

Companies House



Southwark Diocesan  
**Board of Education  
Multi-Academy Trust**  
Developing Church of England Education

## **SDBE Multi-Academy Trust**

### **Annual Report and Financial Statements**

Year ended 31 August 2023

Company Limited by Guarantee  
Registration Number  
10385920 (England and Wales)

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## Reference and administrative information

<b>Members</b>	The Right Reverend C Chessun, the Bishop of Southwark
	The Right Reverend Bishop R Mallett, the Bishop of Croydon
	Ms R Martin
<b>Trustees</b>	Mr M J Ball (resigned 10 January 2023)
	Mrs T Brady (appointed 13 June 2023)
	Mrs R M Cordner
	The Venerable A M Cutting (resigned 15 September 2022)
	Mr A E Demby
	Ms L Frame
	Mrs J Heffernan
	Ms P Longman (appointed 21 September 2023)
	Mr C G Powell
	The Venerable J Sedgwick (appointed 1 November 2022))
	Dr C M H Stibe-Hickson
	Mrs N I Udom
	Mr P T Wylie (resigned 23 February 2023)
<b>Committee Chairs</b>	<b>Trust Board</b>
	The Venerable J Sedgwick (Chair)
	Dr C M H Stibe Hickson (Vice Chair)
	<b>Performance &amp; Standards</b>
	Dr C M H Stibe Hickson
	<b>Finance &amp; Resources</b>
	Mr A E Demby
<b>Company Secretary</b>	<b>Audit &amp; Risk</b>
	Mrs N I Udom
	Mrs J Heffernan, CEO
<b>Senior Management Team</b>	Mrs J Heffernan, CEO
	Mr M Burnett, Chief Operating Officer, Deputy CEO and Interim Head of Finance
	Ms F Fasokun, Head of Finance (resigned 31 August 2023)

## Reference and administrative information

<b>Registered office</b>	48 Union Street London SE1 1TD
<b>Company registration number</b>	10385920 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc Villiers House 48-49 The Strand London WC2N 5LL
<b>Solicitors</b>	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

## Trustees' report Year to 31 August 2023

The Trustees of SDBE Multi-Academy Trust ('the Trust'), who are also Trustees of the charitable company for the purposes of charity law, present their statutory report and the audited financial statements for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' Report and Directors' Report under company law.

The Trust was incorporated on 20 September 2016 and serves to provide excellent education through which Christianity may be understood and lived. Our Trust is an offer to schools in the Diocese and its growth depends on the number of schools that wish to join our academy family.

Currently, eleven primary schools and one secondary school from across the Diocese have joined the Trust from seven local authorities, educating over 3,500 children. All twelve schools converted during the last six years. Of our twelve schools, three are sponsored academies and joined the Trust with an inadequate rating from Ofsted. There are a number of schools considering joining the Trust within the next twelve months. On 31 August 2023, Archbishop Tenison School, our secondary school, was closed.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Southwark Diocesan Board of Education Multi-Academy Trust (SDBE Multi-Academy Trust) is a charitable company limited by guarantee and an exempt charity. The Trust's sponsor is the Southwark Diocese.

The charitable company's memorandum and articles of association are the primary governing documents of the Trust, with a scheme of delegation defining the responsibilities of each Academy and its Local Governing Body. The Trustees of the SDBE MAT are also the directors of the charitable company for the purpose of company law. The charitable company is known as the SDBE Multi-Academy Trust.

The principal object of the Trust is:

*To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum, and which shall include:*

- ♦ *Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education.*

## Trustees' report Year to 31 August 2023

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Constitution (continued)

The accounts for the 2022/23 financial year include the following schools:

Academy	Local Authority
St Michael's CofE Primary	Bexley
St Leonard's CofE Primary	Lambeth
St Luke's CofE Primary	Lambeth
Christ Church CofE Primary	Lambeth
Archbishop Tenison's School	Lambeth
St George's CofE Primary	Lewisham
St Paul's CofE Primary	Southwark
St Matthew's CofE Primary	Surrey
St Stephen's CofE Primary	Surrey
All Saints Carshalton CofE Primary	Sutton
The Minster Nursery & Infant School	Croydon
The Minster Junior School	Croydon

#### Members' liability

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

#### Trustees' indemnities

Trustees' indemnity insurance for the financial year was provided by the ESFA's RPA scheme.

#### Method of recruitment, appointment or election of Trustees

The Members of the Trust appoint the Trustees. The Members comprise a nominee of the Southwark Diocesan Board of Education, a nominee of the Diocesan Board of Finance, and The Bishop of Southwark or his nominee; this is in order to uphold the company's charitable object, '...to advance, for the public benefit, education... by establishing Church of England schools...and other schools, whether or not designated as having a religious character'.

Under the Articles, the Members appoint as Directors two members of the Southwark Diocesan Board of Education, an Archdeacon, and a senior post holder of the Southwark Diocesan Board of Education who is employed by the Diocesan Board of Education and who is nominated by the Director of Education of the Diocesan Board of Education. In addition, having regard to any recommendations and views of the Members, Directors are appointed in order that amongst them, they have an appropriate range of skills and experience, and due attention is given to succession planning. Among these Directors are two headteachers of diocesan schools, people with relevant commercial experience, and people with other experience of education.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Policies and procedures adopted for the induction and training of Trustees**

Training and induction are tailored to new Trustees appropriate to their requirements and previous experience. The Trustees have delegated the day-to-day management of the Company to the Chief Executive Officer (CEO) who in turn delegates the management of the Company to the Chief Operating Officer (COO). The COO provides the Trustees with access to policies, procedures, minutes, budgets, accounts and other relevant plans and documents that they need to fulfil their role as Trustees.

**Organisational structure**

The Chief Executive Officer delegates the day-to-day running of the Trust to the Chief Operating Officer (COO). The CEO and COO meet on a regular basis to monitor the development of the Trust and ensure that appropriate systems and processes are in place to facilitate the running of our schools. The Chief Executive Officer is the Accounting Officer for the Company. The Board of Trustees delegates the oversight of individual schools within the Trust to their respective Local Governing Bodies.

The Trustees maintain sufficient oversight of the Trust's operations through the Finance & Resources, Audit & Risk and Performance & Standards Committee, which are sub-committees of the Trust Board. The purpose of these sub-committees is to assist the decision-making of the full Board of Trustees by enabling more detailed consideration in each of these respective areas. The Committees draw any matters of significance or concern to the attention of the full Board of Trustees.

**Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the Trust responsible for directing and controlling the Academy comprise the Trustees together with the Senior Management Team as shown on page 1.

The Chief Executive and the Chief Operating Officer's performance is managed by the Trust's Executive Performance & Group Remuneration Committee (EPGRC).

The level of pay for the Executive is set by the committee.

Remuneration rates for all key management personnel is determined with reference to sector averages prior to the role being advertised. Any changes to rates of remuneration are made after reviewing the sector average rates for the relevant position and after considering the individual member of staff's performance.

**Trade Union Facilities Time**

The Trust did not employ any relevant trade union officials during the year.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**UK greenhouse gas emissions and energy use data**

	2022/23	2022/23	2021/22	2021/22
<b>Energy consumption used to calculate emissions (kWh)</b>				
Gas (kWh)	2,157,797		2,581,325	
Electricity (kWh)	1,028,439		886,851	
Transport fuel (kWh)	21,448		16,679	
<b>Total</b>		<b>3,207,684</b>		<b>3,484,855</b>
<b>Scope 1 emissions (metric tonnes of CO<sub>2</sub>)</b>				
Gas		394		470
<b>Scope 2 emissions (metric tonnes of CO<sub>2</sub>)</b>				
Purchased electricity		213		171
<b>Scope 3 emissions (metric tonnes of CO<sub>2</sub>)</b>				
Business travel in employee-owned vehicles		6		5
<b>Total gross emissions (metric tonnes of CO<sub>2</sub>)</b>		<b>613</b>		<b>646</b>
<b>Average pupil numbers</b>		<b>3,159</b>		<b>2,897</b>
<b>Intensity ratio: Tonnes of CO<sub>2</sub> per pupil per annum</b>		<b>0.2</b>		<b>0.2</b>

**Quantification and reporting methodology**

We have followed the 2023 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

**Measures taken to improve energy efficiency**

We have increased video conferencing technology for staff meetings reducing the need for travel between sites. We have, as part of the Capital Improvement Fund, looked to prioritise projects where we can reduce energy consumption across the Trust, including new roofs, windows and boilers. We are also progressing with an ambitious project to replace all lighting across the Trust with LED fittings, saving an estimated 49 tonnes of CO<sub>2</sub>e per annum.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Related parties and other connected charities and organisations**

The Trust is sponsored by the Southwark Diocesan Board of Education (SDBE). In order to protect the Christian values and ethos of our member academies, the Trust procures the following services from the SDBE:

#### **1. SDBE Partnership Agreement**

The SDBE Partnership Agreement is offered to all schools within the Diocese. It is the fundamental educational and operational offering to schools that are part of the Southwark Diocese. The agreement includes an entitlement to attend all training run by the Diocese as well as access to Governor support, a range of services and educational briefings.

All schools have built relationships with the team at the SDBE during their time as a Voluntary Aided school and value the service provided. To ensure a continuation of this relationship and support in those areas where the Trust has yet to develop, local governing bodies may opt to procure this service.

The SDBE's ability to offer the services at such a competitive cost is a result of the number of schools within the Diocese buying into the service in their own right. For the Trust to consider offering a mirrored service of our own, we would need a significant number of schools within the Trust to make it a viable and cost-effective option.

#### **2. Serviced offices**

The Trust procured serviced office space from the SDBE at a cost of c.£500 per employee, per month. This rate was competitive with other serviced offices in the area during the Trust's last review in the 2020/21 financial year.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The SDBE Multi-Academy Trust was established to provide security for schools within the Diocese wishing to become academies. The Trust is a single, not-for-profit organisation, with public accountability and close alignment to its sponsor, the Southwark Diocesan Board of Education. As a Trust, we share a common vision and mission and collective responsibility to lead our schools rooted in Christian values.

### **Our Vision**

*Creating inspiring learning communities, where all can grow and flourish, rooted in God's love, bearing fruit abundantly.*

When you draft an annual report, a useful starting point is to consider what it is you are trying to achieve and to what extent you were able to achieve it. Over this year, we think we have seen the key themes of our vision lived out in all corners of our Diocesan Trust. It has been a year of great achievement for us. We have seen strong educational outcomes, strong Ofsted and SIAMS inspections, improving and sustaining financial positions, and ever fruitful relationships between our schools and their staff helping our children flourish in new and exciting ways.

**OBJECTIVES AND ACTIVITIES (continued)**

**Our Vision (continued)**

We look forward to telling you more throughout this publication.

**Creating inspiring learning communities...**

We work hard to create and maintain conducive learning environments where our children and staff feel valued and want to be there, enjoying all they experience.

Over this last year we have really developed the networks and relations that exist between our schools, celebrating their uniqueness, and sharing all the best practice that we see across the Trust.

With our teaching staff, subject leaders, senior leaders, and our business leaders regularly working, meeting, and thinking together, we are really seeing and feeling the power of our collective minds as a driver of continuous improvement. Opportunities and challenges are discussed, considered, and acted on, often as a group, and this is making our work more joined-up, more efficient and more fruitful.

These networks and relationships aren't enough on their own, they need to be supplemented by great facilities, high-quality resources, and inspiring spaces to help bring learning alive.

Our capital investments across the estate and our prudent financial planning have meant that many of our schools have benefitted from works that will improve the quality of their learning environments. This work, supported by partnerships with our recognised marketing agencies and initiatives such as our Art Leaders network, have meant that many of our schools are also making gradual changes inside their schools to make their learning spaces even more remarkable and conducive to learning. To have resident Art specialists within the Trust is just one of many examples where we collectively think bigger.

And of course, we continue to consider ways in which we, as a Trust, can play our part in sustaining and renewing the life of the earth. During this year we committed to delivering an ambitious and eco-friendly project to replace all non-LED lighting across our estate, helping us better safeguard creation and reduce costs. Steps like this are helping us contribute to the work of our Eco-Diocese.

**Where all can grow and flourish...**

This is what we are called to do as a Trust, and we do not stop at our children – we take the word "all" literally and consider our staff, our schools, and the communities they serve in our work.

It starts at the beginning of schooling with our nurseries. We think nurseries are an essential and obvious way of growing faith in line with the Church of England's ambition double the number of children and young active disciples by 2030. We decided in 2022 when we set our 5-year strategic plan that we wanted all Trust primary schools to have a nursery as part of their offer to their community. We are thrilled to share that of our last 3 schools without nurseries, 2 will be opening in September 2023 and the last is planned for 2024.

**OBJECTIVES AND ACTIVITIES** (continued)

**Where all can grow and flourish...** (continued)

Across our schools over this last year, we have really focused on key areas where there are common needs across our schools – areas such as writing and music. By recruiting and commissioning specialists to work across our schools, we have started to tackle areas of vulnerability and/or disadvantage as a group and push up our collective baselines. We know our schools serve totally different demographics, but that need not be a barrier – indeed, we are seeing it as a strength. These are some of the many ways in which we are really working and thinking hard about how we really ensure all flourish, regardless of their story.

We have also thought long and hard about our people over this last year knowing there are challenges in the sector and our staff see and feel this daily. We wanted to do more as a large and growing employer to ensure they feel valued and supported in their roles. The launch of our new Employee Rewards Scheme #ForYou was a big moment for us and played a big part of our response. It has been great to read and hear the feedback from our work in this space.

Our schools truly are hubs within their communities and work restlessly to remain so. Their outward facing work and support to charities, food banks and good causes helps them continue God's work far beyond their school gates. During the Winter, several Trust leaders slept out in the grounds of Southwark Cathedral to raise money for one of the Diocese's charities, The Robes Project. We were delighted to raise £6,000 to help provide shelter for those that are homeless across the Diocese.

**Rooted in God's love...**

To us, being rooted in God's love is to be strengthened in ourselves and to work in relationship and fellowship with one another.

We are unapologetic about the effort and steps we take to ensure we are, and remain, a relational Trust. We have seen terrific success over the years since inception and the recurring theme is that we all know each other well and are deliberate in getting to do so. It's been a key line in the many Ofsted and SIAMS feedback we have had over this last 18 months.

Like many organisations, over this year there have been many instances of grief and sadness across our family of schools and those who serve in them. They have been held in regular thought and prayer and supported in unique and bespoke ways. We think it is important to 'be there' for our people – they are special to us.

During this year, we took the very difficult decision to close one of our schools, Archbishop Tenison's, Lambeth. As a result of pupil numbers falling sharply across inner-London, particularly in Lambeth, we were simply no longer able to provide the quality of education our pupils deserved with the rapidly reducing income we were receiving. Closure was a last resort for us, and we considered all options to avoid it. The process was challenging and unsettling for all, especially our staff and pupils, but all worked as hard as they could to make the arrangements as smooth as possible.

We have seen the framework of the Trust scaffold individuals, schools, and the communities we serve in action this year, more so than in previous years. We are strengthened because we live in fellowship with one another. It is the out-working of God's love in action.

## Trustees' report Year to 31 August 2023

### OBJECTIVES AND ACTIVITIES (continued)

#### Bearing fruit abundantly...

We want excellent schools that equip all those who pass through them with knowledge and skills for life, each rooted in God's love.

We think the conditions we are creating, nurturing, and developing are helping us ensure more and more of our children are better prepared for life.

This year, our collective Key Stage 2 results were the highest they have been since Covid – up 11% on last year, and 8% above at combined against National Averages. We have had another 3 Ofsted inspections this year, with all 3 of those schools judged to be Good or better. This is on top of the 6 inspections we had last year, where they too all achieved a Good or better judgement.

We have also had another SIAMS inspection within the Trust where the school received an Excellent judgement. The reports introductory line perfectly captures what we are striving to achieve across our Trust: "Lives are transformed at this excellent school. Leaders are unfailingly committed to the flourishing of pupils, adults, and the wider community."

Our financial performance is also holding strong. 80% of schools hold at least 5% of their core income in reserves, this despite falling pupil numbers in almost all schools. Our collective reserves have acted as ballast helping us to weather financial shocks such as energy cost increases, inflation, and unfunded pay awards with fairly limited impact this year.

The steady financial hand we rest on our school's shoulders helps them approach the future with greater confidence and able to focus on their core purpose –teaching and learning, knowing we are keeping an eye on their financial positions and will guide them along the way.

In summary, our approach as a Trust mirrors that of our Diocese; to Walk, Welcome and Grow. We live this out through our conversations and interactions with each other. We collectively see our path as a journey and enjoy walking together and growing along our way.

Our journey this year has not been an easy one, but in the main, has been a successful one. Our collective spirit has sustained us and fills us with hope and excitement for the year ahead.

#### A SUMMARY OF OUR YEAR

*This year we have continued to walk alongside our schools on their unique and distinctively Christian journey in pursuit of our organisational goals and priorities. We have had a strong year making progress towards each of priority areas. Here are some of our milestones:*

#### Governance and compliance

- ◆ 2 month external review of governance which resulted in an exceptionally positive report commending our work, reporting, and strategy.
- ◆ Successful audits during the year, largely all offering a 'substantial assurance' judgment.
- ◆ New Governance Partner appointed to attend Trust Board meetings.

## **Trustees' report Year to 31 August 2023**

### **A SUMMARY OF OUR YEAR (continued)**

#### **Governance and compliance (continued)**

- ◆ New Directors appointed to the Trust Board.

#### **Learning and development**

- ◆ Continue to develop a strong talent pipeline of staff across Trust.
- ◆ New leadership programme launched to prepare aspiring Heads and Deputies for leadership roles in the Trust.
- ◆ Teaching & Learning Development Team formed as well as an evidence-based programme sponsored by the EEF.

#### **Health, safety and estates**

- ◆ Secured funding and are tendering to replace all lighting across the Trust to LED lighting. Estimated savings of £75k p/a across our schools and a reduction of our carbon footprint by 49 tons, helping us safeguard creation.
- ◆ Coordinated the Trust's response to RAAC, including messaging to parents/carers.

#### **Academic standards**

- ◆ 3 Ofsted inspections throughout the year, all Good or better.
- ◆ 1 SIAMS inspection during the year, judged to be Excellent.
- ◆ 100% of our schools are Ofsted Good or better.
- ◆ 100% of our schools inspected by Ofsted since joining the Trust have improved or maintained their Ofsted rating.
- ◆ Strong, collective academic performance, well above national averages.

#### **People**

- ◆ Strong 'pipeline' of leaders, with number of staff from across our schools holding a responsibility for an area of Trust Development, helping build capacity and distribute leadership.
- ◆ Launch of the ForYou employee reward scheme.

#### **Finance**

- ◆ Number of high-risk schools downgraded owing to incredibly strong pupil number turn around.
- ◆ Group holding healthy percentage of income in reserves.
- ◆ Started to invest reserves for the benefit of our schools.

## **Trustees' report Year to 31 August 2023**

### **A SUMMARY OF OUR YEAR (continued)**

#### **Finance (continued)**

- ◆ Continued focus on group procurement and sharing staff across schools.

#### **New provisions**

- ◆ 1 new KS1 Specialist Unit opened at St Matthew's CofE Primary, Redhill.
- ◆ 2 new nurseries opened across the Trust, at St Michael's (Bexley) and St Luke's (Lambeth) with numbers exceeding our targets helping to growing provision and faith.
- ◆ New additional open-plan office space established for the finance and operations team to accommodate a growing team.

#### **Academic standards**

As schools returned to action in September 2023, there was a general sense that leaders, teachers, and school staff across the Trust had been able to make the most of the summer holiday and enjoy a genuine break after a significantly challenging and consuming period within the sector, since the start of the pandemic.

The launch of the SDBE MAT School Improvement Strategy presented a milestone for our Trust and provided us with a clear and framework, that articulated our shared mission to transform the life chances and outcomes for all children across our Trust, regardless of starting point. This was launched alongside our new Trust vision, which called on us to continue 'creating inspiring learning communities, where all can grow and flourish'. The Improvement Strategy and Framework also provided clear evidence of how the Trust had continued to develop excellent capacity from within, strategically using and developing the talents and expertise of leaders and teachers within the Trust, for the benefit of others. While each of our schools continued to work hard to develop their own aspirational and distinctive offer, the concept of 'being stronger together' was and still is, very much a 'golden thread'.

Three of our schools were inspected by Ofsted across the 2022/23 academic year and this now means that all of our schools have now been inspected under the current Ofsted framework. As a Trust, we are very proud of the fact that all of our schools are at least 'good'. This presents a significant milestone within the school improvement journey of our schools and indeed the Trust, during a challenging and uncertain period within the education sector.

Although currently unvalidated, Trust schools were able to build on previous the previous year's attainment and progress outcomes in summer 2023 and in the vast majority of cases, out-perform national measures across the different Key Stages. This then enabled Trust averages (group outcomes) to build on percentages from the previous year. This was testament to the determination and focused work of our teachers and leaders, enabling their pupil communities to maximise their learning potential.

The DSIP Programme has played a pivotal role in supporting the development of standards across our schools over the past year and beyond. The inclusion of key focus areas, such as 'early reading' and 'SEND leadership' have supported challenged our schools to reflect on current practice and identify development areas. The DSIP Programme also focused heavily on the quality of curriculum offer within each of our schools. This focus has enabled our schools to reflect on their provision and consider further adaptation and refinement.

## Trustees' report Year to 31 August 2023

### A SUMMARY OF OUR YEAR (continued)

#### Academic standards (continued)

Trust leaders fully understand the importance of using educational research as an evidence-base, to develop academic standards and this continued as a strategic priority. Our relationship with the Education Endowment Foundation developed across the year, who provided training and guidance as we looked to shape our teaching and Learning development Team, who are a group of strong teachers and subject leaders from across our schools, who have been trained to provide bespoke support to teachers as required. This initiative developed, using the appropriate and relevant EEF guidance reports to provide a sustainable model for now and future years.

Pupil attendance across our schools continued to be a focus area, as had been the case nationally, and formed a focus area as we worked with our schools. This led to discussion, support, challenge and the sharing of best practice across our schools as they worked hard to drive up pupil attendance and lower persistent absence rates across their settings. The Trust also developed an Attendance Policy for schools to adopt, based on the latest DfE guidance.

As a Trust, we spend time across the last academic year, recognising the importance of developing strong recruitment streams into our schools. We established a strategic partnership with Kingston University, with the aim to place a number of BA and PGCE student across schools within our Trust, during the 2023/24 academic year. As a Trust, we want to be able to host a large number of student placements across our settings and recognise the importance of this partnership, with our aim to train, recruit and develop new teachers, who have a desire to teach across our church schools.

#### *Thinking ahead*

The 2023/24 academic year heralds the start of a new SIAMS Framework, and the Trust have three schools that are due to be inspected under this framework during the year. Trust leaders have been working in unison with colleagues at the SDBE to ensure that our schools understand the changes to this framework, thus enabling them to demonstrate their flourishing as effective church schools, in the best possible way.

The Trust continues to focus on the quality of education provided to its most vulnerable pupils, despite outperforming national averages for groups such as Pupil premium in 2023, our schools continue to focus on 'closing the gap'. Trust leaders have developed specific focus days for school leaders in regard to pupil premium leadership and the DSIP Programme includes a specific day across this academic year that plans to evaluate our school's approaches to Pupil Premium leadership and the development of strategy. This will enable us to establish and share best practice across our schools.

Trust leaders have planned a series of training sessions for school leaders to evaluate the effectiveness of their current curriculum offer, considering the next steps beyond 'good'. As a Trust, we relish the opportunity to work alongside our schools to develop an exceptional curriculum offer, based on strong contextual ingredients, while being consistent across subjects and fully inclusive.

**A SUMMARY OF OUR YEAR (continued)**

**Academic standards (continued)**

***Thinking ahead (continued)***

Although a focus area for last year pupil attendance will remain a high priority for our Trust. This will include working closely with our schools to develop new strategies, especially when thinking about the 'harder to reach' pupils, where school attendance is causing concern.

Lastly, we are excited to continue our relationship with the Education Endowment Foundation, so that it becomes a partnership of real strength. At the time of writing this report, MAT leaders are working closely with colleagues at the EEF at a regional level, to establish a framework that will be mutually beneficial, and most importantly, designed to impact on the lives and experiences of the young people across our Trust.

**Governance and compliance**

We have worked hard in this space over this year, ensuring another strong year in terms of compliance but also commissioning various reviews to test our systems, structures, processes, and plans.

We have been thrilled with their findings...

In line with our strategic plan, we had planned to commission various external reviews throughout the year to review and assess our performance as a Trust, particularly at Head Office.

The first review undertaken was by a Department for Education (DfE\_ School Resource Management Advisor (SRMA). They reviewed our reporting to the Board, the quality of information and the assumptions we use when making projections and forecasts. The report was really positive and found:

"The management reporting processes are effective in making data accessible to the general and non-financial specialist trustee audience... and the trust have a good quality, and very thorough, Strategic Plan with clear and accurate self-assessments."

The second and significant review for us was one focusing on the governance of the Trust, from Board level down to our Local Governing Bodies, and everything in between. The review took almost two months to complete and involved Governors, Headteachers, Trustees, Members, and staff from within the central team. Hundreds of documents were reviewed, meetings were observed, and interviews held with the groups mentioned above.

As a Trust, this was one of the missing pieces of our puzzle. Having had all schools inspected by Ofsted, a wealth of data and metrics at our fingertips, and external reviews in all other areas, the governance review would ensure we had a full 360 appraisal of our performance.

The report was incredibly positive.

It recognised the clarity, transparency and validity of information presented to the Board and the exercise of good quality support and challenge by Trustees in holding the Trust Executive Team to account.



## Trustees' report Year to 31 August 2023

### A SUMMARY OF OUR YEAR (continued)

#### Governance and compliance (continued)

It found the Board "ensures clarity of vision, ethos and strategic direction by having a clear and concise shared vision and a strategic plan which guide and inform its work and how it operates...and...Directors make sure money is well spent and are acutely aware of the major risks some schools within Trust are experiencing due to falling rolls... the evaluation of risk underpins board decisions."

Overall, "it is evident from the excellent documentation provided and through discussion that the board and executive have formed an accurate assessment of its effectiveness of governance and have a view of what needs to happen to further improve".

These reviews have supplemented our other typical reviews conducted by our internal and external auditors. Put together, we have been able to take the temperature of our Trust and assure ourselves of its strength and capacity to improve further, in line with our Strategic Plan.

During this year, we have recruited a number of new people to governance vacancies across the Trust, including Chairs, Vice Chairs, Governors and Trustees. We are absolutely committed to ensuring those responsible for governance and school leadership are representative of the diverse communities we serve. To support with this and the development of our Governing Bodies, we have also recruited a new Governance Partner who started with us during the year.

We continue to work with the Diocesan Board of Education to plan for the future, mindful of the fragmented system (LA Schools vs Academies) that exists in the sector. Our growth as a Trust has been measured since inception and we have worked hard to ensure each school that joins has a positive experience, from conversion onwards. It has been a joy and a privilege to welcome the Minster Nursery Infants school into our family during this year and we look forward to welcoming more schools over the year ahead.

#### *Thinking ahead*

As we look to the year ahead and in line with our Strategic Plan for Governance & Compliance, we will be thinking hard about how we can refine and package the recipe we have developed in our Trust, so that it may be replicated in other structures that may be established across the Diocese.

Learning and Development is one of the key cornerstones of the Trust's work. We recognise that to deliver on our vision for all the grow and flourish, we need to create spaces and opportunities for people to learn and share with each other.

Recognising the recruitment challenges that exist in the sector, we want to make sure our emerging leaders are exposed to as many real-world experiences and challenges as possible when it comes to school leadership. To achieve this, we developed our Leadership In Action programme which comprises various CPD modules led by sector specialists, all designed to equip our workforce for future leadership positions within the Trust. Launched in the Summer of 2023, we are excited about the opportunities and experiences this will create for our next tier of leaders.

**A SUMMARY OF OUR YEAR (continued)**

**Learning and development**

This approach to developing emerging leaders helps us build capacity to unlock some of our more experienced leaders to support other schools, including those who plan to join the Trust over the year ahead. This is helping us retain the best people and ensure we have capacity to meet the future needs of the Trust.

Our work to ensure we continue to invest in our more experienced leaders has also played a big part of our thinking this year. This year alone, we have supported 3 of our school leaders to undertake the National Professional Qualification for Executive Leaders.

Our work and efforts to be more outward facing as a Trust has continued over this last year. We regularly meet with other Trusts and organisations to consider how they are approaching trust development and ways in which we may learn from them, and they may learn from us. This continues to bear fruit and helps us ensure we can be solutions focused in an increasingly uncertain time for the sector.

Our genuinely restless approach to distributed leadership plays a crucial role in empowering our staff, retaining talent, and fostering loyalty.

We believe that when employees are given opportunities to lead and influence the Trust's direction, they will be less likely to seek opportunities elsewhere. We believe it also helps nurture a positive and inclusive workplace culture, where employees feel valued and supported, which, in turn, fosters a sense of loyalty and dedication to the work of our Trust and incredible schools. Over this year, we have continued to appoint more staff from within our schools as Trust Development Partners each with responsibilities for delivering on an aspect of Trust development. We are grateful for all they have and will bring to our family of schools.

We are also delighted with the success of our first, Trust-wide, inset day. Bringing together all 450 staff, from across all schools within the Trust was an incredible achievement and one which was really valued by our workforce. In an evolving sector like ours, staying up-to-date with the latest trends, thinking, and best practices is essential. Our inset day offered a dedicated platform for all employees to learn new skills, improve existing ones, and deepen their understanding of the Trust's vision and mission.

When employees come together to learn and grow as a group, it improves communication, trust, and teamwork - all areas we want to nurture more and more.

***Thinking ahead***

We look to the year ahead and in line with our Strategic Plan for Learning & Development we will be thinking hard about how we can further develop and embed our models of distributed leadership, unlocking capacity across the Trust and creating exciting opportunities for our people to grow and develop.

**Health, safety and estates**

We take our commitment to the environment seriously and consider the implications of our work so that we may actively work to safeguard creation. We also, as a Trust, have a duty to ensure our pupils and staff are safe, well supported and can enjoy conducive spaces to work and learn.

**A SUMMARY OF OUR YEAR** (continued)

**Health, safety and estates** (continued)

We have taken some bold steps this year when it comes to our carbon footprint and are starting to make our thinking and planning more habitual.

In line with our strategic plan for Health, Safety and Estates, we have looked at ways in which we could reduce our energy consumption across the Trust. An obvious first step was to look at replacing old, energy consuming fluorescent lighting (for which we have thousands of fittings), with new LED bulbs that would last far longer and cost significantly less to run than their older counterparts.

But, for the project to achieve best value for money, we needed to approach this as a Trust, and not on a school-by-school basis. So that's what we did.... following months of planning and surveying, we are delighted to share that over the next year, we will be replacing all lighting across the Trust to LED fittings saving an estimated £75,000 and a reduction of around 49 tons of CO2 per annum.

We have also continued our work looking at our printing needs across the Trust and are actively working to replace old equipment with new, more efficient technology as they fall due for renewal.

During the year, we were also advised by the Department for Education that, following the submission of two successful bids, two of our schools within the Trust have been provisionally earmarked for a full rebuild. We were thrilled to hear the news and have started to plan in anticipation of further, more positive details. To our knowledge, we are the only Trust in the country to have had 2 schools shortlisted for rebuild within the same Trust.

We continue to support our schools and their leaders with additional safeguarding support, ensuring each schools systems, structures and processes are tested in-year, so no school is left guessing whether they have done all they can to safeguard pupils and staff. All reviews conducted by our externally commissioned Safeguarding Partner have said we have a 'strong culture of safeguarding'. This is supported by the software we provide to our schools such as SCR Tracker and CPOMS to help reduce workload and improve compliance.

***Thinking ahead***

As we look to the year ahead and in line with our Strategic Plan for Health, Safety & Estates, we will be developing our provision for the management of Health, Safety & Estates and look to create new services to support our schools.

**A SUMMARY OF OUR YEAR** (continued)

**Health, safety and estates** (continued)

**People**

This year has been a difficult year for the sector and its people. Cost of living, inflation, insecurity, and instability has meant a great many are finding things difficult.

Our staff are not immune to these things. Over this year we have heard and seen the impact of this uncertainty on our people. We have worked hard to do all we can to make life that little bit easier.

It starts with cost of living. Our Board quickly accepted all the sector's review body recommendations for teaching and support staff ensuring our staff weren't disadvantaged.

We then launched a consultation and tendering exercise for a new, employee rewards and benefits offer. Our starting point was equity - we wanted all who used the service to get something from it. We wanted to find a solution where it would also help mitigate against the effects of the cost-of-living crisis, providing discounts for all major supermarkets and retailers. Our thinking was that if we can help reduce costs of a weekly shop, as well as utilities and services, all our staff would benefit, regardless of their role or earnings.

We went further, we developed a whole online space for our people. One where they can access all that we have to offer as an organisation - from counselling, flu vaccinations through to CPD and employment opportunities, all under one roof. We call this #ForYou. To ensure all knew about our efforts and how it would benefit them, we run a full marketing campaign with leaflets and email reminders on how to access the service.

We are really proud of our work in this space.

Over this year, we have really started to focus on our 'employee voice'. We recognise the significant responsibilities we have as an employer of over 500 staff and want to find a way of hearing their voice directly to help inform our thinking and planning. So, this year, we established a group comprising staff governors from across our schools, members of the central and executive team and others. We think this will be a big step forward in taking the temperature of our organisation at regular periods throughout the year.

An area we must continue to work on is the diversity of our workforce, in particular our leadership and leadership teams. We are an inclusive Trust, but we recognise that it is not enough to just carry on about our work and assume we will be, and seen as, an inclusive place to work and flourish. We need to be deliberate in our actions and seek to recruit people from underrepresented groups and those people need to feel welcomed, respected and treated as equal, by all.

## Trustees' report Year to 31 August 2023

### A SUMMARY OF OUR YEAR (continued)

#### People (continued)

This takes time, delicacy and probably most importantly, space and humility to listen. We need to hear from our people, especially those from such groups and consider how we approach the future in a more deliberately diverse way. Diverse in our thinking, diverse in our planning, and diverse in our practice.

Our work to date has been piecemeal, reflecting our developing maturity as an organisation. Whilst we are taking the right steps such as improved recruitment practices, mandatory training for all our staff on unconscious bias, and policies and statements which show our intent, more needs to be done. So, with this in mind, we are excited to be launching our Equity, Diversity and Inclusivity Steering Group in the new academic year tasked with charting a course to being a better equipped and more representative workforce.

We have continued our work maintaining relations with our recognised Unions and continue to refine our policies and processes to make sure they are as employee and family friendly as possible.

Over the year, we have continued to drive forwards our succession and talent plans with several new Heads of School and Deputies appointed to help build and unlock capacity across the Trust. This has and will continue to be supplemented by well-considered support and training to help ensure they are coached and counselled on their career journey.

This work has been in tandem with our ongoing commitment to distribute leadership across the Trust. This continues to be one of our strongest scaffolds within the Trust, with countless staff holding roles across multiple schools, or holding a responsibility for developing an area of the Trust, for instance Early Years or SEND. We will continue to develop the Trust in this way, so that more people can play a part in its development and share in its successes.

#### *Thinking ahead*

As we look to the year ahead and in line with our Strategic Plan for People, we will be looking at ways to further develop our recruitment documentation and induction processes, as well as driving forward our agenda for Equity, Diversity, and Inclusivity (EDI).

#### Finance

The events this year have brought terrific instability to the nation's finances, with the ripple effects being felt across the education sector. What have been semi-predictable costs for years, overnight became wildly unpredictable. This was, and remains, compounded by the uncertainty and value of any government funding that is provided to ease the impact.

It isn't an understatement to say the management of our group finances have been a challenge during this academic year.

During this year, we have continued to develop and refine our finance function so that much of the heavy, day to day financial lifting, is carried out by the Trust Central Team. Introduced in 2022, our Central processing Function processes almost all schools' invoices, payments, reconciliations, and reporting. It has been a terrific success story across the Trust as it is enabling our school leaders to focus on teaching and learning and not get bogged down in finance process. It is enabling them to understand their schools' finances at a higher-level and make more informed decisions about strategic spend.

## Trustees' report Year to 31 August 2023

### A SUMMARY OF OUR YEAR (continued)

#### Finance (continued)

This setup also allows the Trust to take more strategic decisions, such as investing in higher interest bank accounts, consolidate procurement contracts and track spend by supplier to aid price negotiation. We are looking forward to unlocking the other benefits of Central Processing over the year ahead as we look to further streamline process and reduce school workload.

As we know, pupil numbers drive our income. Over this last year, we have seen several of our schools bucking the trend with significant growth in pupil numbers being reported in-year. A combination of new marketing techniques being deployed by the Trust and the schools, coupled with improving outcomes and Ofsted judgements are building the reputations of our schools within their community. During this year, two of our 1 form of entry schools have grown by over 30 children, each, since census day. It is a testament to the work of our school leaders and their relentless push to spread the word about their school.

But, with that said, we are far from immune to the consequences of falling pupil numbers. This year, the Trust took the difficult decision to consult with the DfE regarding the future of Archbishop Tenison's Secondary School, Lambeth. With pupil numbers falling rapidly and less than 15 pupils naming it as their choice of secondary school for the year ahead, the DfE agreed that it was no longer viable to operate and risked providing a less than Good education to the pupils that currently/would attend.

The closure of the school has been a difficult process for the community, staff, families and of course the pupils. It is a school with a long and rich history serving many thousands of pupils from across Lambeth and the surrounding Local Authorities (LA). We have worked closely with the Lambeth LA to find suitable destinations for all pupils and have managed the staff restructure process as compassionately as we possibly can.

The cost of closing a school, regardless of whether it is a primary or secondary, can be several million pounds. Most relates to the pension contributions and redundancies, but there are also logistical costs along the way. We have worked hard to limit the costs that are within our control and will, over the months ahead, get a clearer understanding of the true costs of closure.

Excluding the costs associated with ATS closure, our overall group financial position is strong. This year, working closely with our schools, we have developed budgets that forecast all schools to be holding and/or building reserves to our 5% threshold by the 1 September 2024. If government funding weren't lagged by a year (we are funded each year based on the number of pupils on roll the year before), each of our schools would be holding at least 5% of their income in reserves at this year-end. That's an incredible achievement considering the inflationary costs and unfunded pay awards that have been felt during this year. It reflects the restless stance we take to ensure our schools live within their means and within the funding envelope. The opening of 2 new nurseries across the Trust at St Michael's CofE Primary, Bexley and St Luke's CofE Primary, Lambeth, will also help us grow pupil numbers across the group.

## Trustees' report Year to 31 August 2023

### A SUMMARY OF OUR YEAR (continued)

#### Finance (continued)

Our Chair of our Finance & Resources Committee, Mr Anthony Demby, shared his reflection on the year that has concluded:

*"2022-23 proved to be a challenging year from a financial perspective if viewed solely from the perspective of the net expenditure for the year of £798,000. Although a reduction from the previous year, the underlying results are significantly better than the headline number with net income from continuing operations of £147,000 compared to net expenditure of £1,071,000 in the previous year. It is the one-off net closure costs relating to Archbishop Tenison's School of £945,000 that are the responsible for the net result.*

*The liabilities for closure could have been significantly higher had it not been for the tireless work of our Trust Leaders, Jane Heffeman and Mark Burnett, ably supported by other members of the Trust Central team.*

*Trust income continues to grow with the on-board of the Minster Nursery and Infants School in Croydon. More of our schools have taken advantage of the Trust Financial Processing service as their existing contracts with providers come to an end enabling more cost-effective provision of services.*

*While the outlook for 2023-24 is uncertain with some of our schools are operating in boroughs where pupil numbers are falling, we will be welcoming at least three further schools during the coming year which is a testament to the inclusive and empowering ethos that our Trust has developed."*

### FINANCIAL REVIEW

#### Financial performance

In addition to the academic and operational performance above, the Trustees receive reports containing financial data including individual academy forecast of outturn reports with a commentary for significant variances. The Board reviews the services provided by the executive team and each academy's reserves to ensure they are neither excessive nor in a deficit. As disclosed in more detail in note 16 to the financial statements, at the end of the 2022/23 financial year, all academies except one are in surplus.

#### Going concern

After making appropriate enquiries, the Board of Trustees has an 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. Whilst the Trust balance sheet shows net assets of £8,886,000 (2022 – net assets of £7,589,000). Net assets excluding the LGPS pension deficit were £9,273,000 (2022 – £10,071,000) and the Trust held revenue reserves at 31 August 2023, excluding the LGPS deficit and fixed asset reserve of £2,324,000 (2022 – £3,269,000). The Trust's reserves policy ensures that the level of revenue reserves maintained reflects the level of funding income receivable. Further details regarding the adoption of the going concern basis can be found in the Principal Accounting Policies.

## **Trustees' report Year to 31 August 2023**

### **FINANCIAL REVIEW (continued)**

#### **Financial report for the year**

The Trust's total income for the year ended 31 August 2023 amounted to £27,088,000 (2022 – £22,164,000). The movement is mainly due to a new school joining the trust (The Minster Nursery & Infant School). There was also additional ESFA supplementary grants and donated assets received from DfE during the year.

The bulk of the Trust's income was obtained from the ESFA, an agency of the DfE, the use of which is restricted to particular educational purposes. The grants received from the ESFA in the year ended 31 August 2023 and the associated expenditure are shown as restricted in the statement of financial activities.

During the year ended 31 August 2023 total expenditure amounted to £28,125,000 (2022 – £23,001,000). 73.1% (2022 – 76.9%) of the Trust's expenditure relates to staff costs which totalled £20,568,000 for the year ended 31 August 2023 (2022 – £17,691,000). The increase in total expenditure is due to The Minster Nursery & Infant School joining and investment in estate improvements.

The deficit for the year (before actuarial losses on the Local Government Pension Schemes but including net assets transferred on conversion) was £1,037,000 (2022 – deficit £837,000). Excluding the pension adjustments in respect of the Local Government Pension Schemes and the movements on the fixed assets fund, the operational deficit for the year was £1,064,000 (2022 – deficit of £256,000). The significant deficits in the current year arose principally from the operational deficit and closure costs associated with Archbishop Tenison School which amounted to £642,000 and £303,000 respectively. The deficit in the prior year arose from revenue contributions to capital additions. Prior to the deficit associated with Archbishop Tenison School and contributions from revenue reserves the Trust's operational surplus for the year was £33,000 (2022 – deficit £17,000).

#### **Financial position**

The Trust's fund balances at 31 August 2023 showed a surplus position of £8,886,000 (2022 – a surplus position of £7,589,000). The movement to an overall surplus funds position is a result of the reduction in the deficit of the Trust's share of Local Government Pension Schemes which now amounts to £387,000 (2022 – £2,482,000). The Trust also held £6,949,000 (2022 – £6,802,000) in the restricted fixed assets fund and unrestricted funds of £2,324,000 (2022 – £3,269,000).

The movements in the pension scheme reserve are shown in the notes to the financial statements.

#### **Reserves policy**

The Trust's published reserves policy sets an expectation that schools and the Trust, maintain reserves of at least 5% of the allocated annual General Annual Grant ('GAG') income. The overall free reserves held at the year-end were £2,324,000 (2022 – £3,269,000), which is above the target level.

Apart from reserves, academies must hold sufficient capital reserves to cover fixed asset purchases and any imminent capital expenditure. General fund income may be used to fund capital purchases, subject to the prior approval of the Chief Operating Officer.



## **FINANCIAL REVIEW** (continued)

### **Investment policy**

In accordance with its investment policy, the Trust will not take out any long-term investments until a reliable cash flow pattern has been established. It therefore does not have any investments at the current time.

The Academy Trust monitors its cashflow closely so that any funds not required in the short term for day-to-day operations can be identified and placed on term deposits with the Academy Trust bankers. The terms of these deposits typically range from three to twelve months.

### **Principal risks and uncertainties**

1. Our greatest risk currently is the impact of falling pupil numbers, particularly in our inner-London schools. This creates another layer of complexity for our future finances and drives a continual need to become more financially efficient and sustainable. As we continue to feel the impact of reducing pupil numbers, we may find some of our schools become unviable and present a financial threat to the other schools within the Trust.
2. The Trust places considerable reliance on continued government funding at levels that take account of pay, pension and inflation changes in the public sector. Without continued financial support, schools will inevitably need to use their reserves to supplement falling income, reducing their resiliency to financial shocks.
3. A major uncertainty for the Trust is growth and how we will respond as a Diocesan MAT. The Government White Paper setting out a vision for all schools to become academies by 2030, will mean the Trust (and any other Trust we may sponsor in the future) needs to ensure it has appropriate systems, structures, and processes in place to accommodate sustainable growth.

### **Fundraising**

The Trust does not currently engage in any fundraising activity. The Trust does, however, encourage its member academies to generate additional income from parents, carers and local communities.

### **THINKING AHEAD...**

As we look to the year ahead and in line with our Strategic Plan for Finance, we will be looking at how we can better organise ourselves and our schools to reduce costs, mitigate against risks, and secure further efficiencies to better serve our children.

### **THE YEAR AHEAD FOR THE TRUST**

Over the next year, our thinking will be around how we best organise ourselves to support more schools with differing needs, and how we will really nurture some of the exciting developments happening across the Trust that could be truly transformational in the way we work, serve and support.

We have always been committed to reflecting on the way we work and its efficiency. This year, as we consider the organisation of our schools and the way they work with each other, there is further opportunity streamline our internal processes which will enable us to operate more effectively on a regional level.

## Trustees' report Year to 31 August 2023

### THE YEAR AHEAD FOR THE TRUST (continued)

The emphasis is on optimizing our resources to deliver the best possible support to our schools which we know will unlock capacity and valuable resources that our school leaders can use to ensure all grow and flourish.

We must start to leverage the size and scale of our organisation to secure better value for money through group procurement. By centralising some purchasing decisions and negotiation processes, we aim to reduce costs, improve the quality of goods and services, and generate savings that can be reinvested to benefit our schools. We are committed to driving forward our estates strategy, exploring innovative and out-of-the-box ideas. Our goal is to ensure that our schools not only meet but exceed the highest standards in terms of appearance and functionality. We want our school environments to be welcoming, safe, and conducive to learning, and we will actively pursue initiatives that contribute to this vision.

To foster a culture of equity, diversity, and inclusivity, we will establish the Equity, Diversity, and Inclusivity Council. This council will be responsible for developing and executing a trust-wide strategy that promotes these values across all aspects of the Trust. We are committed to ensuring that our schools are inclusive and representative of the diverse communities they serve, and this council will play an active role in us realising this.

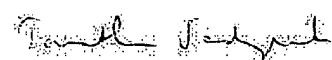
As a proud Church of England Trust, we want to contribute significantly to delivering the Church of England's vision for a Flourishing School System. By fostering partnerships, identifying new opportunities, and scaling our impact, we will play an active role in achieving this vision for children across the Diocese. Following a really successful period with strong inspections, outcomes, and finances, we want to play our part in supporting other schools to achieve the same in whatever form this takes. Over the next year, these interests will guide our actions and shape our thinking. We are dedicated to the pursuit of excellence, operational efficiency, inclusivity, and growth to make a lasting positive impact on the education landscape in our incredibly diverse and successful Southwark Diocese.

### AUDITOR

In so far 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 by order of the Board of Trustees and signed on its behalf by:



Chair of Trustees - The Venerable J Sedgwick

Date: 14<sup>th</sup> December 2023

## Governance statement Year to 31 August 2023

### Scope of responsibility

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

The Trustees have delegated day-to-day responsibility to the Chief Executive Officer of the Trust, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education.

The Chief Executive Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' responsibilities. The Trustees have formally met six times during the year. Attendance during the year for full Board and Committee meetings was as follows:

Trustee	Board	P&S	A&R	F&R
Mr M J Ball	0/2	0/0	0/0	1/3
Mrs T Brady	1/2	0/0	0/0	0/0
Mrs R M Cordner	6/6	3/4	0/0	3/4
The Venerable A M Cutting	1/1	0/0	0/0	0/1
Mr A E Demby	6/6	0/0	4/4	4/4
Ms L Frame	2/5	0/0	0/0	0/4
Mrs J Heffernan	6/6	6/6	6/6	6/6
Ms P Longman	0/0	0/0	0/0	0/0
Mr C G Powell	4/5	1/3	0/0	1/3
The Venerable J Sedgwick	5/5	0/0	0/0	1/4
Dr C M H Stibe-Hickson	4/6	4/4	4/4	4/4
Mrs N I Udom	4/6	0/0	3/4	0/0
Mr P T Wylie	3/4	3/3	3/3	3/3

#### Key:

**P&S** – Performance and Standards Committee

**A&R** – Audit and Risk Committee

**F&R** – Finance and Resources Committee

The Trustees are of the opinion that they have been able to maintain sufficient oversight of the Trust's finances through the establishment of the Finance & Resources (F&R) and Audit & Risk (A&R) Committees.

The purpose of our sub-committees is to assist the decision-making of the full Board of Trustees by enabling more detailed consideration of the Trust's finances and resources. The Committees draw any matters of significance or concern to the attention of the full Board of Trustees.

### Governance (continued)

The Finance & Resources, Audit & Risk and Performance & Standards (P&S) Committees are sub-committees of the main Board. During the 2022/23 financial year, the sub-committees each met 4 times.

## **Governance statement Year to 31 August 2023**

Upon the formation of the Trust, an evaluation of governance, including Trustees' skills, was undertaken. The conclusion of the evaluation was that Trustees have a broad range of skills and experience that are appropriate for the Trust to fulfil its responsibilities of encouraging the provision of high-quality education and of ensuring financial probity and security. The skills and experience of Board members range from clergy, finance, education, health care, governance, audit and legal. The weakest areas of experience are academy conversions and academy Trusts.

As a result, to support Trustees and provide assurance, we have commissioned external advisors to support the due diligence and conversion processes.

To support the Board in its understanding of the risks faced by the organisation, we have produced a Risk Management Framework which sets out all known, potential risks to the organisation and our member schools, along with the measures that are in place to mitigate those risks. This supplements the risk register.

We will regularly review the effectiveness of our Governance framework (Board, Local Governing Bodies and Executive Team) to ensure that appropriate steps are taken if weaknesses are identified.

### **Conflicts of interest**

At each meeting of the Board (and/or sub-committee), conflicts of interest are declared. This is published as a paper in each set of papers circulated to the directors. Appended to the declaration summary is the full definition of a connected/related party to ensure absolute clarity over the definition of both. We maintain a register of interests and publish this on our website.

Where decisions are contentious or where those directors on the Board have a conflict, the decision is taken by those directors who are independent and without conflict.

During last year, a recommendation was made by our Internal and External Auditors to commission an external review of governance. This year we completed that review and were incredibly proud of the audit findings, which commended the systems, structures and processes we have in place.

### **Review of value for money**

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

Over the year we have remained dedicated to supporting our school communities to enable all to flourish.

### **Review of value for money (continued)**

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

## **Governance statement Year to 31 August 2023**

The Accounting Officer for the Trust has achieved improved value for money during the financial year by;

- ◆ Greater focus on internal consistency and alignment as a way to streamline processes across the Trust;
- ◆ Developing senior leaders giving them opportunities to support multiple schools, helping with recruitment, retention and sharing of best practice.
- ◆ Acting as a trading partner, offering our CPD programmes out to schools across the Diocese creating additional income streams.

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

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

### **The risk and control framework**

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

In particular it includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- ◆ regular reviews by the Finance and Resources Committee of reports which show financial performance against forecasts and major purchase plans, capital works and expenditure programmes;

### **The risk and control framework (continued)**

- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase and capital investment) guidelines;

## Governance statement Year to 31 August 2023

- ♦ delegation of authority and segregation of duties;
- ♦ identification and management of risks.

At each meeting of the Audit and Risk Committee, a heat-map detailing known school-level risks was shared with the Committee along with the actions the Trust and school are taking to mitigate against those risks. Any recurring weaknesses of internal control are reported to the Chairs of the Audit and Risk and Finance and Resources Committees with actions and support structures implemented to mitigate any further risks. The Trust maintains a comprehensive risk register and risk assurance framework which is reviewed by the Audit and Risk Committee at each meeting too.

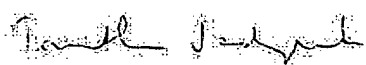
### Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the 2022/23 financial year, the review has been informed by:

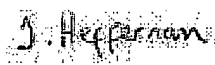
- ♦ the work of the internal and external auditors;
- ♦ the financial management and governance self-assessment process;
- ♦ the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Trustees and signed on their behalf by:



Chair of Trustees



Chief Executive Officer and  
Accounting Officer

Date: 14<sup>th</sup> December 2023

The Venerable J Sedgwick

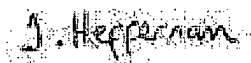
Mrs J Heffernan

## **Statement on regularity, propriety and compliance Year to 31 August 2023**

As Accounting Officer of the Trust, I have considered my responsibility to notify the Trust's Trustees and the Education and Skills Funding Agency ('ESFA'), of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Trust and the Secretary of State. As part of our consideration we have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



Chief Executive Officer and Accounting Officer

Date: 14<sup>th</sup> December 2023

Mrs J Heffernan

## Statement of Trustees' responsibilities Year to 31 August 2023

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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 Trust and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP FRS 102 and the Academies Accounts Direction 2022 to 2023;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the ESFA/DfE are applied for the purposes intended.

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

Approved by order of Board of Trustees on  
and signed on its behalf by:



Trustee

Date 14<sup>th</sup> December 2023

The Venerable J Sedgwick



## **Independent auditor's report on the financial statements Year to 31 August 2023**

### **Independent auditor's report to the members of SDBE Multi-Academy Trust**

#### **Opinion**

We have audited the financial statements of SDBE Multi-Academy Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS102) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2022 to 2023.

#### **Basis for opinion**

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

#### **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 charitable company'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.

## **Independent auditor's report on the financial statements Year to 31 August 2023**

### **Other information**

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

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company 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.

## **Independent auditor's report on the financial statements Year to 31 August 2023**

### **Responsibilities of Trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy Trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the Academy Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

## **Independent auditor's report on the financial statements Year to 31 August 2023**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and papers provided to the Trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

## Independent auditor's report on the financial statements Year to 31 August 2023

### Auditor's responsibilities for the audit of the financial statements (continued)

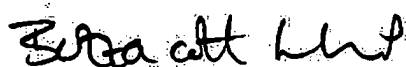
- ♦ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

### Use of our report

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



Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

20 December 2023

## **Independent reporting accountant's report on regularity Year to 31 August 2023**

### **Reporting accountant's assurance report on regularity to SDBE Multi-Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SDBE Multi-Academy Trust ('the Trust') during the period from 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of SDBE Multi-Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of SDBE Multi-Academy Trust funding agreement with the Secretary of State for Education dated 30 August 2017 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the 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.

## **Independent reporting accountant's report on regularity Year to 31 August 2023**

### **Approach (continued)**

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### **Conclusion**

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



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

20 December 2023

**Statement of financial activities** Year to 31 August 2023  
(Including Income and Expenditure Account)

		Restricted funds				
	Notes	Unrestrict ed general fund £'000	General £'000	Fixed assets Fund £'000	2023 Total funds £'000	2022 Total funds £'000
<b>Income from:</b>						
Donations and capital grants	1	343	—	1,214	1,557	1,032
Transfer on conversion	1,23	16	103	510	629	499
Charitable activities						
. Funding for the Trust's educational operations	2	—	24,045	—	24,045	19,910
Other trading activities	3	855	—	—	855	721
Investments	4	2	—	—	2	2
<b>Total</b>		<b>1,216</b>	<b>24,148</b>	<b>1,724</b>	<b>27,088</b>	<b>22,164</b>
<b>Expenditure on:</b>						
Charitable activities						
. Trust's educational operations	5,6	1,073	25,323	1,729	28,125	23,001
<b>Total</b>		<b>1,073</b>	<b>25,323</b>	<b>1,729</b>	<b>28,125</b>	<b>23,001</b>
<b>Net income (expenditure) for the year before transfers and other recognised gains and losses</b>						
		143	(1,175)	(5)	(1,037)	(837)
Transfers between funds	16	(1,088)	936	152	—	—
						(837)
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension scheme	21	—	2,334	—	2,334	11,644
<b>Net movement in funds</b>		<b>(945)</b>	<b>2,095</b>	<b>147</b>	<b>1,297</b>	<b>10,807</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2022		3,269	(2,482)	6,802	7,589	(3,218)
<b>Total fund balances carried forward at 31 August 2023</b>		<b>2,324</b>	<b>(387)</b>	<b>6,949</b>	<b>8,886</b>	<b>7,589</b>

All of the Trust's activities derived from continuing operations during the above two financial periods.

The Trust has no recognised gains or losses other than those shown above.



**Statement of financial activities** Year to 31 August 2023  
(Including Income and Expenditure Account)

**Analysis of continuing and discontinued operations**

During the year ended 31 August 2023, the Trustees agreed that Archbishop Tenison's School would be closed. The school's activities represented a significant area of operations for the Trust as a whole and income and expenditure in respect of these activities ceased with the closure of the school on 31 August 2023.

The table below provides an analysis of the financial results split between the Charity's continuing operations and discontinued operations (which relate wholly to Archbishop Tenison's School). Income and expenditure in respect of the discontinued operations were wholly unrestricted.

	2023			2022		
	Continuing £'000	Dis- continued £'000	Total £'000	Continuing £'000	Dis- continued £'000	Total £'000
Income	23,786	3,302	<b>27,088</b>	18,762	3,402	22,164
Expenditure	(23,669)	(4,456)	<b>(28,125)</b>	(19,801)	(3,200)	(23,001)
Net (expenditure) income for the year	117	(1,154)	<b>(1,037)</b>	(1,039)	202	(837)
Actuarial gains on defined benefit pension scheme	2,312	22	<b>2,334</b>	9,331	2,313	11,644
Net movement in funds	2,429	(1,132)	<b>1,297</b>	8,292	2,515	10,807

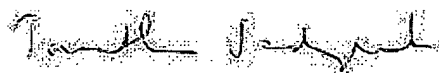
The overall loss of £1,132,000 at Archbishop Tenison's School constitutes the following individual deficits:

	2023 Total funds £'000
Operational deficit attributable to general operations	(642)
Deficit attributable to closure costs	(303)
Deficit attributable to the tangible fixed assets fund	(187)
Deficit attributable to the LGPS restricted fund	—
	<b>(1,132)</b>

## Balance sheet as at 31 August 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
<b>Fixed assets</b>					
Tangible fixed assets	12		6,148		6,339
<b>Current assets</b>					
Debtors	13	859		1,110	
Short term deposits		1,500		4,289	
Cash at bank and in hand		2,050		4,289	
		<u>4,409</u>		<u>5,399</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(1,262)		(1,667)	
<b>Net current assets</b>			<u>3,147</u>		<u>3,732</u>
<b>Total assets less current liabilities</b>			<u>9,295</u>		<u>10,071</u>
Creditors: amounts falling due after more than one year			(22)		—
Pension scheme liability	22		(387)		(2,482)
<b>Total net assets</b>			<u>8,886</u>		<u>7,589</u>
<b>The funds of the Trust:</b>					
Restricted funds					
Fixed asset fund	16	6,949		6,802	
Restricted income fund	16	—		—	
Pension reserve	16	(387)		(2,482)	
<b>Total restricted funds</b>			<u>6,562</u>		<u>4,320</u>
Unrestricted income funds					
General fund	16		2,324		3,269
<b>Total funds</b>			<u>8,886</u>		<u>7,589</u>

Approved by the Trustees of SDBE Multi-Academy Trust, Company Registration No. 10385920 (England and Wales) and signed on their behalf by:



Chair of the Board of Trustees - The Venerable J Sedgwick

Approved on: 14<sup>th</sup> December 2023

Company number 10385920

## Statement of cash flows Year to 31 August 2023

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(1,073)	183
<b>Cash inherited on transfer from Local Authority (note 23)</b>		<b>119</b>	<b>778</b>
<b>Cash flows from financing activities</b>	B	<b>27</b>	<b>—</b>
<b>Cash flows from investing activities</b>	C	<b>(1,312)</b>	<b>(42)</b>
<b>Change in cash and cash equivalents</b>		<b>(2,239)</b>	<b>919</b>
<b>Reconciliation of net cash flows to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2022	C	4,289	3,370
Cash and cash equivalents at 31 August 2023	C	2,050	4,289

### A Reconciliation of (expenditure) income to net cash flow from operating activities

	2023 £'000	2022 £'000
<b>Net (expenditure) income for the year (as per the statement of financial activities)</b>	<b>(1,037)</b>	<b>(837)</b>
<b>Adjusted for:</b>		
Inherited pension deficit	—	354
Inherited tangible assets on transfer	(510)	(22)
Budget (surplus) on LA/other funds	(119)	(831)
Depreciation (note 12)	582	473
Capital grants from DfE and other capital income	(1,126)	(740)
Donated fixed assets	(88)	(40)
Loss on disposal of fixed asset	1,148	—
Interest receivable (note 4)	(2)	2
Defined benefit pension scheme cost less contributions payable (note 22)	133	1,313
Defined benefit pension scheme finance cost (note 22)	106	220
(Increase) decrease in debtors	250	(420)
Increase (decrease) in creditors	(410)	711
<b>Net cash (used in) provided by operating activities</b>	<b>(1,073)</b>	<b>183</b>

### B Cash flows from financing activities

	2023 £'000	2022 £'000
Cash inflows from new borrowing	27	—
<b>Net cash provided by financing activities</b>	<b>27</b>	<b>—</b>

## Statement of cash flows Year to 31 August 2023

### C Cash flows from investing activities

	2023 £'000	2022 £'000
Dividends, interest and rents from investments	2	(2)
Purchase of tangible fixed assets	(940)	(780)
Purchase of short term deposits	(1,500)	—
Capital grants from DfE/ESFA	1,126	740
<b>Net cash provided by (used in) investing activities</b>	<b>1,312</b>	<b>(42)</b>

### D Analysis of changes in net debt

	2022 £'000	Cash flows £'000	2023 £'000
Cash at bank and in hand	4,289	(2,239)	2,050
<b>Total cash and cash equivalents</b>	<b>4,289</b>	<b>(2,239)</b>	<b>2,050</b>

## **Principal accounting policies Year to 31 August 2023**

### **Statement of accounting policies**

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

### **Basis of preparation**

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

SDBE Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements have been presented in sterling and are rounded to the nearest thousand pounds.

### **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 Trust 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.

The Trust balance sheet shows net assets of £8,886,000 (2022 – net assets of £7,589,000). Net assets excluding the LGPS pension deficit were £9,273,000 (2022 – £10,071,000) and the Trust held revenue reserves carried forward, excluding the LGPS deficit, of £2,324,000 (2022 – £3,269,000).

The Trustees have concluded that there are no material uncertainties about the Academy Trust's ability to continue as a going concern and have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

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

### **Grants**

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

## **Principal accounting policies Year to 31 August 2023**

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured. Any gifts in kind are estimated as the value of the services provided to the Trust, had they been procured on an open market basis.

### ***Other income***

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

### ***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.

### ***Charitable activities***

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

All expenditure is stated net of recoverable VAT.

### ***Tangible fixed assets***

Assets costing £2,000 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

## Principal accounting policies Year to 31 August 2023

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

♦ Long leasehold buildings	2% per annum
♦ Leasehold improvements	5% per annum
♦ Fixtures, fittings and equipment	20% per annum
♦ Computer equipment	25% per annum
♦ Motor vehicles	20% per annum

Depreciation is charged from the month of acquisition.

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.

### Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

### Liabilities

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

### Leased assets

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

### Taxation

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

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

## Principal accounting policies Year to 31 August 2023

### Financial instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the financial statements. Prepayments are not financial instruments.

*Cash at bank* – classified as a basic financial instrument and is measured at fair value.

*Short term deposits* – fixed term deposit accounts with a maturity date between 3 and 12 months.

*Financial liabilities* – trade creditors and accruals are financial instruments and are measured at amortised cost as detailed in the notes to the financial statements.

### Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.



## **Principal accounting policies Year to 31 August 2023**

### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency (ESFA), Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from local authorities.

### **Critical accounting estimates and areas of judgement**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Notes to the financial statements Year to 31 August 2023

### 1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	2023 Total funds £'000	2022 Total funds £'000
Capital grants	—	—	1,126	1,126	740
Donated fixed assets	—	—	88	88	40
Donations	343	—	—	343	252
Transfer on conversion (note 23)	16	103	510	629	499
<b>2023 Total funds</b>	<b>359</b>	<b>103</b>	<b>1,724</b>	<b>2,186</b>	<b>1,531</b>

	Unrestricted funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	2022 Total funds £'000
Capital grants	—	—	740	740
Donated fixed assets	—	—	40	40
Donations	252	—	—	252
Transfer on conversion (note 23)	—	477	22	499
<b>2022 Total funds</b>	<b>252</b>	<b>477</b>	<b>802</b>	<b>1,531</b>

### 2 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
<b>DfE/ESFA revenue grants</b>				
. General Annual Grant (GAG)	—	18,417	18,417	15,745
Other DfE/ ESFA grants				
.. Universal Infant Free School Meals grant	—	292	292	262
.. Pupil Premium	—	1,488	1,488	1,176
.. Others	—	1,457	1,457	341
Other DfE Group grants	—	—	—	2
	—	21,654	21,654	17,526
<b>Other government grants</b>				
. Local authority grants	—	2,187	2,187	1,807
	—	2,187	2,187	1,807
<b>COVID-19 additional funding (DfE/ ESFA)</b>				
. Catch-up premium	—	—	—	133
. Other DfE/ ESFA COVID-19 funding	—	—	—	287
	—	—	—	420
<b>Other income from the Trust's educational operations</b>	—	204	204	157
<b>2023 Total funds</b>	<b>—</b>	<b>24,045</b>	<b>24,045</b>	<b>19,910</b>

- ♦ The Trust received £nil (2022 – £133,000) of funding for catch-up premium and costs incurred in respect of this funding totalled £nil (2022 – £133,000).

## Notes to the financial statements Year to 31 August 2023

### 2 Funding for the Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>DfE/ESFA revenue grants</i>			
. General Annual Grant (GAG)	—	15,745	15,745
. Other DfE/ ESFA grants			
.. Universal Infant Free School Meals grant	—	262	262
.. Pupil Premium	—	1,176	1,176
.. Others	—	341	341
Other DfE Group grants	—	2	2
	—	17,526	17,526
<i>Other government grants</i>			
. Local authority grants	—	1,807	1,807
	—	1,807	1,807
<i>COVID-19 additional funding (DfE/ ESFA)</i>			
. Catch-up premium	—	133	133
. Other DfE/ ESFA COVID-19 funding	—	287	287
	—	420	420
<i>Other income from the Trust's educational operations</i>	—	157	157
<b>2022 Total funds</b>	—	19,910	19,910

### 3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Hire of facilities	167	—	167	98
Trip income	532	—	532	466
Miscellaneous income	156	—	156	157
<b>2023 Total funds</b>	855	—	855	721

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>Hire of facilities</i>	98	—	98
<i>Trip income</i>	466	—	466
<i>Miscellaneous income</i>	157	—	157
<b>2022 Total funds</b>	721	—	721

## Notes to the financial statements Year to 31 August 2023

### 4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
<b>2023 Total funds: Interest receivable</b>	<b>2</b>	<b>—</b>	<b>2</b>	<b>2</b>

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<b>2022 Total funds: Interest receivable</b>	<b>2</b>	<b>—</b>	<b>2</b>

### 5 Expenditure

	Non pay expenditure			2023 Total funds £'000	2022 Total funds £'000
	Staff costs (note 8) £'000	Premises £'000	Other costs £'000		
Charitable activities					
.. Trust's educational operations (note 6)					
.. Direct costs	16,719	581	2,857	20,157	15,421
.. Support costs	3,849	1,843	2,276	7,968	7,580
<b>2023 Total funds</b>	<b>20,568</b>	<b>2,424</b>	<b>5,133</b>	<b>28,125</b>	<b>23,001</b>

	Non pay expenditure			2022 Total funds £'000
	Staff costs (note 8) £'000	Premises £'000	Other costs £'000	
Charitable activities				
.. Trust's educational operations (note 6)				
.. Direct costs	13,624	473	1,324	15,421
.. Support costs	4,067	1,529	1,984	7,580
<b>2022 Total funds</b>	<b>17,691</b>	<b>2,002</b>	<b>3,308</b>	<b>23,001</b>

	2023 Total funds £'000	2022 Total funds £'000
<b>Net expenditure for the period includes:</b>		
Operating leases	74	73
Loss on disposal of fixed assets	1,147	—
Depreciation	582	473
Fees payable to auditor		
.. Statutory audit	30	25
.. Other services	22	14

## Notes to the financial statements Year to 31 August 2023

### 6 Charitable activities – Trust's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs	20,157	15,421
Support costs	7,968	7,580
	<b>28,125</b>	<b>23,001</b>

	2023 Total funds £'000	2022 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	3,849	4,067
Technology costs	271	251
Premises costs	1,843	1,529
Legal costs – conversion	7	12
Legal costs – other	87	11
Other support costs	1,827	1,618
Governance costs	84	92
<b>Total support costs</b>	<b>7,968</b>	<b>7,580</b>

Included within expenditure are the following transactions:

	2023 Total funds £
<b>Compensation payments</b>	<b>2,169</b>
These payments represent loss of business compensation payments to key suppliers of Archbishop Tenison's School, which closed on 31 August 2023.	
<i>There were no individual transactions in excess of £5,000 included in the total balance.</i>	
<b>Gifts made by the Trust</b>	<b>8,763</b>
This balance (included within total fixed asset losses of £1,147,000) represents the gifting of tangible fixed assets from Archbishop Tenison's School (ATS) to Local Authority Schools within the Diocese of Southwark following the closure of ATS on 31 August 2023.	
<i>There were no individual transactions in excess of £5,000 included in the total balance.</i>	
<b>Fixed asset losses</b>	<b>1,138,203</b>
These losses (included within total fixed asset losses of £1,147,000 alongside gifts made by the Trust, above) arise from the disposal of tangible fixed assets from Archbishop Tenison's School following its closure on 31 August 2023. These assets principally consisted of immovable capital works which were integral to the main school building and could not, therefore, be sold to realise consideration on disposal.	
<i>Included in the total balance were the following individual transactions in excess of £5,000: £5,425; £5,434; £7,002; £8,020; £9,248; £10,223; £13,141; £14,932; £21,031; £29,601; £38,973; £43,606; £68,564; £92,207; £107,262; £117,688; £145,930; £156,401 and £171,773.</i>	

There were no comparable expenditure items during the year ended 31 August 2022.

## Notes to the financial statements Year to 31 August 2023

### 7 Comparative information

Analysis of income and expenditure in the year to 31 August 2022 between restricted and unrestricted funds:

		<u>Restricted funds</u>			
	Notes	Unrestricted general fund £'000	General £'000	Fixed assets Fund £'000	2022 Total funds £'000
<i>Income from:</i>					
Donations and capital grants	1	252	—	780	1,032
Transfer on conversion	23	—	477	22	499
<i>Charitable activities</i>					
Funding for the Trust's educational operations	2	—	19,910	—	19,910
Other trading activities	3	721	—	—	721
Investments	4	2	—	—	2
<b>Total</b>		<b>975</b>	<b>20,387</b>	<b>802</b>	<b>22,164</b>
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
Trust's educational operations	5,6	154	22,374	473	23,001
<b>Total</b>		<b>154</b>	<b>22,374</b>	<b>473</b>	<b>23,001</b>
<i>Net income (expenditure) for the year before transfers and other recognised gains and losses</i>					
		821	(1,987)	329	(837)
<i>Transfers between funds</i>					
	16	(246)	7	239	—
		575	(1,980)	568	(837)
<i>Other recognised gains and losses</i>					
Actuarial losses on defined benefit pension scheme	22	—	11,644	—	11,644
<b>Net movement in funds</b>		<b>575</b>	<b>9,664</b>	<b>568</b>	<b>10,807</b>
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2021		2,694	(12,146)	6,234	(3,218)
<b>Total fund balances carried forward at 31 August 2022</b>		<b>3,269</b>	<b>(2,482)</b>	<b>6,802</b>	<b>7,589</b>

## Notes to the financial statements Year to 31 August 2023

### 8 Staff

#### (a) Staff costs

Staff costs during the year were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	14,684	11,708
Social security costs	1,439	1,159
Pension costs	3,290	3,885
	<b>19,413</b>	<b>16,752</b>
Supply teacher costs	851	854
Staff restructuring costs	304	85
	<b>20,568</b>	<b>17,691</b>

#### (b) Severance payments

The Academy Trust paid 2 (2022 – 3) severance payments in the year, disclosed in the following bands:

	2023 No.	2022 No.
£0 – £25,000	1	3
£25,001 – £50,000	1	—

#### (c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £20,000 (2023 – £40,500). Individually, the payments were £42,272, £15,000 and £5,000 (2022 – individually, the payments were £20,000, £16,000 and £4,500).

#### (d) Staff numbers

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

Charitable activities	2023 No.	2022 No.
Teachers	160	140
Administration and support	278	238
Management	37	31
	<b>475</b>	<b>409</b>

	2023 FTE.	2022 FTE.
Teachers	145	131
Administration and support	183	155
Management	35	28
	<b>363</b>	<b>314</b>

## Notes to the financial statements Year to 31 August 2023

### 8 Staff (continued)

#### (e) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2023 No.	2022 No.
£60,001 – £70,000	16	14
£70,001 – £80,000	6	5
£80,001 – £90,000	6	4
£90,001 – £100,000	3	1
£100,001 – £110,000	1	—
£140,001 – £150,000	—	1

#### (f) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the Trust was £237,681 (2022 – £204,457).

### 9 Trustees' remuneration and expenses

The Trustees did not receive any payments or remuneration from the Trust in respect of their role as Trustees.

The new Chief Executive Officer, Jane Heffernan, was appointed as a Trustee during April 2022 and is directly employed by the Trust, her remuneration for the year was as follows:

	2023 £'000	2022 £'000
Ms J Heffernan, CEO		
Remuneration	25 – 30	5 – 10
Employer's pension contributions	0 – 5	0 – 5

During the year no Trustees were reimbursed expenses (2022 – £nil). Other related party transactions involving the Trustees are set out in note 24.

### 10 Central services

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

- ♦ Human resources;
- ♦ Financial services;
- ♦ Legal services;
- ♦ Educational support services;
- ♦ Training and continuing professional development; and
- ♦ Pastoral support.



## Notes to the financial statements Year to 31 August 2023

### 10 Central services (continued)

The Trust charged 5% of GAG income per school (net of national domestic rates refunds) for the provisions of these services to its schools.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
All Saints, Carshalton	89,139	82,418
Archbishop Tenison's School, Oval	131,894	132,252
Christ Church, Streatham	56,447	57,019
St George's, Forest Hill	60,695	55,429
St Leonard's, Streatham	98,816	92,763
St Luke's, West Norwood	58,875	57,677
St Matthew's, Redhill	89,678	84,820
St Michael's, East Wickham	39,874	38,597
St Paul's, Walworth	59,689	64,394
St Stephen's, South Godstone	51,604	47,024
Minster Junior School	109,571	45,930
Minster Nursery & Infant School	74,571	—
<b>Total</b>	<b>920,853</b>	<b>758,323</b>

Insurance was procured centrally and separately charged out (at cost) on a pro-rata basis. The actual amounts charged during the year were as follows:

	2023 £	2022 £
All Saints, Carshalton	13,104	20,040
Archbishop Tenison's School, Oval	19,719	28,924
Christ Church, Streatham	6,801	10,209
St George's, Forest Hill	7,200	10,116
St Leonard's, Streatham	11,592	18,779
St Luke's, West Norwood	6,800	9,828
St Matthew's, Redhill	12,674	17,800
St Michael's, East Wickham	6,507	9,723
St Paul's, Walworth	6,665	10,955
St Stephen's, South Godstone	7,830	10,831
Minster Junior School Croydon	13,610	3,265
Minster Nursery & Infant School	10,090	—
<b>Total</b>	<b>122,592</b>	<b>150,470</b>

### 11 Trustees' and Officers' insurance

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

## Notes to the financial statements Year to 31 August 2023

### 12 Tangible fixed assets

	Leasehold improvements £'000	Leasehold land and buildings £'000	Assets under construction £'000	Furniture, fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost/valuation</b>							
At 1 September 2022	5,235	820	170	309	778	12	7,324
Donated assets on acquisition	—	450	—	32	28	—	510
Additions	787	—	35	169	24	13	1,028
Disposals	(1,143)	—	—	(98)	(173)	—	(1,414)
Transfers	171	—	(171)	—	—	—	—
At 31 August 2023	5,050	1,270	34	412	657	25	7,448
<b>Depreciation</b>							
At 1 September 2022	416	81	—	101	375	12	985
Charge in year	291	25	—	80	184	2	582
Disposals	(125)	—	—	(38)	(104)	—	(267)
Transfers	(32)	32	—	—	—	—	—
At 31 August 2023	550	138	—	143	455	14	1,300
<b>Net book value</b>							
At 31 August 2023	4,500	1,132	34	269	202	11	6,148
At 31 August 2022	4,819	739	170	208	403	—	6,339

Properties utilised by the Trust's academies are recognised on the Trust's balance sheet as tangible fixed assets where the Trust has ultimate control over the right to access and the right to carry out works on the property. Where the freehold to a property is owned or held on trust by the Diocese of Southwark, SDBE or the local parish, control of the right of access to and right to carry out works on the property ultimately resides with these bodies and the property is therefore not recognised in the balance sheet.

### 13 Debtors

	2023 £'000	2022 £'000
Trade debtors	150	150
Prepayments and accrued income	631	754
VAT debtor	78	202
Other debtors	—	4
	<b>859</b>	<b>1,110</b>

## Notes to the financial statements Year to 31 August 2023

### 14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	158	547
Other creditors	85	42
Other taxation and social security	363	320
Loan	5	—
Accruals and deferred income	651	758
	<b>1,262</b>	<b>1,667</b>

	2023 £'000	2022 £'000
<b>Deferred income</b> (included above)		
Deferred income at 1 September 2022	358	269
Resources released in the year	(358)	(249)
Resources deferred in the year	314	338
Deferred income at 31 August 2023	<b>314</b>	<b>358</b>

Deferred income of £314,000 (2022 – £358,000) relates to Universal Infant Free School Meals grants and rates relief income, as well as income for future residential trips that relate to the year ending 31 August 2024.

### 15 Creditors: amounts falling due in greater than one year

	2023 £'000	2022 £'000
Loans	22	—
	<b>22</b>	<b>—</b>

The loans were from Salix Finance as part of the Condition Improvement Fund for work to the pitched roofs at St Michael's School and works to the kitchens at St Stephen's School. The original amount borrowed was £27,169 and was repayable over five years, beginning in September 2023. The loan was interest free and the remaining balance was payable as follows:

	2023 £'000	2022 £'000
<b>Analysis of loans</b>		
Wholly repayable within eight years	27	—
Less: included in current liabilities	(5)	—
Amounts included above	<b>22</b>	<b>—</b>
<b>Loan maturity</b>		
Debt due in one year or less (note 14)	5	—
In more than one year but not more than two years	5	—
In more than two years but not more than five years	17	—
	<b>27</b>	<b>—</b>

## Notes to the financial statements Year to 31 August 2023

### 16 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	—	18,417	(19,353)	936	—
Other DfE / ESFA grants					
Universal Infant Free School Meals	—	292	(292)	—	—
Pupil Premium	—	1,488	(1,488)	—	—
Donated current assets on conversion	—	103	(103)	—	—
Other restricted funds	—	1,457	(1,457)	—	—
Pension reserve	(2,482)	—	(239)	2,334	(387)
	<u>(2,482)</u>	<u>21,757</u>	<u>(22,932)</u>	<u>3,270</u>	<u>(387)</u>
<b>Other restricted funds</b>					
Local authority grants	—	2,187	(2,187)	—	—
Other restricted funds	—	204	(204)	—	—
	<u>—</u>	<u>2,391</u>	<u>(2,391)</u>	<u>—</u>	<u>—</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	829	510	(25)	—	1,314
DfE/ ESFA capital grants	5,191	1,214	(1,508)	105	5,002
Capital expenditure from GAG	667	—	(196)	152	623
Private sector capital sponsorship	115	—	—	(105)	10
	<u>6,802</u>	<u>1,724</u>	<u>(1,729)</u>	<u>152</u>	<u>6,949</u>
<b>Total restricted funds</b>	<u>4,320</u>	<u>25,872</u>	<u>(27,052)</u>	<u>3,422</u>	<u>6,562</u>
<b>Unrestricted funds</b>					
General funds	3,269	1,216	(1,073)	(1,088)	2,324
<b>Total unrestricted funds</b>	<u>3,269</u>	<u>1,216</u>	<u>(1,073)</u>	<u>(1,088)</u>	<u>2,324</u>
<b>Total funds</b>	<u>7,589</u>	<u>27,088</u>	<u>(28,125)</u>	<u>2,334</u>	<u>8,886</u>

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

#### **Restricted general funds**

These funds represents grants received for the Trust's educational operations.

#### **ESFA revenue grant fund and other restricted funds**

##### **General Annual Grant (GAG)**

GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the schools within the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

## Notes to the financial statements Year to 31 August 2023

### 16 Funds (continued)

#### ***ESFA revenue grant fund and other restricted funds (continued)***

##### *Other revenue grants*

These funds comprise other revenue grants received from the Education and Skills Funding Agency and Local Authorities which are provided for specific purposes and include the Pupil Premium grant.

##### *Pension reserve*

The pension reserve relates to the deficit on the Trust's share of the liability for various local government pension schemes of which its constituent schools' support staff are members. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

##### *Fixed asset fund*

These funds relate to the Trust's holding of tangible fixed assets. Transfers from the General Annual Grant fund to this fund represent the purchase of tangible fixed assets from GAG funding.

## Notes to the financial statements Year to 31 August 2023

### 16 Funds (continued)

#### Comparative information

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	—	15,745	(15,752)	7	—
<b>Other DfE / ESFA grants</b>					
Universal Infant Free School Meals	—	262	(262)	—	—
Pupil Premium	—	1,178	(1,178)	—	—
Catch-up premium	—	133	(133)	—	—
Other DfE/ESFA COVID-19 funding	—	287	(287)	—	—
Donated current assets on conversion and acquisition	—	831	(831)	—	—
Other restricted funds	—	498	(498)	—	—
Pension reserve	(12,146)	(354)	(1,626)	11,644	(2,482)
	<u>(12,146)</u>	<u>18,580</u>	<u>(20,567)</u>	<u>11,651</u>	<u>(2,482)</u>
<b>Other restricted funds</b>					
Local authority grants	—	1,807	(1,807)	—	—
	<u>—</u>	<u>1,807</u>	<u>(1,807)</u>	<u>—</u>	<u>—</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	826	22	(19)	—	829
DfE/ ESFA capital grants	4,865	780	(454)	—	5,191
Capital expenditure from GAG	428	—	—	239	667
Private sector capital sponsorship	115	—	—	—	115
	<u>6,234</u>	<u>802</u>	<u>(473)</u>	<u>239</u>	<u>6,802</u>
<b>Total restricted funds</b>	<u>(5,912)</u>	<u>21,189</u>	<u>(22,847)</u>	<u>11,890</u>	<u>4,320</u>
<b>Unrestricted funds</b>					
General funds	2,694	975	(154)	(246)	3,269
<b>Total unrestricted funds</b>	<u>2,694</u>	<u>975</u>	<u>(154)</u>	<u>(246)</u>	<u>3,269</u>
<b>Total funds</b>	<u>(3,218)</u>	<u>22,164</u>	<u>(23,001)</u>	<u>11,644</u>	<u>7,589</u>

## Notes to the financial statements Year to 31 August 2023

### 17 Analysis of funds by school

	Total 2023 £'000	Total 2022 £'000
St Leonard's, Streatham	(271)	(168)
St Luke's, West Norwood	133	68
Christ Church, Streatham	126	300
St George's, Forest Hill	774	668
Archbishop Tenison, Oval	(369)	603
St Paul's School, Walworth	(48)	1
St Michaels, East Wickham	(2)	42
St Stephen's, South Godstone	99	126
St Matthews CofE Primary School	634	595
All Saints CofE Primary School	(9)	91
Minster Junior School	897	840
Minster Nursery & Infant School	128	—
Central services	232	103
Total before fixed asset fund and pension reserve	2,324	3,269
Restricted fixed asset fund	6,949	6,802
Pension reserve	(387)	(2,482)
<b>Total Funds</b>	<b>8,886</b>	<b>7,589</b>

#### ***St Leonard's***

St Leonard's is a school that joined the Trust during a period where it was moving from one form entry to two form entry. With funding lagged by a year, the school staffed the school ahead of income. It has carried a deficit since conversion. In the 2023/24 financial year, the school will be full in all year groups and the deficit will clear as income surpasses expenditure.

#### ***Archbishop Tenison***

The closure of ATS was a significant shock to the Trust, and, as you would expect when closing a school that has operated for over 300 years, there are costs that weren't foreseen. The deficit position at 31 August 2023 reflects approximately £303,000 of closure costs covering staffing, pensions and other exceptional items, with further costs of up to £500,000 are anticipated during 2023/24. This deficit will take a number of years to clear and will be supported by the central office reserves over a period of time.

#### ***St Paul's***

St Paul's was a sponsored academy that joined the Trust with an Inadequate Ofsted judgement. Now the school has been judged to be Good, there will be secondments out of St Paul's to other schools in the Trust, bringing an income back into the school and clearing the deficit.

#### ***St Michael's***

St Michael's is a school that has suffered falling pupil numbers, largely as a result of a less than Good Ofsted outcome shortly after conversion. Pupil numbers have dropped to around 155/210 following this inspection. The Trust has since worked hard to secure a Good Ofsted outcome and drive up pupil numbers. Other strategies, including the opening of a new nursery provision, were also implemented to shore up numbers. We are delighted that during this financial year, pupil numbers increased by over 30. With funding lagged for a year, it will be 2024/25 before the school is able to begin building reserves again.

## Notes to the financial statements Year to 31 August 2023

### 17 Analysis of funds by school (continued)

#### *All Saints*

All Saints suffered with some staff absences and associated agency costs during the financial year. This was compounded by a number of children who have quite considerable learning needs and require support greater than the level they are funded for. The school are taking proactive steps to reduce their expenditure and build their reserves over the period ahead. They are a Good school that is often oversubscribed. We have confidence in their ability to improve their financial performance.

Expenditure incurred by each school during the year (excluding depreciation and LGPS adjustments) was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2023 £'000
All Saints, Carshalton	1,681	452	86	293	2,512
Archbishop Tenison's School, Oval	2,139	821	451	807	4,218
Christ Church, Streatham	918	321	109	363	1,711
St George's, Forest Hill	982	211	102	323	1,618
St Leonard's, Streatham	1,872	270	156	452	2,750
St Luke's, West Norwood	755	288	123	340	1,506
St Matthew's, Redhill	1,644	350	124	407	2,525
St Michaels, East Wickham	655	156	48	179	1,038
St Paul's School, Walworth	1,080	324	70	284	1,758
St Stephen's, South Godstone	1,011	149	90	330	1,580
Minster Junior School	1,799	418	192	494	2,903
Minster Nursery & Infants School	1,313	285	53	369	2,020
Central services	162	510	103	390	1,165
<b>Total costs</b>	<b>16,011</b>	<b>4,555</b>	<b>1,707</b>	<b>5,031</b>	<b>27,304</b>

### 18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2023 £'000
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	—	—	6,148	6,148
Current assets	2,324	1,284	801	4,409
Current liabilities	—	(1,262)	—	(1,262)
Non-current liabilities	—	(22)	—	(22)
Pension scheme liability	—	(387)	—	(387)
<b>Total net assets</b>	<b>2,324</b>	<b>(387)</b>	<b>6,949</b>	<b>8,886</b>



## Notes to the financial statements Year to 31 August 2023

### 18 Analysis of net assets between funds (continued)

Included within the restricted fixed asset fund is unspent Capital funding of £801,000.

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
<i>Fund balances at 31 August 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	6,340	6,340
<i>Current assets</i>	3,269	1,667	462	5,398
<i>Current liabilities</i>	—	(1,667)	—	(1,667)
<i>Pension scheme liability</i>	—	(2,482)	—	(2,482)
<b>Total net assets</b>	<b>3,269</b>	<b>(2,482)</b>	<b>6,802</b>	<b>7,589</b>

### 19 Capital commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	106	1,034

The above capital commitments relate to contracted playground works being carried out at St George's School, Forest Hill, which commenced in October 2023. This commitment will be funded by unspent capital funding carried forward from 2022/23.

### 20 Commitments under operating leases

#### **Operating leases**

At 31 August 2023, the total of the Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	Furniture and equipment	
	2023 £'000	2022 £'000
Amounts due within one year	19	21
Amounts due between two and five years inclusive	17	27
	<b>36</b>	<b>48</b>

### 21 Members' Liability

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

## Notes to the financial statements Year to 31 August 2023

### 22 Pension and similar obligations

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

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and the latest actuarial valuation of the LGPS related to the period ended 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

There are no contributions payable to the schemes at 31 August 2023 (2022 – £ nil).

#### ***Teachers' Pension Scheme***

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

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

#### ***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 actuarial valuation of the TPS which applied during the year ended 31 August 2023 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

## 22 Pension and similar obligations (continued)

### *Valuation of the Teachers' Pension Scheme (continued)*

- ♦ 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024. From this date, employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £2,577,000 (2022 – £2,156,000).

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

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

### *Local Government Pension Scheme (LGPS)*

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,558,000 (2022 – £1,180,000) of which employer's contributions totalled £1,244,000 (2022 – £934,000) and employees' contributions totalled £314,000 (2022 – £246,000).

The valuation of the Trust's share of LGPS obligations within six of the twelve schools' schemes was a net asset, which totalled of £441,000 at 31 August 2023. Such amounts are only recognised as assets within the aggregated balance, to the extent that the Trust considers these recoverable, either through reduced contributions in the future or through refunds from the plan.

This includes Archbishop Tenison's School, Oval, which closed on 31 August 2023. However, SDBE MAT does not yet have sufficient confidence in recovering the LGPS asset for this school, therefore the surplus is not recognised on the balance sheet and a corresponding adjustment is made within other recognised gains and losses on the statement of financial activities, capping the current year actuarial gain so that the value of the asset is nil.

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

## Notes to the financial statements Year to 31 August 2023

### 22 Pension and similar obligations (continued)

#### *Local Government Pension Scheme (LGPS) (continued)*

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
Rate of increase in salaries	3.7%	4.0%
Rate of increase for pensions in payment / inflation	2.9%	3.0%
Discount rate for scheme liabilities	5.2%	4.2%
Inflation assumption (CPI)	2.9%	3.0%

<b>Current mortality rates</b>	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
<i>Retiring today</i>		
Males	21.5	21.8
Females	24.0	24.2
<i>Retiring in 20 years</i>		
Males	22.2	22.9
Females	25.4	25.9

<b>Sensitivity Analysis: Impact on the net pension liability from changes in assumptions</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Discount rate -0.1%	364	380
CPI rate +0.1%	346	349
Salary rate +0.1%	23	38

The Trust's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2023 £'000</b>	<b>Fair value at 31 August 2022 £'000</b>
Equities	9,989	8,250
Bonds	3,366	2,972
Property	1,760	1,534
Cash and other liquid assets	925	487
Other assets	699	627
<b>Total market value of assets</b>	<b>16,738</b>	<b>13,870</b>
Present value of scheme liabilities		
• <b>Funded</b>	<b>17,125</b>	<b>(16,352)</b>
<b>Deficit in the scheme</b>	<b>(387)</b>	<b>(2,482)</b>

The actual return on scheme assets was £73,000 (2022 – £476,000).

**Notes to the financial statements** Year to 31 August 2023

**22 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

	2023 £'000	2022 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	133	1,313
Interest income	(629)	(220)
Interest cost	735	533
<b>Total amount recognised in the SOFA</b>	<b>239</b>	<b>1,626</b>
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	(629)	(220)
Interest on pension liabilities	735	533
<b>Pension finance income</b>	<b>106</b>	<b>313</b>
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
	2023 £'000	2022 £'000
At 1 September 2022	16,352	24,797
Upon conversion of schools	533	1,014
Current service cost	1,377	2,247
Interest cost	735	533
Employee contributions	314	246
Actuarial (gain)/ loss	(1,784)	(12,389)
Benefits paid	(402)	(96)
<b>At 31 August 2023</b>	<b>17,125</b>	<b>16,352</b>
<b>Changes in the fair value of the Trust's share of scheme assets:</b>		
	2023 £'000	2022 £'000
At 1 September 2022	13,870	12,651
Upon conversion of schools	533	660
Actuarial (loss)/ gain	550	(745)
Expected return on assets	629	220
Employer contributions	1,244	934
Employee contributions	314	246
Benefits paid	(402)	(96)
<b>At 31 August 2023</b>	<b>16,738</b>	<b>13,870</b>

## Notes to the financial statements Year to 31 August 2023

### 23 Transfer from Local Authority on conversion

On the 1 September 2022, The Minster Nursery and Infant School joined SDBE Multi Academy Trust from Croydon London Brough Council. The assets and liabilities acquired on transfer of the School are detailed below:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2023 £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	450	450
. Other tangible fixed assets	—	—	60	60
Cash at bank	16	103	—	119
<b>Net assets</b>	<b>16</b>	<b>103</b>	<b>510</b>	<b>629</b>

The were no fair value adjustments to any of the inherited assets or liabilities for the year ended 31 August 2023.

On 1 April 2022, The Minster Junior School joined SDBE Multi Academy Trust from Croydon London Brough Council. The assets and liabilities acquired on transfer of the School are detailed below:

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
Tangible fixed assets				
. Other tangible fixed assets	—	—	22	22
LGPS pension (deficit)	—	(354)	—	(354)
Cash at bank	—	778	—	778
Other Debtors	—	53	—	53
<b>Net assets</b>	<b>—</b>	<b>477</b>	<b>22</b>	<b>499</b>

The were no fair value adjustments to any of the inherited assets or liabilities for the year ended 31 August 2022.

### 24 Related party transactions

#### *Trustees' remuneration and expenses*

Staff only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. Please see note 9 for further details of Trustee remuneration.

#### *Services from Southwark Diocesan Board of Education (SDBE)*

The Southwark Diocesan Board of Education (SDBE) provided services to the academies under a service level agreement, known as the "Partnership Agreement". The charges are funded from the 5% central contribution to central services.

## Notes to the financial statements Year to 31 August 2023

### 24 Related party transactions (continued)

#### **Services from Southwark Diocesan Board of Education (SDBE)** (continued)

SDBE also provided the following services (at cost) to the Trust Central function:

The amounts charged by the SDBE to the Trust (per academy) under the service level agreements during the year were as follows:

	2023 £	2022 £
All Saints, Carshalton	5,030	4,885
Archbishop Tenison's School, Oval	7,525	7,305
Christ Church, Streatham	3,345	3,250
Minster Junior School, Croydon	—	—
Minster Nursery and Infant School, Croydon	4,490	—
St George's, Forest Hill	4,360	3,250
St Leonard's, Streatham	4,695	4,560
St Luke's, West Norwood	3,345	3,250
St Matthew's, Redhill	4,695	4,560
St Michael's, East Wickham	3,345	3,250
St Paul's, Walworth	3,345	4,235
St Stephen's, South Godstone	4,360	4,235
<b>Total</b>	<b>48,535</b>	<b>42,780</b>

SDBE also provided the following services (at cost) to the Trust Central function:

	2023 £	2022 £
Accommodation and serviced offices	21,237	34,787
<b>Total</b>	<b>21,237</b>	<b>34,787</b>

SDBE also provides school improvement services to the academies within the Trust.

The actual amounts charged to the Trust under the Diocesan School Improvement Services Scheme during the year were:

	2023 £	2022 £
All Saints, Carshalton	—	3,167
Archbishop Tenison's School, Oval	250	5,250
Christ Church, Streatham	—	3,500
Minster Junior School, Croydon	1,080	—
Minster Nursery and Infant School, Croydon	—	—
St George's, Forest Hill	—	2,750
St Leonard's, Streatham	500	4,500
St Luke's, West Norwood	—	4,250
St Matthew's, Redhill	250	3,000
St Michael's, East Wickham	—	8,000
St Paul's, Walworth	—	4,500
St Stephen's, South Godstone	—	5,000
Central	—	250
<b>Total</b>	<b>2,080</b>	<b>44,167</b>

All services provided to the Trust by SDBE were procured using the Trust's agreed purchasing policies.

## Notes to the financial statements Year to 31 August 2023

### 24 Related party transactions (continued)

#### ***Services from Southwark Diocesan Board of Education (SDBE) (continued)***

The Trust conducted the above related party transactions in accordance with the requirements of the Academy Trust, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with their financial regulations and procurement procedures. Where, for goods or services exceeding £2,500 cumulatively in the year, the element above £2,500 has been provided at no more than cost.

### 25 Contingent liabilities

SDBE MAT is currently in dispute with HMRC in respect of alleged underpaid PAYE tax dating back to 2018, specifically in relation to Class 1 NICs. The total amount of alleged unpaid tax being demanded amounts to £108,088. Currently SDBE MAT is in discussion with its payroll provider and HMRC to try and resolve this matter. As such there is currently no certainty that the amount will have to be paid, although sufficient doubt remains for a contingent liability in respect of the matter to be included in these financial statements.

SDBE MAT is liable for certain pension strain costs in relation to members of administrative staff formerly employed by Archbishop Tenison's School, who participated in the School's Local Government Pension Scheme. At the point of approval of the accounts, it is not possible to quantify the magnitude of this liability with any degree of certainty.