Company Registration No. 07588097 (England and Wales)

CHEAM ACADEMIES NETWORK

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

CHEAM ACADEMIES NETWORK

CONTENTS

CHEAM ACADEMIES NETWORK

REFERENCE AND ADMINISTRATIVE DETAILS

Directors (Trustees)	Richard Beer (Chairman)*# Rebecca Allott (CEO and Accounting Officer) * Rosemary Satchell (Vice Chairman)*# (resigned 31st August 2023) Brian Goldie *# Barbara Rayment *# Catherine Voysey *# (resigned 31st August 2023) Rebecca McGowan *# (appointed 1st January 2022) Sharon Roberts *# (appointed 21st March 2023) *member of the Finance Committee # member of the Audit Committee
Members	Rosemary Satchell Richard Kerslake Richard Beer Emma Bradshaw Nigel Griffiths (resigned 31st August 2023) Brian Goldie Elaine Leitch
Senior Management Team	
CEO of the Trust	Rebecca Allott
Head Teacher Cheam High School	Peter Naudi
Head Teacher Oaks Park High School	Amit Amin
Company Secretary	Susan Norton
Company registration number	07588097 (England and Wales)
Academies operated	Cheam High School Oaks Park High School
Registered office	Chatsworth Road Cheam Surrey SM3 8PW United Kingdom
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	HSBC Bank PLC 9 Wellesley Road Croydon Surrey CR9 2AA Lloyds Bank PLC 49/53 High Street Sutton Surrey SM1 1DT
Solicitors	Stone King LLP 13 Queen Street Bath BA1 2HJ

The Directors (Trustees) present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The principal activity of the company is the operation of its state-funded Academies, Cheam High School and Oaks Park High School, both providing a state education for students aged 11 to 19, sited in the London Borough of Sutton. The two schools have a Pupil Admission Number for Year 7 students of 320 and 210 respectively as of September 2021; however, both schools have offered 10 and 50 places extra respectively in the academic year 22/23 in order to provide additional secondary school places in the local area.

Structure, governance and management

Constitution

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

The company is legally empowered to operate more than one academy and does so. The company continues to operate Cheam High School. It took on the responsibility for running Oaks Park High School with effect from 1 September 2019.

The Members reviewed the articles and adopted the most recent model articles promoted by the Department for Education with effect from 1 April 2020.

The Trustees are the Directors for the purposes of company law.

Details of the Trustees who served during the year are included in the Reference and Administrative Details included on page 1.

Members' liability

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

Trustees' indemnities

No indemnities have been given to any third parties on behalf of any Trustees.

Method of recruitment and appointment or election of Members and Trustees

The changes to the articles have included changes to constitution in terms of appointment of the members of the company.

Post 1 April 2020, in accordance with the newly adopted articles of association, the members of the charitable company are:

a) the signatories to the memorandum who shall be the initial members;
b) additional members appointed by special resolution by members, as members think fit.

Post 1 April 2020, in accordance with the newly adopted articles of association, the Trustees (Directors) of the charitable company are:

a) the initial Trustees;
b) the Chief Executive Officer, should the CEO agree so to act;
c) such additional Trustees as may be appointed by the Trustees;
d) up to eight Trustees appointed by the Members of the Trust

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

The training and induction provided for new Trustees and for Governors serving on local governing bodies will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All Trustees and Governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Trustees or Governors. The company also purchases specialist Governor training courses from the Local Authority on an ad hoc basis and is a member of the National Governance Association thus providing on-line training for both Trustees and Governors.

Organisational structure

The CEO is responsible for the day to day running of the Trust, working closely with the Headteachers of the schools within the Trust. Together they form the Trust Executive Team. In addition, the CEO works closely with Trust Finance Officer and staff employed by the Trust who hold Trust wide teaching and learning responsibilities.

The CEO is the Accounting Officer.

The Trust Executive Team ensures the implementation of Trust policies, as well as providing reports, evidence and analysis to allow the Trust Board to carry out its responsibilities.

Directors are accountable for the overall performance of the company across all its different parts. They also have to ensure accounts are produced each year, comply with Company and Charity Law and are legally accountable. The Directors will take an overview of the performance and standards of the Trust and its schools; make strategic decisions for the Trust such as the expansion of the Trust; be responsible for overall estate management and for staffing terms and conditions; approve any Trust policies; agree the Scheme of Delegation that confers powers to a school's Local Governing Body. They are also responsible for the appointment of the CEO and the Headteachers of schools within the Trust.

The Trust employs the staff, owns Cheam High School's site and is the leaseholder for Oaks Park High School; they hold overall responsibility for the finances of the Trust.

Details of the Trust Board meetings and attendance are set out in the Governance Statement.

The Local Governing Bodies of the two schools meet 2 or 3 times each term, with responsibilities as laid out in the Scheme of Delegation. Oaks Park High School Governing Body was formed as an Interim Board when the school joined the Trust with 4 of the Trust Directors appointed to the LGB and the Chairman and Vice Chairman appointed by the Trust Board. Since then the numbers of Directors have reduced and additional governors have been recruited and the Interim Board arrangements have ceased for the forthcoming academic year.

The Trust has one connected organisation - Cheam High School Educational Supplies and Services, a company limited by guarantee and governed by its own Memorandum and Articles of Association. The principal activity of the company is the supply and sale of Cheam High School uniform to students, thus separating the costs of running the uniform service from the running costs of the school. Its registration number is 04410978 and it was formed in April 2002. The company has two Directors: the CEO and the Headteacher of Cheam High School, as well as the same Company Secretary as the Trust.

Arrangements for setting pay and remuneration of key management personnel

The pay of the CEO and Headteachers are set annually by the HR/Pay Committee, having regards to performance against objectives set the previous year and within a stated ISR (pay range) determined by the HR/Pay Committee.

Pay of other Trust members are set by the HR/Pay Committee having regard to performance against previously agreed objectives and any recommendations made by the reviewing member of the Executive team (CEO and Headteachers of the Trust schools).

The pay of school SLT (Senior Leadership Teams) are set by the HR/Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Headteacher and with reference to the National Leadership pay scale.

The Executive and SLT are the key leadership and management personnel of the Trust and its schools. Trustees also hold a senior leadership role although they receive no pay or other remuneration in respect of their role as trustees.

Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.5

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£13,075
Total Pay bill	£22,440k
Percentage of the total pay bill spent on facility time	00.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%

Related Parties and other Connected Charities and Organisations

The Trust has one connected organisation - Cheam High School Educational Supplies and Services, a company limited by guarantee and governed by its own Memorandum and Articles of Association. The principal activity of the company is the supply and sale of Cheam High School uniform to students.

Engagement with employees (including disabled persons)

The following statement summarises action taken during the period to introduce, maintain or develop arrangements aimed at:

- providing employees with information on matters of concern to them
- consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- encouraging the involvement of employees in the Trust's performance
- achieving a common awareness on the part of all employees of the factors affecting the performance of the Trust.
- The Trust's policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons.

The Trust places immense value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Trust. This is achieved through formal and informal meetings, team briefings and internal newsletters/updates. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

In respect of disabled persons, the policy of the Trust is to support recruitment and retention of students, staff and Trustees/Governors with disabilities. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of both schools or to equivalent facilities (e.g. ground floor science laboratories available in the two storey Science department at Cheam High School). The Trust does this by adapting the physical environment, making support resources available and through relevant training. Our policy is to promote the career development and promotion of disabled persons, irrespective of the nature of their disability and we will provide whatever assistance we reasonably can do in order to support the individual in meeting their career goals, ensuring that there is a 'level playing field' for all.

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust recognises the importance of maintaining good business relationships with its suppliers. We have a clear procurement policy to ensure that suppliers are treated in an even-handed manner. The performance of and relationship with key suppliers is constantly monitored to ensure that we treat suppliers fairly, ensuring that payment terms are adhered to and that we comply with contractual obligations placed upon the Trust. We encourage an open and ongoing dialogue with suppliers to ensure that we conduct our business with them in a professional commercial manner.

Our objects and aims, described below, put students at the heart of all that we do. We have described our main achievements within the Strategic Report and also how we have performed against our objectives. We are committed to ensuring that we maintain strong and effective relationships with students, parents/carers and wider stakeholders in the community.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of its schools, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities.

The company continues to develop its support for teaching and learning, respond to changes in curriculum and public examinations, and ensure high standards of staff performance by investing in their development and training. Additional resources continue to be provided to fulfil the Academy's safeguarding responsibilities and promote the personal development of its students.

The primary activity of the charitable company in the academic year 2022-23 was the operation of:

- Cheam High School, an academy school in Cheam, London Borough of Sutton, providing education for its students aged 11 – 19, including a resource base for up to 16 students post 16 with moderate learning difficulties

- Oaks Park High School, an academy school in Carshalton, London Borough of Sutton, providing education for its students aged 11 – 19, including a SEN Unit and Resource Base for 70 students whose primary need relates to ASC

Public benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

TRUST LEVEL REPORT:

The Trust continued to work proactively across its schools.

Extra time within each school's leadership team has been provided in order to support cross Trust work. In 22/23, this resulted in Curriculum Review days, Joint Leadership meetings, project work across the schools to develop attendance, safeguarding, behaviours, SEND and literacy, and work at department level in sharing best practice. Curriculum Reviews gave middle and senior leaders the opportunity to be part of another school's review of subjects. This stimulated discussions across the Trust and gave subject leaders the opportunity to see a sister department in action providing excellent professional development. Feedback on this work has been very positive, and more will be put into place next year

More generally, the school year has improved when compared to the previous two years. Both schools were able to function without closures or high levels of staff absence. This has given greater stability and continuity for all parts of the school community.
Nonetheless, both schools reported (in line with national trends) lower attendance than pre-covid. Low attenders included a disproportionate amount of disadvantaged students and/or those that found it hard to return to school after lockdowns the previous year. This included significant groups in Year 11 as well as across years 7 – 10.
Staffing has also been very difficult this year. There is a shortage of teachers being trained, and this has filtered down to schools. Vacancies have been repeatedly advertised with some remaining unfilled. Whilst both schools have been fortunate to recruit in core areas and ICT this year, there are shortages of both Food and Design Technology teachers in both schools. Business Studies teachers are in short supply and this is restricting choice. Traditionally "easy to recruit" subjects are no longer such.

The summer examination system was a welcome return to the more normal rhythms of the school year. Students had more notice of the re-instatement of examinations than in the previous year. They were better able to plan their revision time, and teachers were better able to plan support for our students. Many students rose to the challenge and responded well to extra support put in place through after school booster sessions, interventions for individuals, early morning learning clubs and focused revision.

Post 16 students in both schools were largely successful, with the vast majority continuing their progression plans to further education or apprenticeships and results showing positive outcomes. There were many happy faces on results day.

Year 11 results were also pleasing. Students made good or better progress overall, with some outstanding results within the Trust. As in last year, it is clear that attendance and progress scores are inter-linked. Attendance remains a key issue for both schools, as we return to greater normality. This focus on attendance reflects the national priorities.

It was pleasing to see that both schools returned to live events, whether this be Open evenings, Carol concerts, Performing art events, Art exhibitions or Progress information evenings. Trips and activities also re-started as did work experience in both schools. It is good to see the return of the community to our schools and the ability to provide an enriched set of experiences than in past years. We look forward to building upon this in the future!

CHEAM HIGH SCHOOL

Cheam has continued to maintain a high level of provision. The school remains popular and well-regarded by the community. It has worked hard to re-stablish attendance patterns (to above the reported national averages) as well as to ensure that students rise to high levels of behavioural and work expectations. The leadership team is well-established and continues to look for improvements in what the school provides. The school is fortunate in its positive, collaborative and committed Governing Body that uses meetings well to support school development.

At Year 11, overall progress measured for the school showed consistent good performance across many areas of the curriculum. Recruitment to the sixth form remains strong. The second cohort of the Bridge also completed their examinations. This is a purpose built course for a small number of students who may otherwise have struggled to retain their place at a mainstream school. Whilst their progress measures impacted on school progress value-added, the school felt that they had provided students with a strong positive KS4 experience that supported their progression onwards. Removing the outcomes for a small number of students such as those in the Bridge had a significant impact on the progress scores showing the majority are making progress that is above national expectations. Year 13 also achieved well, with high numbers of students moving onto further education, many being the first generation in their family to do so.

To support the highest quality teaching, the school has introduced Subject Professional Development, supplementing cross departmental training and focusing on key priorities for each department area. Alongside this, literacy remains a focus, with the Big Read giving opportunities for students to read within their subject area and develop different literacy and reading techniques and understanding as a result. Subject specific vocabulary continues to be explicitly taught and put into context. SEND support structures continue to be very rigorous and supportive, with the broadening of the curriculum through the Bridge at KS4 (for students who are struggling to maintain their school place) and through the Princes Trust work that recognises and supports different qualities and learning experiences.
At KS5,Post 16 Leaders have been introduced, alongside learning mentors, to support students to make the most of their Post 16 experience. This has been particularly welcomed by post 16 students given they have had little formal examination experiences compared to previous cohorts. Alongside this, extra curricular opportunities have been taken up well, particularly at KS3, work experience has returned in force and sponsored walks and school events and Arts exhibitions and Performances have flourished. One area to mention is the planting of hundreds of bulbs, partnership with the Surrey Wildlife Trust in the creation of a wildlife meadow and the push across the school for "Green" matters and accreditation.

OAKS PARK HIGH SCHOOL

Oaks Park High School was in its fourth year with the Trust and was commended for the amount of progress it has made during this time.

The governing body is well-established and strong in purpose and impact. It has an excellent mix of skills from education (including serving headteachers) as well as from the wider community and other placements. Parental representation is strong and this gave direct first hand input into matters that were discussed.
The Leadership team continued to make major contributions to the development of the school. Particular achievements included work on EBSA (Emotionally Based School Avoidance); consistency of behaviour systems, processes and rewards building on previous expectations; adaptive teaching to support individual needs in the classroom; teaching and learning including feedback on student work, use of assessments to improve teaching and sharing best practice; literacy development and growth including the appointment and significant impact of a librarian to supplement work undertaken within subject areas. In addition, the school reintroduced work experience for Year 10 (no mean feat when availability of placements is less than it ever has been due to home working) and has increased students' awareness and exposure to different possible career paths. There have also been events or drop down days to supplement the curriculum such as computing and robotics and the curriculum has been extended with the introduction of the Princes Trust qualifications in Horizon and within the option choices. Music, PE, Art and Drama events together with school trips were back in place with further plans to develop extra curricular opportunities next year.

At Post 16, students fed back on their experiences and also took a wider role in the school through the Student Ambassador programme. More generally, students were involved in peer mentoring, school council and feeding back view point through student voice.

Admission numbers remained strong, and last year there were appeals for places indicating the growth in parental confidence. The extent of support on offer for those with high levels of needs is impressive and this is coupled with ever increasing expectations of success in life and in academic subject outcomes. This focus on how to achieve Success is incorporated into the OAKS mantra: Organised, Active, Kind and Successful.

A level results were pleasing, with students progressing onto their chosen paths.

At KS4, results were significantly higher than last year overall. The school achieved its best ever results for 5+ in English and Mathematics, and progress measures were good overall and across a range of different measures, and for different cohorts eg boys, girls. This is a significant outcome and reflects all the hard work and focus that has gone into developing the curriculum as well as the quality level of teaching and support. The school was delighted with the improvement, as was the Trust.

Key performance indicators

The financial KPI's monitored by Governors and Trustees via regular reports at LGB and Finance Committee can be summarised as follows:

- Reserves will be maintained commensurate with the requirements of the reserves policy.

This has been achieved.

CHEAM HIGH SCHOOL:

The last Ofsted Inspection, in February 2015, judged Cheam High School as outstanding. This means that the school has been judged outstanding by Ofsted in three consecutive full reports and in a Mathematics Inspection. Results since then have maintained good and outstanding progress, supporting this judgement. Ofsted undertook a Section 8 inspection in 2019 with a focus on safeguarding with a successful outcome.

School self-evaluation information indicates that parents/carers, students and staff are very positive about the educational provision and support provided by the school. Teaching and support standards remain high, with close scrutiny of teaching supported by staff development strategies highly valued by participants.
Pupil attendance remains above national figures; the school continues to be heavily oversubscribed for Year 7 entry each year.

OAKS PARK HIGH SCHOOL:

Oaks Park has not been inspected since opening as a new school within the Trust. However, school self-evaluations plus curriculum review days indicate that the school is performing at a good standard. This was further supported by the progress figures that showed outcomes in line with those achieved by good schools.

The school is increasingly popular with parents, with oversubscription and waiting lists for Year 7 entry.

Going concern

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

Promoting the success of the company

As directors of the charitable company, the directors have considered the interests of the Trust and its stakeholders in their decision making. Strategy is primarily designed around the objective to improve educational outcome for students, but every decision and operational approach is regularly reviewed for its impact on all stakeholders with the intent to improve outcomes where possible.

The Trust has a wide range of key stakeholders, including students and their parents, its employees, local communities and government. Directors are highly cognisant of their role and the role of the schools in their communities as agents of transformation. Directors receive feedback through many channels, including in particular from:

- local governing bodies who act as a local link between schools, parents and communities;
- expert professional advisors; and
- the Trust Executive Team as those with delegated responsibility for the day to day running of the Trust.

In terms of members of the academy Trust, fairness in our dealings is upheld through having a clear and well communicated strategy, and financial discipline backed by strong internal controls. We have transparent reporting at regular intervals through the year, continual access to senior management and our new school joiner has been appropriately integrated into the Trust. We aim to be a fully inclusive organisation and we will not unfairly discriminate against our students, staff or any other member of our community and stakeholders.

Where appropriate to do so, stakeholders including community groups and unions are consulted on specific policy decisions prior to their approval. The Board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Directors place a high premium on ethical practice, and making decisions that are right for the communities and children they serve.

As noted within this report, the Trust has high standards of financial probity, making decisions based on the best interests of the Trust and the community it serves within the structures set out in the Academic Financial Handbook and the Trust financial procedures to ensure that there is fairness and transparency in what it does. This includes processing invoices, placing orders, and working with contractors in a way that promotes good relationships with its suppliers and customers.

Strategic decisions take into account the impact upon the environment where this is relevant, such as the quality of new buildings and their energy efficiency as well as other steps that can be taken to conserve energy. These include the promotion of recycling of waste and actions to maximise efficiency in energy consumption.

Finally, with regard to its employees, the Trust believes that its employees are vital to the Trust, and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular feedback from our schools and through Joint Consultative Committees. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. All staff are offered access to well-being support services including flu jabs and the Trust seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through local staff committees we also actively seek to ensure that the working environment meets due high standards of safety and security.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	**Category**	**2023 £'000**	**2022 £'000**
GAG	Restricted General Funds	2,108	1,632
Other DfE/ESFA Grants	Restricted General Funds	-	-
Other Government Grants	Restricted General Funds	-	-
Other Income	Restricted General Funds	583	599
	Sub-total General Restricted Funds	**2,691**	**2,231**
Unspent Capital Grants	Restricted Fixed Asset Fund	1,804	1,813
Other Income	Unrestricted General Fund	1,062	1,044
	Sub-Total Spendable Funds	**5,557**	**5,088**
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	57,087	57,232
Share of LGPS Deficit	Restricted Pension Reserve	(1,540)	(4,800)
	Total All Funds	**61,104**	**57,520**

During the year under review, there was an increase of £460k (2022: decrease of £100k) on general restricted funds, an increase of £18k (2022: increase of £142k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall increase of £3,584k (2022: increase of £11,294k).

The Trust remains in a healthy financial position. This is in part due to healthy reserves built up over recent years, for example: COVID closures led to savings in temporary staffing and ongoing plant running costs. However, the Trust has also made savings due to staff shortages and thus unfilled posts. Recruitment has been particularly difficult for some support staff roles and this has led to unspent funds that have built up over time.

With regard to future financial risks, the level of unfunded staff pay rises and utility increases has put significant pressures on reserves going forward. Fortunately, the level of reserves means that this will not be an immediate risk to its financial security and that there would be time to assess the steps to take.

Economies of scale across the Trust is helping manage increased pressures. However, over time, the Trust cannot indefinitely absorb the costs of energy inflation, unfunded pay rises, and general inflation of services without drastic cuts. It awaits to see the extent to which inflation is, or is not, managed to inform its own plans.

The Trust has assessed other major risks, and has taken action to minimise this impact. A potentially significant impact would be the drop in student numbers for one, or both, of its schools in the event of a drop in popularity. However, numbers in the local area are robust, and the recent admission round shows that this is a low risk given that one school maintains very high levels of parental choice and the other has increased first choice numbers and overall levels of application that are leading to oversubscription. Both schools are also taking additional numbers of students to support a short-term pupil-place shortage in the local area and Post 16 recruitment is also healthy across the Trust. All this further supports future financial stability. The additional numbers of students in Year 7 are a significant factor in the build-up of reserves for one school in particular. There is no fund or subsidiary undertaking that is materially in deficit.

Finally, the governance and oversight of the Trust has remained robust. The existing use of the google platform to store committee papers and financial reports meant that levels of financial reporting and decision making are readily at hand for reference. All meetings have now returned to face-to-face meetings for governors and trustees, and visits to the Trust and its schools have all now been re-instated.

Information on non-financial achievements can be found in the Achievements and Performance section of the report.

Reserves policy

The Academy Trust has a reserves policy which is set by the Finance Committee and reviewed annually. The policy states that it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events such that the school's primary objective is preserved. At the same time, the school wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

Each year the Directors and LGB review the resource requirements and grant income that is forecast for the coming year and an annual budget is formulated and approved.

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Directors (Trustees) have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare. The Trustees have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risks still remain they have ensured they have adequate insurance cover. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by Directors (Trustees).

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Directors (Trustees) of actual financial performance, mitigates the risk allowing pre-emptive action to be taken where needed.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Directors (Trustees) consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists where formal mailing lists for this purpose exist.

Streamlined energy and carbon reporting (SECR)

UK Greenhouse gas emissions and energy use data for the period	**1 September 2022 to 31 August 2023**	**1 September 2021 to 31 August 2022**
Energy consumption used to calculate emissions (kWh)	**3,143,558**	**5,488,997**
Energy consumption break down (kWh)		
• gas,	1,982,636	3,804,669
• electricity,	1,160,922	1,684,328
• transport fuel	1,695	1211L
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	356,875	684,840
Owned transport – mini-buses	4,473	2664
Total scope 1	361,348	687,504
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	308,083	325,715
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	0	0
Total gross emissions in metric tonnes CO2e	**669,431**	**1,013,219**
Intensity ratio		
Tonnes CO2e per pupil	**197**	**308**

Quantification and Reporting Methodology:

We have followed the 2019 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 CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Cheam High School: (originating from 1930s). Steps taken include:

- Installation of LED lights replacing non LED lights
- Upgraded to more efficient boilers
- Reduction in lighting at night
- Increased insulation installed
- Heating reduced at nights, weekends and holiday period

Oaks Park High School: (new school built 2012)

- Increased insulation as part of any internal building changes
- Ongoing replacement programme to replace non LED lights with LED lights
- Replacing controller mechanisms within heating and ventilation to improve efficiency of the system

In addition, we have ensured ICT facilities that allow video conferencing technology to reduce the need for travel between sites and to other meetings. We have also used virtual parents' evening meetings that again have the potential to save significant travel for routine parents' evenings. However, parental meetings remain face-to face to support partnership working where this is beneficial .

Plans for future periods

The Trust intends to:

- Continue its work in supporting educational provision within its schools, aiming to achieve good or outstanding grades in any Ofsted inspection
- Maintain Trust appointments to support the smooth running and effective work of each school within the Trust
- Develop further opportunities for joint work across the Trust, in particular to include a regular schedule of Curriculum Days, Pastoral Days, joint events or activities for Leadership teams and Middle leaders
- Maintain the provision within each school leadership team to provide a flexible Trust wide team that can respond to challenges or vacancies, thus supporting both schools and any future expansion of the Trust
- Grow the Trust sustainably as opportunities arise in the local area

Funds held as custodian trustee on behalf of others

The trust does not hold any funds as custodian trustee.

Auditor

Insofar as the Directors are aware:

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

The Trustees Report, incorporating a strategic report, approved by order of the Directors of Cheam Academies Network, as the company Directors on 20 December 2023 and signed on their behalf by:

R Beer

R Beer
Chairman

Scope of responsibility

As Trustees of the Cheam Academies Network (CAN) we acknowledge we have overall responsibility for ensuring that CAN and its schools 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.

CAN Directors are accountable for the overall performance of the Trust across all of its different parts. They also have to ensure accounts are produced each year which comply with Company and Charity Law, and are legally accountable. The Directors will take an overview of the performance and standards of the Trust; make strategic decisions on strategic matters such as the expansion of the Trust; be responsible for overall estate management and for staffing terms and conditions; approve any Trust policies and agree the Scheme of Delegation that confers powers to any school's Local Governing Body. They are also responsible for the appointment of the Chief Executive Officer and the Headteachers of schools within the Trust.

The CAN Board has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to schools and enshrined in the funding agreement by the Secretary of State for Education. The Accounting Officer is responsible for reporting to the CAN Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of Trustees' Responsibilities.

The CAN Directors are listed on page 1 of this document and met on 6 occasions as the full Trust Board during the year 2022-23. The relevant Directors also met a further three times for the HR /Pay Committee and three times for the Finance/Audit Committee.

In addition, Directors receive monthly outturns, and other management information such as cashflow statements, management accounts, trial balance information and balance sheets that allow them to see any significant variations to expectations and raise any concerns .There are also directors in attendance at both schools' LGB meetings (up to 9 meetings a year) where governors receive outturn and other financial information and are encouraged to ask questions on each school's financial position. Directors can also have access to the Trust's accounts package as needed. Finally, the HR meetings give a further contact point for any queries regarding financial health, as do emailed queries that allow prompt response by the Trust.
Attendance at meetings was as follows:

Trust Board Meetings

Trustees (Directors)	**Meetings attended**	**Out of possible**
Richard Beer (Chairman)	6	6
Rebecca Allott	6	6
Rosemary Satchell Vice Chairman)	6	6
Brian Goldie	6	6
Barbara Rayment	5	6
Catherine Voysey	5	6
Rebecca McGowan	5	6
Sharon Roberts	3	4

All Directors have the same roles and responsibilities as part of the Board. Decisions are made collectively. Terms of office are 4 years, except for the ex officio post of Chief Executive Officer. Directors elect a Chairman of the Board each year, and also a Vice Chairman. There are also Chairmen of the subcommittees appointed by the Board. In addition to the main Board and subcommittees, the Directors have delegated powers to the Local Governing Bodies of the schools via a defined scheme of delegation (see Trustees Report above). They have also established a CAN Board Finance and Audit Committee.

Conflict of interest

Declarations of Interests are made each financial year, and the opportunity to declare circumstances regarding to individual agenda items is also part of the Board and LGB agenda each meeting. The register of up to date interests is maintained, and published on the website for governors, directors, members and the Executive team. Although procurement decisions are not usually made by those outside this list, members of the Leadership team of both schools also complete declarations of interest as needed.

The Trust has an associated company that is formed to provide uniform to Cheam High School students; the directors and company secretary declare this as part of their declarations. However, there has been no conflict of interest identified in this to date.

Governance reviews

The Trust carries out a self-assessment on the expertise of its governors and directors each year. This indicates strengths across all areas collectively, but the need to develop knowledge and understanding for individuals. This overview is then reported back to the relevant bodies, and additional training is put into place. This has led to additional Trust information provided on matters such as funding income and levels of expenditure, value-added with respect to KS4/KS5 measures and terms of conditions for teachers and support staff. In addition, each school also provided training related to admissions, value-added systems and the curriculum, CPD systems and structures, behaviour programmes and post 16. The Trust also provides annual training on safeguarding and updates. There are also expectations of access to NGA training modules or local governance training. Attendance to training is recorded.

The Trust also commissions external review of its processes; this has included, last year, estate management, fixed asset management, compliance to the Academies Financial Handbook in terms of its processes and procedures and routine spot check of its own compliance to its own financial procedures. Where learning points have been flagged up, this has led to action to resolve the matter, reported back to the Trust Board. The Trust has identified a three year programme across various aspects of Trust level responsibility.

The Trust will continue to self-review annually, and will continue to agree a programme of external review each year.

The CAN Finance & Audit Committee met on 3 occasions during the year ending 31st August 2023. The Finance Committee monitors the financial health and performance of individual academies within the trust and will raise concerns with the Board so that appropriate action can be taken if needed. It will also monitor any capital or other project work, and make recommendations with regard to central service costs or project costs relating to estate management across the Trust.

The Audit Committee will consider the risks to the Trust's systems of internal financial control to aid the Trust in developing strategies to mitigate those risks. The committee considers reports and the recommendations made to them, presented by the Responsible Officer and the appointed Auditor. There were no significant issues identified during the period.

Attendance at Finance & Audit meetings was as follows:

Trustees (Directors)	Meetings attended	Out of possible
Richard Beer	2	3
Rosemary Satchell	3	3
Rebecca Allott	3	3
Brian Goldie (Chairman)	3	3
Catherine Voysey	3	3
Rebecca McGowan	3	3
Barbara Rayment	3	3
Sharon Roberts	1	2

Attendance at HR/Pay meetings was as follows:

Trustees (Directors)	Meetings attended	Out of possible
Richard Beer	2	3
Rosemary Satchell (Chairman)	3	3
Rebecca Allott	3	3
Barbara Rayment	2	3
Catherine Voysey	3	3
Sharon Roberts	1	1
Rebecca McGowan	2	4

Review of Value for Money

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

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

- continuing to explore green energy systems and maintaining a programme of replacing non-LED lights
- improving the efficiency of the heating and ventilation system by supporting the replacement of inefficient controllers and/or providing greater room temperature control
- changing phone systems to ones that are cheaper to run and provide additional benefits

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cheam Academies Network for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The CAN Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The CAN Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the CAN Board.

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 Governors/ CAN Board;
- regular reviews by the Finance Committee/ Board of Governors/ CAN Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

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

The CAN Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trust employs the services of a professional auditor to undertake internal assurance checks each term against a programme agreed with the Board. The programme covers the main areas of financial risk: compliance with some of the key requirements of the Academies' Financial Handbook issued by the ESFA, procurement, payroll and payments. They were carried out by Buzzacott on behalf of the Audit Committee for 2022-23 and reports were presented directly to the Chairman of the Audit Committee.

During the year the Audit Committee considered both internal assurance and external audit reports and reviewed the observations and recommendations made in each with regard to the internal control framework. No material weaknesses were observed by either internal assurance or external audit, but several minor recommendations were supported by the Audit Committee and subsequently adopted by the Trust. Trustees are satisfied that the role has been delivered effectively by the agent.

Review of effectiveness

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

- internal assurance reports;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Directors of Cheam Academies Network, on 20 December 2023 and signed on its behalf by:

....	R allott ....
R Beer	R Allott
Chairman	**Accounting Officer**

CHEAM ACADEMIES NETWORK

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

R Allott
Accounting Officer

R Allott

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Cheam Academies Network for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 20 December 2023 and signed on its behalf by:

R Beer
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEAM ACADEMIES NETWORK

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the Financial Statements of Cheam Academies Network for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the 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 Academy Trust 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 Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

21 December 2023

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHEAM ACADEMIES NETWORK AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 26 May 2022 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 Cheam Academies Network during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govem them.

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

Respective responsibilities of Cheam Academies Network's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cheam Academies Network's funding agreement with the Secretary of State for Education dated 25 May 2011 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 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.

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHEAM ACADEMIES NETWORK AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

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

Baxter & Co.

Reporting Accountant
Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 21 December 2023

CHEAM ACADEMIES NETWORK

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	37	-	188	225	1,795
Charitable activities:						
- Funding for educational operations	4	662	24,283	-	24,945	23,009
Other trading activities	5	212	-	-	212	265
Total		911	24,283	188	25,382	25,069
Expenditure on:						
Raising funds	6	-	8	-	8	1
Charitable activities:						
- Educational operations	8	893	24,205	480	25,578	25,931
Total	6	893	24,213	480	25,586	25,932
Net income/(expenditure)		18	70	(292)	(204)	(863)
Transfers between funds	17	-	(138)	138	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	3,788	-	3,788	12,157
Net movement in funds		18	3,720	(154)	3,584	11,294
Reconciliation of funds						
Total funds brought forward		1,044	(2,569)	59,045	57,520	46,226
Total funds carried forward		1,062	1,151	58,891	61,104	57,520

CHEAM ACADEMIES NETWORK

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2022 £'000
Income and endowments from:					
Donations and capital grants	3	18	-	1,777	1,795
Charitable activities:					
- Funding for educational operations	4	623	22,386	-	23,009
Other trading activities	5	265	-	-	265
Total		906	22,386	1,777	25,069
Expenditure on:					
Raising funds	6	-	1	-	1
Charitable activities:					
- Educational operations	8	764	24,290	877	25,931
Total	6	764	24,291	877	25,932
Net income/(expenditure)		142	(1,905)	900	(863)
Transfers between funds	17	-	(41)	41	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	12,157	-	12,157
Net movement in funds		142	10,211	941	11,294
Reconciliation of funds					
Total funds brought forward		902	(12,780)	58,104	46,226
Total funds carried forward		1,044	(2,569)	59,045	57,520

CHEAM ACADEMIES NETWORK

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible assets	12		57,087		57,232
Current assets					
Stock	13	8		10	
Debtors	14	2,502		2,501	
Cash at bank and in hand		4,576		3,964	
		7,086		6,475	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,529)		(1,387)	
Net current assets			5,557		5,088
Net assets excluding pension liability			62,644		62,320
Defined benefit pension scheme liability	19		(1,540)		(4,800)
Total net assets			61,104		57,520
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			58,891		59,045
- Restricted income funds			2,691		2,231
- Pension reserve			(1,540)		(4,800)
Total restricted funds			60,042		56,476
Unrestricted income funds	17		1,062		1,044
Total funds			61,104		57,520

The Financial Statements on pages 26 to 51 were approved by the Trustees and authorised for issue on 20 December 2023 and are signed on their behalf by:

R Beer
Chairman

Company registration number 07588097 (England and Wales)

CHEAM ACADEMIES NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	**20**		759		(1,043)
Cash flows from investing activities					
Capital grants from DfE Group		188		65	
Capital funding received from sponsors and others		-		1,712	
Purchase of tangible fixed assets		(335)		(252)	
Net cash (used in)/provided by investing activities			(147)		1,525
Net increase in cash and cash equivalents in the reporting period			612		482
Cash and cash equivalents at beginning of the year			3,964		3,482
Cash and cash equivalents at end of the year			4,576		3,964

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy 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 Financial Statements 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.

1.2 Going concern

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

1.3 Income

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

<u>Grants</u>

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

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

<u>Donations</u>

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.

<u>Other income</u>

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

1 Accounting policies **(Continued)**

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

1 Accounting policies **(Continued)**

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

Freehold land and buildings	50 years
Leasehold land and buildings	up to 125 years
Plant and machinery	5 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 to 10 years
Motor vehicles	5 years

Land

Subject to a legally binding restriction as to its use, where land is owned, it is included at a nominal value of £1 and where occupied under terms of a long lease, included at its valuation amount.

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

<u>Financial assets</u>

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

<u>Financial liabilities</u>

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1 Accounting policies **(Continued)**

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets and the liabilities are held separately from those of the Academy Trust.

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

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

1.12 Fund accounting

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

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

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

1.13 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact on 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.

Critical areas of judgement
In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Capital grants	-	188	188	65
Other donations	37	-	37	18
LA Capital grants	-	-	-	1,712
	37	188	225	1,795

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	20,416	20,416	19,089
Other DfE/ESFA grants:				
- Pupil premium	-	642	642	596
- Others	-	1,105	1,105	583
	-	22,163	22,163	20,268
Other government grants				
Local authority grants	-	1,673	1,673	1,690
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	258	258	143
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	46
	-	258	258	189
Other funding				
Catering income	651	-	651	615
Other incoming resources	11	189	200	247
	662	189	851	862
Total funding	662	24,283	24,945	23,009

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for coronavirus (recovery premium grant and national tutoring programme grant) exceptional support covers £258k of related costs. These costs are included in notes 6 and 8 below as appropriate.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Hire of facilities	93	-	93	92
Catering income	26	-	26	12
Income from facilities and services	93	-	93	153
Other trading income	-	-	-	8
	212	-	212	265

6 Expenditure

		Non-pay expenditure			
	Staff costs £'000	Premises £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on raising funds					
- Direct costs	-	-	8	8	1
Academy's educational operations					
- Direct costs	18,250	384	1,421	20,055	19,043
- Allocated support costs	2,369	1,379	1,775	5,523	6,888
	20,619	1,763	3,204	25,586	25,932

Net income/(expenditure) for the year includes:	2023 £'000	2022 £'000
Operating lease rentals	44	46
Depreciation of tangible fixed assets	480	877
Fees payable to auditor for:		
- Audit	12	11
- Other services	21	40
Net interest on defined benefit pension liability	211	263

Included within expenditure are the following transactions:

	Total 2023 £	Individual items over £5,000 2023 £
Gifts made by the Academy Trust - total	216	

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts made is not. The value of gifts for the year is £216 (and not £216k).

7 Central services

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

- Finance & budgeting software;
- Legal & HR advice;
- Health & Safety advice;
- Payroll costs; and
- Auditor costs.

The Academy Trust charges for these services on the following basis:

- 3% of GAG income.

The amounts charged during the year were as follows:	2023 £'000	2022 £'000
Cheam High School	375	230
Oaks Park High School	235	141
	610	371

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Direct costs				
Educational operations	-	20,055	20,055	19,043
Support costs				
Educational operations	893	4,630	5,523	6,888
	893	24,685	25,578	25,931

Analysis of costs	2023 £'000	2022 £'000
Direct costs		
Teaching and educational support staff costs	18,250	16,975
Staff development	33	43
Depreciation	384	701
Technology costs	160	153
Educational supplies and services	452	440
Examination fees	355	328
Educational consultancy	82	77
Other direct costs	339	326
	20,055	19,043
Support costs		
Support staff costs	2,052	1,813
Defined benefit pension scheme - staff costs (FRS102 adjustment)	317	1,583
Staff development	12	4
Depreciation	96	176
Technology costs	153	207
Maintenance of premises and equipment	449	360
Cleaning	213	181
Energy costs	272	603
Rent, rates and other occupancy costs	275	362
Insurance	67	64
Security and transport	19	27
Catering	893	786
Defined benefit pension scheme - finance costs (FRS102 adjustment)	211	263
Legal costs	16	16
Other support costs	434	426
Governance costs	44	17
	5,523	6,888

9 Staff

Staff costs

Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	15,306	14,160
Social security costs	1,515	1,374
Pension costs	3,302	3,105
Defined benefit pension scheme - staff costs (FRS102 adjustment)	317	1,583
Staff costs - employees	20,440	20,222
Agency staff costs	179	146
Staff restructuring costs	-	3
Total staff expenditure	20,619	20,371

Staff restructuring costs comprise:

	2023	2022
Severance payments	-	3

Staff numbers

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

	2023 Number	2022 Number
Teachers	232	226
Administration and support	261	238
Management	3	3
	496	467

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	209	200
Administration and support	171	155
Management	3	3
	383	358

9 Staff (Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,000 - £70,000	13	12
£70,001 - £80,000	9	5
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £439,142 (2022: £478,943).

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

R Allott (Executive Principal):
- Remuneration: £110,000 - £115,000 (2022: £140,000 - £145,000)
- Employer's pension contributions: £nil (2022: £20,000 - £25,000)

During the year, travel and subsistence payments totalling £nil (2022: £70) were reimbursed or paid directly to 0 Trustees (2022: 2 Trustees).

Other related party transactions involving the Trustees are set out within the related parties note.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 was £805 (2022: £354). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 September 2022	15,202	48,336	16	177	730	51	64,512
Additions	116	46	-	22	151	-	335
At 31 August 2023	15,318	48,382	16	199	881	51	64,847
Depreciation							
At 1 September 2022	5,444	1,177	15	167	427	50	7,280
Charge for the year	394	(41)	-	18	109	-	480
At 31 August 2023	5,838	1,136	15	185	536	50	7,760
Net book value							
At 31 August 2023	9,480	47,246	1	14	345	1	57,087
At 31 August 2022	9,758	47,159	1	10	303	1	57,232

13 Stock

	2023 £'000	2022 £'000
Stock	8	10

14 Debtors

	2023 £'000	2022 £'000
Trade debtors	30	28
VAT recoverable	224	207
Other debtors	9	9
Prepayments and accrued income	2,239	2,257
	2,502	2,501

15 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	382	270
Other taxation and social security	399	361
ESFA creditors	49	47
Other creditors	401	365
Accruals and deferred income	298	344
	1,529	1,387

16 Deferred income

	2023 £'000	2022 £'000
Deferred income is included within:		
Creditors due within one year	77	122
Deferred income at 1 September 2022	122	28
Released from previous years	(122)	(28)
Resources deferred in the year	77	122
Deferred income at 31 August 2023	77	122

Deferred income arises because of funds held at 31 August 2023 relating to trips and other activities income received in advance of £77k (2022: £24k) and rates of £nil (2022: £98k).

17 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	1,632	20,416	(19,802)	(138)	2,108
Pupil premium	-	642	(642)	-	-
Other DfE/ESFA COVID-19 funding	-	258	(258)	-	-
Other DfE/ESFA grants	-	1,105	(1,105)	-	-
Other government grants	-	1,673	(1,673)	-	-
Other restricted funds	599	189	(205)	-	583
Pension reserve	(4,800)	-	(528)	3,788	(1,540)
	(2,569)	24,283	(24,213)	3,650	1,151
Restricted fixed asset funds					
Inherited on conversion	54,689	-	(363)	-	54,326
DfE group capital grants	964	188	(67)	-	1,085
Capital expenditure from GAG and other funds	1,340	-	(43)	138	1,435
LA capital	2,052	-	(7)	-	2,045
	59,045	188	(480)	138	58,891
Total restricted funds	56,476	24,471	(24,693)	3,788	60,042
Unrestricted funds					
General funds	1,044	911	(893)	-	1,062
Total funds	57,520	25,382	(25,586)	3,788	61,104

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £57,087k (2022: £57,232k) plus the unspent element of capital funds £1,804k (2022: £1,813k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the trustees, to support any of the Academy's charitable purposes.

17 Funds (Continued)

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
Restricted general funds					
General Annual Grant (GAG)	1,796	19,089	(19,212)	(41)	1,632
Pupil premium	-	596	(596)	-	-
Other DfE/ESFA COVID-19 funding	-	143	(143)	-	-
Other Coronavirus funding	-	46	(46)	-	-
Other DfE/ESFA grants	-	583	(583)	-	-
Other government grants	-	1,690	(1,690)	-	-
Other restricted funds	535	239	(175)	-	599
Pension reserve	(15,111)	-	(1,846)	12,157	(4,800)
	(12,780)	22,386	(24,291)	12,116	(2,569)
Restricted fixed asset funds					
Inherited on conversion	55,487	-	(798)	-	54,689
DfE group capital grants	940	65	(41)	-	964
Capital expenditure from GAG and other funds	1,332	-	(33)	41	1,340
LA capital	345	1,712	(5)	-	2,052
	58,104	1,777	(877)	41	59,045
Total restricted funds	45,324	24,163	(25,168)	12,157	56,476
Unrestricted funds					
General funds	902	906	(764)	-	1,044
Total funds	46,226	25,069	(25,932)	12,157	57,520

17 Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:	2023 £'000	2022 £'000
Cheam High School	2,548	2,320
Oaks Park High School	988	851
Central services	217	104
Total before fixed assets fund and pension reserve	3,753	3,275
Restricted fixed asset fund	58,891	59,045
Pension reserve	(1,540)	(4,800)
Total funds	61,104	57,520

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2023 £'000	Total 2022 £'000
Cheam High School	10,921	1,482	195	2,134	14,732	14,297
Oaks Park High School	7,329	887	257	1,728	10,201	10,607
Central services	-	-	-	173	173	151
	18,250	2,369	452	4,035	25,106	25,055

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	57,087	57,087
Current assets	1,062	4,220	1,804	7,086
Current liabilities	-	(1,529)	-	(1,529)
Pension scheme liability	-	(1,540)	-	(1,540)
Total net assets	1,062	1,151	58,891	61,104

18 Analysis of net assets between funds **(Continued)**

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	57,232	57,232
Current assets	1,044	3,618	1,813	6,475
Current liabilities	-	(1,387)	-	(1,387)
Pension scheme liability	-	(4,800)	-	(4,800)
Total net assets	1,044	(2,569)	59,045	57,520

19 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £392k were payable to the schemes at 31 August 2023 (2022: £343k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

19 Pension and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £2,334k (2022: £2,201k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	**2023**	**2022**
	£'000	**£'000**
Employer's contributions	984	905
Employees' contributions	264	246
Total contributions	1,248	1,151

Principal actuarial assumptions	**2023**	**2022**
	%	**%**
Rate of increase in salaries	2.95 - 3.00	4.05
Rate of increase for pensions in payment/inflation	2.95 - 3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
CPI Increase	2.95 - 3.00	3.05

19 Pension and similar obligations **(Continued)**

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

	2023 Years	2022 Years
Retiring today		
- Males	22.1	21.4
- Females	24.8	24.1
Retiring in 20 years		
- Males	23.0	22.9
- Females	26.0	25.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £'000	2022 £'000
Discount rate + 0.1%	16,155	18,296
Discount rate - 0.1%	16,903	19,142
Mortality assumption + 1 year	17,190	19,468
Mortality assumption - 1 year	15,868	17,970
Pension rate + 0.1%	16,887	19,086
Pension rate - 0.1%	16,171	18,352
Salary rate + 0.1%	16,552	18,778
Salary rate - 0.1%	16,506	18,660

Defined benefit pension scheme net liability	**2023 £'000**	**2022 £'000**
Scheme assets	14,989	13,919
Scheme obligations	(16,529)	(18,719)
Net liability	(1,540)	(4,800)

The Academy Trust's share of the assets in the scheme	**2023 Fair value £'000**	**2022 Fair value £'000**
Equities	8,244	8,491
Bonds	2,997	3,201
Cash	2,249	556
Property	1,499	1,671
Total market value of assets	14,989	13,919

The actual return on scheme assets was £31,000 (2022: £(1,318,000)).

19 Pension and similar obligations **(Continued)**

Amount recognised in the statement of financial activities

	2023 £'000	2022 £'000
Current service cost	1,301	2,488
Interest income	(613)	(243)
Interest cost	824	506
Total operating charge	1,512	2,751

Changes in the present value of defined benefit obligations

	2023 £'000
At 1 September 2022	18,719
Current service cost	1,301
Interest cost	824
Employee contributions	264
Actuarial (gain)	(4,370)
Benefits paid	(209)
At 31 August 2023	16,529

Changes in the fair value of the Academy Trust's share of scheme assets

	2023 £'000
At 1 September 2022	13,919
Interest income	613
Actuarial (loss)	(582)
Employer contributions	984
Employee contributions	264
Benefits paid	(209)
At 31 August 2023	14,989

20 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(204)	(863)
Adjusted for:			
Capital grants from DfE and other capital income		(188)	(1,777)
Defined benefit pension costs less contributions payable	19	317	1,583
Defined benefit pension scheme finance cost	19	211	263
Depreciation of tangible fixed assets		480	877
Decrease in stocks		2	3
(Increase) in debtors		(1)	(1,483)
Increase in creditors		142	354
Net cash provided by/(used in) operating activities		759	(1,043)

21 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	3,964	612	4,576

22 Long-term commitments

Operating leases

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

	2023 £'000	2022 £'000
Amounts due within one year	40	40
Amounts due in two and five years	76	-
	116	40

23 Capital commitments

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the Financial Statements	1,755	1,803

At 31 August 2023, the Trust was committed to completing:

- Cheam High School- Secondary School Expansion project, funded by a Local Authority grant with total expected costs of £348k. Costs incurred to date of £212k, with anticipated costs to completion as at 31 August 2023 of £136k.

- Oaks Park High School- Bulge classes project, funded by a Local Authority grant with total expected costs of £1,712k. Costs incurred to date of £93k, with anticipated costs to completion as at 31 August 2023 of £1,619k.

24 Related party transactions

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

The Academy Trust operates a trading subsidiary company, Cheam High Educational Supplies and Services Ltd, a company incorporated in the UK (England and Wales), company number 04410978. The directors of the company are appointed by the Academy Trust and it has appointed R Allott (Executive Principal) as a director of the trading subsidiary. The main activity of the company is the operation of a school shop and collection of income on behalf of the Academy Trust. All of the profits of the company are donated to the Academy Trust £2k (2022: £3k). The activities of the company are not material in the context of these accounts and hence consolidated accounts have not been prepared.

During the period the company reimbursed staff costs of £4k (2022: £5k) to the Academy Trust. At 31 August 2023 amounts due to the Academy Trust were £13k (2022: £14k) and are included in debtors falling due within one year.

O Bell, related to R Allott, Chief Executive Officer, is employed by the Academy Trust. The appointment was made in open competition. R Allott was not involved in the decision making process regarding appointment. O Bell is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship with R Allott.

In entering into these transactions, the Academy Trust has complied with the requirements of the ESFA's Academy Trust Handbook 2022.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

26 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust had unspent funding brought forward of £23k (2022: £70k), received £22k (2022: £30k), disbursed £35k (2022: £52k) from the fund and £1k (2022: £25k) was clawed back by the ESFA. An amount of £9k (2022: £22k) is included within other creditors and £nil (2022: £1k) in ESFA Creditor: amounts falling due in less than one year relating to undistributed funds that are repayable to the ESFA.