220,722</u>	<u>(1,979,662)</u>	<u>(115,133)</u>	<u>(108,000)</u>	<u>(302,713)</u>
Restricted fixed asset funds						
DFC	5,055	9,709	-	(3,985)	-	10,779
Restricted fixed asset fund	5,217,825	8,000	(99,487)	119,118	-	5,245,456
	<u>5,222,880</u>	<u>17,709</u>	<u>(99,487)</u>	<u>115,133</u>	<u>-</u>	<u>5,256,235</u>
Total Restricted funds	<u>4,902,240</u>	<u>2,238,431</u>	<u>(2,079,149)</u>	<u>-</u>	<u>(108,000)</u>	<u>4,953,522</u>
Total funds	<u>4,929,711</u>	<u>2,304,796</u>	<u>(2,149,649)</u>	<u>-</u>	<u>(108,000)</u>	<u>4,976,858</u>

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

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,209,953	5,209,953
Current assets	30,191	650,125	576,410	1,256,726
Creditors due within one year	(4,599)	(159,603)	(569,506)	(733,708)
Creditors due in more than one year	-	-	(797)	(797)
Provisions for liabilities and charges	-	(83,000)	-	(83,000)
Total	25,592	407,522	5,216,060	5,649,174

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	5,245,456	5,245,456
Current assets	23,336	497,201	10,779	531,316
Creditors due within one year	-	(241,523)	-	(241,523)
Creditors due in more than one year	-	(2,391)	-	(2,391)
Provisions for liabilities and charges	-	(556,000)	-	(556,000)
Total	23,336	(302,713)	5,256,235	4,976,858

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	99,316	155,147
Adjustments for:		
Depreciation	104,369	99,487
Capital grants from DfE and other capital income	(10,050)	(9,709)
Interest receivable	(68)	(48)
Increase in debtors	(45,155)	(2,410)
Increase in creditors	492,185	63,018
Pension adjustment	100,000	65,000
Donated assets	-	(8,000)
Net cash provided by operating activities	740,597	362,485

20. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	68	48
Purchase of tangible fixed assets	(68,866)	(119,118)
Capital grants from DfE	10,050	9,709
Repayments of borrowings	(1,594)	(3,188)
Net cash used in investing activities	(60,342)	(112,549)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,151,627	471,372

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

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	471,372	680,255	1,151,627
	<u>471,372</u>	<u>680,255</u>	<u>1,151,627</u>

23. Contingent liabilities

The Trust has been in receipt of PE and Sport Premium from the ESFA. The ESFA stipulate that this must be spent by 31 August 2022. The Trust had committed to spend this by the year end, however due to extreme weather conditions in the summer the works were delayed by the supplier and as a result the expenditure could not be recognised in these financial statements. This has left the Trust with a carried forward of £19,381 relating to the PE & Sports Premium which there is a legal commitment to spend. The expenditure has been recognised in the 2022/23 Financial Year and has now been fully spent however whilst it is deemed unlikely, it is uncertain whether the ESFA would seek to clawback carried forward balance.

24. Pension commitments

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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £31,187 were payable to the schemes at 31 August 2022 (2021 - £29,902) and are included within creditors.

Teachers' Pension Scheme

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

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £209,454 (2021 - £210,746).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 2022 was £76,000 (2021 - £70,000), of which employer's contributions totalled £61,000 (2021 - £56,000) and employees' contributions totalled £15,000 (2021 - £14,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 6.8 per cent for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	3.20	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.20	2.90

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

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

	2022 Years	2021 Years
Retiring today		
Males	21.9	22.1
Females	24.4	24.5
Retiring in 20 years		
Males	22.9	23.2
Females	26.0	26.2

Sensitivity analysis

As at the 31 August 2021, the Academy has a pension liability of £83,000 (2021 - £556,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

	2022 £	2021 £
Discount rate +0.1%	(18,000)	(28,000)
Discount rate -0.1%	18,000	28,000
Mortality assumption - 1 year increase	(36,000)	55,000
Mortality assumption - 1 year decrease	36,000	(55,000)
CPI rate +0.1%	18,000	28,000
CPI rate -0.1%	(18,000)	(28,000)

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

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	415,000	433,000
Corporate bonds	191,000	237,000
Property	124,000	90,000
Cash and other liquid assets	99,000	57,000
Total market value of assets	829,000	817,000

The actual return on scheme assets was £-54,000 (2021 - £91,000).

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

	2022 £	2021 £
Current service cost	151,000	114,000
Interest income	(14,000)	(12,000)
Interest cost	24,000	19,000
Total amount recognised in the Statement of Financial Activities	141,000	107,000

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

	2022 £	2021 £
At 1 September	1,373,000	1,048,000
Interest cost	24,000	19,000
Employee contributions	15,000	14,000
Actuarial (gains)/losses	(641,000)	187,000
Benefits paid	(10,000)	(9,000)
Current service costs	151,000	114,000
At 31 August	912,000	1,373,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	817,000	665,000
Interest income	14,000	12,000
Actuarial (losses)/gains	(68,000)	79,000
Employer contributions	61,000	56,000
Employee contributions	15,000	14,000
Benefits paid	(10,000)	(9,000)
At 31 August	<u>829,000</u>	<u>817,000</u>

25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	15,160	25,800
Later than 1 year and not later than 5 years	30,320	45,480
	<u>45,480</u>	<u>71,280</u>

26. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while 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 cease to be a Member.

27. Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

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