

REGISTRAR OF COMPANIES



**The Howard
Partnership Trust**
Bringing out the best

The Howard Partnership Trust

Annual Report and Consolidated Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
07597068 (England and Wales)

THURSDAY



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Reference and administrative information

Members	P Baumann D Grehan L O'Connor (resigned 26 September 2022) S Trundle I Wilson
Trustees	R J Barnfield (CEO) (resigned 31 August 2023) P Belok T Crombie J Cunliffe (resigned 31 December 2022) S Darvill-Croxford (resigned 22 September 2023) L Kemeny M Lowcock T Mills C Ofoego (appointed 1 January 2023) M Pinder (appointed 1 January 2023) C Williamson I Wilson
Company Secretary	A Agidee-Adekunle (resigned 31 December 2022) R Smith (appointed 1 January 2023)
Company registration number	07597068 (England and Wales)
Executive Leadership Team	
Chief Executive Officer	R J Barnfield (resigned 31 August 23) L Lee (appointed 1 September 23)
Deputy Chief Executive Officer	N Euridge
Chief Operating Officer	R Smith (appointed 1 January 23)
Director of Education & Safeguarding	J Roddick
Director of HR & Transformation	J Hatfield (appointed 1 December 2022)
Interim Chief Finance Officer	A Agidee-Adekunle (resigned 31 December 2022)
Chief Finance Officer	R Smith (appointed 1 January 2023)
Registered address	Lower Road Effingham Surrey KT24 5JR

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Trustees' report 31 August 2023

The Trustees of The Howard Partnership Trust (THPT) present their statutory report together with the financial statements of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

THPT operates four secondary academies, six primary phase academies and three special academies in Surrey. The total pupil numbers on roll reported in the Trust's census for 5 October 2023 was 7,643 (2022: 7,627).

The financial statements have been prepared in accordance with the accounting policies set out on pages 38 to 43, THPT's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trust was incorporated on 8 April 2011 and took over the activities of Howard of Effingham School from 1 July 2011. In 2013, the Trust changed its name to The Howard Partnership Trust and became a Multi Academy Trust (MAT). Each academy within the MAT has established a Local Governance Board (LGB). LGB Members do not act as Trustees or directors of the charitable company unless directly appointed by the Board to do so. The schools within the Trust and their date of joining are shown below.

School	Date of joining THPT	Ofsted judgement on joining THPT	Latest Ofsted judgement
Howard of Effingham	1 November 2013	Outstanding	Good (2019)
Thomas Knyvett College	1 November 2013	Requires Improvement	Good (2018)
Kenyngton Manor Primary School	1 December 2013	Requires Improvement	Good (2022)
St Lawrence Primary School	1 November 2014	Good	Good (2023)
Oxted School	1 September 2015	Good	Good (2022)
Cuddington Community Primary School	1 July 2016	Requires Improvement	Good (2019)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

School	Date of joining THPT	Ofsted judgement on joining THPT	Latest Ofsted judgement
Eastwick Infant School	1 July 2016	Good	Good (2018)
Eastwick Junior School	1 July 2016	Good	Good (2019)
Three Rivers Academy	1 September 2016	Inadequate	Good (2019)
Meadhurst Primary School	1 December 2018	Inadequate	Good (2023)
West Hill School	1 March 2021	Outstanding	Outstanding (2023)
Linden Bridge School	1 March 2021	Outstanding	Requires Improvement (2021)
Fox Grove School	Opened Sept 2021	N/A	N/A

Details of the Trustees who served throughout the period are included on page 1. THPT Services Limited, a wholly owned subsidiary of THPT was incorporated on 3 March 2015 and is also consolidated within these financial statements.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the Trust has protected Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business through its membership of the DfE's Risk Protection Arrangement.

Principal activities

The Trust's principal activities, in accordance with its objectives for the year ended 31 August 2023, were advancing education in the United Kingdom by establishing, maintaining, managing and developing schools, offering a broad and balanced curriculum with the aim of maximising the life chances of young people. In addition, the Trust promoted the use of recreational facilities and provided educational events for the benefit of local residents and their families in the communities surrounding the Trust schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

THPT Services Limited, the trading company subsidiary of THPT, provides nursery education for children from 18 months to 4 years at a purpose-built nursery facility, The Howard Nursery School, which is located on the site of Howard of Effingham School. This formed its principal activity in accordance with its objectives, for the year ended 31 August 2023.

Support services to other schools and local authorities have taken place this year which have included specific school-to-school support (StSS), continuing professional and leadership development (CPLD) and initial teacher training (ITT). The Trust has also supported the local authority to help develop and support initiatives such as within SEND provision. The Trust has received £50,758 in income for the support services offered this year and we will look to develop this service further in the future.

Trustees

In the year under review Trustees (who are also directors of the charitable company for the purposes of the Companies Act 2006) were as follows and served throughout the period except where shown:

Trustee	Appointed/Resigned
R J Barnfield	Resigned 31 August 2023
P Belok	
T Crombie	
J Cunliffe	
S Darvill-Croxford	Resigned 31 December 2022
L Kemeny	Resigned 22 September 2023
M Lowcock	
T Mills	
M Pinder	
C Ofoego	Appointed 1 January 2023
C Williamson	
I Wilson	

Details of committees that support the Board of Trustees are set out within the Governance Statement.

Method of recruitment and appointment or election of Trustees

For the period under review, the Trust Board comprised of:

- ♦ the CEO; and
- ♦ 9 Trustees between 1 September 2022 and 31 December 2022; 10 between 1 January 2022 to 31 August 2023. All Trustees were appointed by Members.

The CEO is selected by the Trust Board. Trustees are appointed by Members in accordance with the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Members, Trustees and governors

The Trust Board has a structured process for the induction and training of new Members, Trustees and Local Governors. A tailored Code of Conduct for each level of governance is made available in the first instance and the necessary safeguarding checks and training are also undertaken.

Regular training takes place and targeted support and mentoring is put in place for new appointments and others as required. Induction of new Trustees, Members and Local Governors is delegated to the Chair of the Trust with support from Executives. A checklist covering all required elements is reviewed at the end of the first full term and academic year. New Trustees and Local Governors are assigned a mentor to support them and are encouraged to participate in a dedicated Trust Governance Development Programme, including bespoke training available on request. A range of external resources which the Trust has bought in as well as sources of relevant governance information are available online.

Organisational structure

The Trustees fulfil a strategic role. They are responsible for the strategic direction of the Trust alongside the Executive Leadership Team. They oversee general policy, review and approve annual Trust development plans and budgets, monitor the Trust's performance, both financial and in terms of student outcomes, and provide oversight of decisions about significant capital expenditure and senior staff appointments.

Responsibility is delegated from the Trustees to the Executive Leadership Team via an appropriate Scheme of Delegation.

The CEO, Deputy CEO, COO/CFO, Director of Education and Safeguarding, Director of HR & Transformation, Executive Principals, Principals and Partnership Services Leads are Trust Board appointments.

The Executive Leadership Team comprises the CEO (who is the Accounting Officer), the Deputy CEO, the COO/CFO, the Director of Education and Safeguarding and the Director of HR & Transformation. This team meets regularly with the Executive Principals and Principals.

Each school has a designated Executive Principal who is accountable for the performance and standards of the school and supports and line manages the Principal. Executive Principals also have strategic accountabilities for specific MAT-wide improvement initiatives.

The Principal in each school is supported by a Senior Leadership Team (SLT). These professionals lead the school at a senior level implementing the policies ratified by the Trust. As a group, the SLT are responsible for the authorisation of spending within specific approved budgets and the appointment of staff (having regard to the Executive's advice); although appointment panels for the most senior posts including the SLT are supported by at least one local Governor.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The LGB committees of each school within THPT have delegated responsibilities according to the Scheme of Delegation. Governors largely fulfil a monitoring role in holding the school leadership to account on school performance, in terms of outcomes of children and young people, together with School Improvement Plans. The Chair of Governors forms part of the selection panel for Principal appointments.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is set in accordance with the Trust's Recruitment and Pay Policies and in 2022-23 was monitored by the People, Pay and Performance (PP&P) Committee.

Appointments are made to a pay range which is benchmarked with reference to the School Teachers Pay and Conditions Document (STPCD), local authority arrangements for support staff and sector evidence relating to Multi Academy Trust Executive and Leadership pay.

The support staff remuneration framework is a Trust-specific structure not linked with Local Authority rates, albeit ongoing benchmarking does take place.

Details of individuals who are defined as key management personnel and their remuneration are included within note 7f to the financial statements.

Trade union facility time

Whilst THPT do not incur direct expenditure for Facility Time by releasing its own staff, the Trust buys into the Surrey County Council Trade Union Facility Time SLA in order to have TU representatives to support members. The total cost for this service for 2022/23 was £13,183.

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£50,409,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Connected organisations, including related party relationships

The Howard of Effingham School Charitable Trust exists to support the students of Howard of Effingham School and The Oxted School Trust exists to support those at Oxted School. Both of these charitable trusts provide enhancements and additional activities for students of the school they support which are not otherwise affordable within the delegated budget of the school.

THPT schools work closely with their network of local schools. This provides senior leaders with local knowledge and insights and helps them to make decisions that reflect their local context and needs. THPT schools also fully engage with phase specific Surrey based regional and Local Authority wide networks. This provides excellent CPD for Principals and staff, and these networks also ensure that THPT schools fully engage with LA developments.

The Trust has a wholly owned subsidiary called THPT Services Limited with Company Registration Number 09468301 (England and Wales). The company was incorporated on 3 March 2015 and commenced trading on 1 July 2015.

The principal trading activities during the year to 31 August 2023 related to the provision and development of nursery care and education. The annual taxable profit is transferred through a gift aid donation to the parent company, The Howard Partnership Trust. The subsidiary accounts are consolidated into the parent financial statements and referenced in Note 10 to these accounts.

The commercial nursery that had previously run on the Howard of Effingham site was closed at the start of the summer term due to a combination of local demographics and significant challenges in recruiting early years staff in the area.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

The Trust utilises the services of Inclusive Education Trust (IET) for the provision of Alternative Provision services for its students. A close family member of N Euridge, Deputy CEO of THPT, is the CEO of Inclusive Education Trust. All transactions are supported with a statement of assurance from the CFO of IET, and from Principals at THPT confirming N Euridge is not involved in the decision. IET is a Multi Academy Trust of three Alternative Provisions Academies based in Surrey. Prior to the incorporation of IET in March 2021, THPT used the services of each of the 3 IET academies individually. However, as a consequence of the aggregation of the transactions with the three individual academies, THPT exceeded the £20k limit during 2022/23, and only became aware of this after the event. After declaring this to the ESFA they did not approve the transaction, as we did not seek prior approval. However, the ESFA confirmed that this did not prevent the Trust from entering into or continuing with the transaction in this instance. The total of transactions will fall within the increased threshold for obtaining prior approval (£40k) contained in the Academies Trust Handbook for 2023.

Engagement with employees (including disabled persons)

THPT (The Howard Partnership Trust) employs over 1,350 staff across the Trust and is committed to providing equality of opportunity for all staff and prospective employees. The Trust, through the implementation of relevant policies and monitoring, seeks to eliminate unlawful discrimination in all aspects of employment and create inclusivity.

The Trust encourages all schools and services to communicate regularly with all employees via regular leadership bulletins, emails, newsletters, meetings, training, accessing the THPT Hub for information about Trust wide developments and consultation where necessary. This provides employees with an opportunity to share good practice, voice opinions and offer feedback. The Trust has policies in place regarding employment, including an Equality and Diversity Policy, and the Trust's Recruitment Policy. THPT values all staff and seeks to promote and maintain positive relationships with employees through regular provision of information and consultation where appropriate.

The Trust consults with staff on significant changes and allows opportunity for feedback and discussion. A consultation process is also in place during any TUPE process, with a number of briefing sessions to ensure staff have the opportunity to ask questions in relation to significant changes. Unions are advised and invited to participate in all such consultations. THPT ensures that communication with employees is frequent and transparent.

The media of communication with employees include written letters, staff surveys, newsletters, focus groups, forums and working parties.

The Trust has ensured that all relevant updates and developments were disseminated to all staff. The Trust has an HR intranet and HR portal which provides an employee with direct access to their specific employment information and also to relevant policies and procedures. The Trust utilises the EVERY HR system to disseminate key policies and annual updates to all staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

In accordance with the Trust's equal opportunities policy, the Trust has established fair employment practices in the recruitment, selection, retention and training of disabled staff. The Trust supports the employment of disabled persons regarding both recruitment and retention for those who may become disabled whilst working for the Trust. Training, career development and promotion is encouraged for all staff including disabled employees.

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

The Trust ensures that business relationships with suppliers, customers and other key stakeholders are developed and maintained in a positive way that supports a mutually beneficial partnership. All suppliers are treated with fairness and equality, and the Trust aims to conduct all its business relationships with integrity and courtesy whilst also considering value for money in all arrangements. Clear procurement procedures, and adherence to these, are followed. The Trust employs a dedicated procurement manager who manages and monitors our relationships with suppliers.

The Trust ensures compliance with relevant codes of practice, including statutory reporting duty for payment practices and considers measures to prevent modern slavery in our supply chains and has an up to date Modern Slavery Policy in place. The Trust also ensures its websites are up to date with news and key performance data to ensure engagement with all stakeholders. This includes parents, pupils, staff, Trustees, Local Governors, trade suppliers and the wider local community.

OBJECTS AND AIMS

The Trust's objects as a MAT are for the advancement of education for the public benefit in the United Kingdom, and in particular by establishing, maintaining, managing and developing schools offering broad and balanced curricula with the aim of maximising the life-chances of young people.

Objectives, strategies and activities

The objectives, strategies and activities of THPT are fully outlined in the Trust's Improvement Plan and individual School Improvement Plans, all of which are renewed annually and monitored on a regular basis, typically termly, together with the Trust's 3–5-year Strategic Plan.

Public benefit

The public benefit provided by the Trust is outlined in the Objects and Aims above. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting appropriate policies for the year.

STRATEGIC REPORT

When considering the strategic report on the achievements and performance of The Howard Partnership Trust (THPT) schools, it is relevant to consider how the Partnership came into being, as that journey has shaped the THPT ethos of collaboration and inclusion that has developed over time.

STRATEGIC REPORT (continued)

THPT grew out of a long-standing federation, the first in Surrey, which was originally formed in 2007 at the request of the DfE and Surrey Local Authority. The federation was between Howard of Effingham, an Ofsted outstanding 11-18 school, which was designated the lead, and Thomas Knyvett College, an 11-16 school in Ashford. Through school-to-school collaboration, both schools benefitted from improved student outcomes. The Multi Academy Trust (MAT) was formed in November 2013, again at the request of the DfE and Local Authority, to enable the Partnership's first primary school to join. Kenyngton Manor School, a Surrey 2-form entry primary converted to an academy within THPT in December 2013.

Since then, THPT has grown to its current size of mainstream schools, four secondary and six in the primary phase, with the addition in March 2021 of the former Learning and Inspiration for Tomorrow (LIFT) Special Schools, Linden Bridge School and West Hill, together with Fox Grove, which opened on 1 September 2021. We expect that our family of schools will soon be joined by another special school, Betchwood Vale Academy, which has passed all stages of planning application.

These latest developments have further strengthened the highly inclusive ethos of the MAT, which already encompasses 5 Specialist Centres attached to mainstream settings; one Visually Impaired Centre at Oxted School, 5 COIN (Communication and Interaction Needs) Centres – one each at Eastwick Junior and Infant Schools, with one at Cuddington Community Primary School, one centre at Meadhurst Primary School, and one at Three Rivers Academy. This ethos will be enhanced by the successful Wave 12 Free School Special School bid mentioned above, together with the addition of another COIN Centre to Howard of Effingham School when it is rebuilt.

Those involved with THPT are justly proud of the ethos of collaboration, school improvement and inclusion achieved in each of the Partnership schools. This has been achieved by upholding shared vision and values in which there is a commitment to 'bringing out the best' in young people of all abilities and aptitudes, so increasing their life-chances.

Promoting the success of the company

Safeguarding Children and Young People

The Trust continues to prioritise the safety and wellbeing of children and young people. The post pandemic period continues to present multiple threats to children's wellbeing and THPT schools continue to develop systems and processes together with a curriculum that teaches students how to keep themselves safe. Training and development for staff continues to address a wide range of topics including online safety, anti-bullying and the ongoing Trust response to the Ofsted 'Sexual Abuse and Harassment in Schools and Colleges'. Safeguarding teams continue to work closely together and Designated Safeguarding Leads (DSLs) are supported through a high-quality programme of supervision. Safeguarding continues to be judged effective by Ofsted and inspections regularly identify strong practice in Trust schools.

STRATEGIC REPORT (continued)

Promoting the success of the company (continued)

Key Stage 2 Performance

The end of Key Stage 2 outcomes saw a number of notable successes for the Trust's primary schools. Most schools performed above national average in reading with most securing better than national average progress measures. THPT reading results overall were above the national level of performance. Outcomes in writing remain an area for development with robust improvement work already underway to improve this picture in the 2024 tests. Outcomes in the Key Stage 1 phonics test were also pleasing this year with the majority of schools either close to, in line or above the national figure.

All our primary schools who have been inspected since joining the Trust are judged by Ofsted to provide at least a good standard of education for our students. Inspections continue to recognise the strength of the curriculum on offer together with the effectiveness of Trust support for primary schools.

Key Stage 4 and 5 Performance

Across our Trust at A level there were some significant successes, the A*-E outcomes were in line with national outcomes. In applied general courses, pass rates were high with almost a third of the cohort securing Distinction or Merit grades. At GCSE across our Trust students' average attainment 8 score was just above the national level. However, in line with the national context, the outcomes for disadvantaged students still remain a priority for the Trust as this cohort have been the most impacted by the loss of in school learning opportunities caused by the pandemic.

All our secondary schools are judged by Ofsted to provide a good standard of education for our students, with the Howard of Effingham offering Outstanding sixth form provision.

Special Schools

Students across the Special Phase made very good progress in meeting their individual Education Health Care Plan (EHCP) targets. The work that has taken place to develop robust academic curriculum and assessment policies, is resulting in significant improvements in students' academic progress. All the students at Linden Bridge have been successful in transitioning to the next stage of their education, employment, or training at the age of 19.

Of our other Special schools, one is judged by Ofsted to be outstanding and, one is a new school awaiting its first inspection, although its readiness to open assessment by Ofsted judged that it would be likely to meet the Ofsted criteria to be at least good. In November 2021, having joined our Trust in March 2021, one of the special schools was judged by Ofsted to Require Improvement. Effective support for this school is being achieved through the Trust's 'Additional Support Programme (ASP)' and has resulted in significant and sustained improvement.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

Most of the Trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the ESFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities. The Trust also received grant funding for capital investment and maintenance from the ESFA.

The total income for the year was £62,580,000 (2022 - £69,163,000 which included £11,850,000 in relation to a donated school building). This includes GAG income of £43,731,000 (2022: £42,045,000); trading activities of £1,125,000 (2022: £1,004,000) and capital grants of £2,224,000 (2022: £2,103,000). The total expenditure was £68,447,000 (2022: £63,288,000).

The results for the year are shown on page 35.

The operational deficit for the year after transfers between funds, excluding the fixed assets fund and the pension reserve was £739,000, as reported in the table below (2022: surplus of £1,529,000).

	2023 £'000	2022 £'000
Overall net movement in funds	715	37,059
Add: net expenditure (income) attributable to the fixed assets fund	3,814	(9,234)
Add: FRS 102 pension adjustments	(5,268)	(26,296)
Operational (deficit) surplus for the year	(739)	1,529

A deficit budget had been set for 2022/23 as reserves were above the target level set by the Board of Trustees. These had accumulated in 2021/22 as a result of delays to investment in ICT infrastructure and estates, partly caused by capacity issues and limited supplier availability, together with unexpected inflationary pressures, particularly in energy costs which necessitated a temporary spending reduction across the Trust.

The main driver of the deficit budget was the catch up in expenditure plans from the previous year. Despite this increased expenditure and more broad inflationary pressures in 2022/23, non-staffing expenditure was substantially lower than budgeted due to the Energy Bill Relief Scheme and Energy Bills Discount Scheme. Substantially increased staffing costs from the higher than expected support staff and teacher pay rises, were mainly offset by unbudgeted additional government funding.

Consequently, the actual financial performance during the year 2022/23 shows an improved position against the budget, with a revenue deficit of £1.170m bringing the level of reserves at 31 August 2023 just inside the upper band of the reserves target.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

At 31 August 2023, the Group had total funds of £131,628,000 (2022: £130,914,000). This comprised £125,706,000 (2022: £125,479,000) of restricted funds and £5,922,000 (2022: £5,435,000) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £4,421,000 at 31 August 2023 (2022: £9,689,000). The pension liability is based on certain assumptions which are set out in note 21.

Reserves policy

THPT is dependent on the flow of grants from the ESFA, which allows it to spend on today's students in addition to holding a level of reserves. THPT current policy is to hold levels of free reserves of between 5 - 10% of total annual revenue income with any reserves held in excess of that range to be applied to specific plans and strategies. This level of free reserves equates to between £ 3,018,000 and £6,036,000 on 31 August 2023.

The Trustees recognise, therefore, that the level of free reserves held will be varied within acceptable parameters to reflect the Trust's activities, plans for growth, and the operating environment particularly in the light of increased inflation and energy costs.

The Trust's current level of free reserves (comprising the balance of the unrestricted general fund and restricted income fund balance excluding the Pension Scheme Liability) was £5,964,000 at 31 August 2023 (2022: £7,210,000) which equates to 9.9% of total revenue income and therefore just within the upper band of the reserves target.

The Trust had a consolidated pension scheme liability of £4,421,000 as at 31 August 2023 (2022: £9,689,000) which forms part of restricted reserves. Any cash flows as a result of the pension scheme deficit will occur over a number of years, and consequently the pension liability is excluded in considering the reserves policy.

Going Concern

The Board of Trustees has considered carefully the Trust's level of reserves at 31 August 2023 and its results for the period then ended. On the basis of budgets and forecasts prepared by the Trust's management, their assessment of the principal risks described elsewhere in this report and the capacity of the Trust to make further adjustments to its cost base in the event of adverse changes, the Trustees are satisfied that the Trust has sufficient resources to continue successfully for the foreseeable future.

At 31 August 2023, the Group had current assets of £14,691,000 (2022: £10,555,000) including cash balances of £13,213,000 (2022: £13,377,000) emphasising the liquidity of the Group.

Accordingly, the financial statements have been prepared on the going concern basis. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

STRATEGIC REPORT (continued)

Financial review (continued)

Investment policy

The Trust does not have any material investments.

Risk management

The principal risk management objective of the Trust as stated in the risk management policy is to minimise all identified risks, outlined in the risk register, undertaking frequent review of identified risks and adopting mitigating actions where possible.

The Trustees and Governors have assessed the major risks to which the Trust and each school is exposed, in particular those areas relating to maximising young people's outcomes and the Trust's finances. The Trustees have monitored the effectiveness of Trust and school strategies and procedures implemented to mitigate risks that the schools face, especially in the operational areas; recruitment, staff wellbeing, health and safety (including safeguarding) and financial controls. Where significant financial risk still remains, they have ensured, where possible, that they have adequate insurance cover.

A dedicated Audit & Risk Committee has responsibility for monitoring all internal controls and review of internal audit functions as directed by FRC, Ethical Standards; this is delegated by the Board of Trustees. The Audit & Risk Committee comprises four Trustees, with the CEO, COO/CFO in attendance at meetings.

Each Trust committee receives and reviews the risk register appropriate to its Terms of Reference. THPT Audit & Risk Committee receives and reviews the consolidated Trust risk register. Reviews are carried out on a biannual basis using the same methodology to identify the scope of the identified risks, and any other mitigating actions that may be necessary. In this way, the Trust ensures that its strategic decision-making is fully informed by the risk management protocols that are in place.

Principal risks and uncertainties

The major risks to which the Trust were exposed are: -

- ◆ The hangover of the impact of Covid 19 on student wellbeing, behaviour and attendance and the consequent impact on student outcomes.
- ◆ The potential impact of lower student outcomes on future pupil numbers and the wider reputation of THPT.
- ◆ A cyber security attack impacting on school and Trust operations.
- ◆ Staff recruitment and retention within a nationally and locally challenging landscape and the pressure on workload and well-being of staff whilst operating with high vacancy rates.
- ◆ Control of staff costs given they account for a significant proportion of the Trust's operating income.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- ◆ High inflation and the impact on the cost of goods, especially energy and impact on families and lower paid school staff.
- ◆ Reputational risks from racially aggravated assault outside one of our schools impacting on staff and pupil recruitment, staff morale and community relations.
- ◆ Potential presence of Reinforced Autoclaved Aerated Concrete (RAAC) in school buildings.

The Trustees are cognisant of their responsibility for ensuring the Trust's estate is safe, well maintained and complies with relevant legislation. The Head of Estates is responsible for planning and organising estate resources in line with the asset management plan. Capital funding is allocated against the prioritised asset plan according to:

- ◆ Condition supported by external condition surveys
- ◆ Compliance
- ◆ Sustainability including energy efficiency
- ◆ Sufficiency
- ◆ Suitability supported by Principals requests.

The Capital budget is approved by the Board alongside the Revenue budget, and monthly monitoring is scrutinised by B&F Committee. Scope is left in the budget to be able to take immediate action in response to high-risk events, such as the recent concerns over RAAC. External Chartered Surveyors were commissioned to complete inspections of all schools more than 5 years old, and confirmed no RAAC present, to provide assurance to the Board.

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023	Current reporting year 2022/23	Comparison reporting year 2021/22
Energy consumption used to calculate emissions (kWh)	9,557,755	9,630,722
Energy consumption break down (kWh) (optional)		
Gas	6,725,852	6,608,866
Electricity	2,687,036	2,865,930
Transport fuel	143,493	155,926
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	1,360.37	1,206.38
Owned transport – mini-buses	13.05	16.29
Total scope 1	1,373.42	1,222.67
<u>Scope 2 emissions in metric tonnes CO2e</u>		
<u>Purchased electricity</u>	550.73	554.21
<u>Scope 3 emissions in metric tonnes CO2e</u>		
<u>Business travel in employee owned vehicles</u>	25.73	21.72
Total gross emissions in metric tonnes CO2e	1,949.89	1,798.61
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.26	0.24
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 2022 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		
We have installed smart meters across all sites to improve our understanding of energy consumption		
We have continued to roll-out LED lighting across the Trust estate		
We are working with consultants to explore programme of installing PV panels on the roofs of Trust schools		

FUNDRAISING

THPT does not employ fundraising agencies, fundraisers, or undertake telephone fundraising campaigns.

THPT benefits from two independent charitable funds; The Oxted School Trust and Howard of Effingham Charitable Trust. In addition, some THPT schools also benefit from donations made via the School Fund. The income from these funds is utilised within the relevant school, to provide equipment and other items to support the curriculum which would otherwise be unaffordable within the core offer. Charity law covers the rules relating to the setting up and operation of charities and we ensure compliance with the legislation for both the Oxted School and Howard of Effingham Charitable Trusts, as well as for THPT. The Trust recognises the

Trustees' report 31 August 2023

FUNDRAISING (continued)

Code of Fundraising Practice and The Trust also complies with laws that apply to data protection, health and safety and the environment.

The Trust's charitable objects are clear, and the Trust is transparent in its core purpose and how donations are used. The Trust respects the rights, dignities and privacy of its supporters and beneficiaries; the Trust does not put undue pressure on donors to make a gift. THPT has not received any complaints regarding its fundraising practices in the year.

PLANS FOR FUTURE PERIODS

Future strategic plans centre on the delivery of the 3-5 year strategic plan that has been developed by Trustees. An overarching MAT Improvement Plan and associated action plans for 2023/24 reflect these priorities which are as follows:

- ◆ Every school is a great school – a Trust wide focus on identifying the effective practice in each THPT school and developing approaches to share expertise more widely.
- ◆ Growth and achievement of a sustainable future – addressing the twin challenges of financial security and raising levels of sustainability.
- ◆ Investment in our people as a great employer – recognising how important our people are to our effectiveness and striving to become an employer of choice in the educational landscape.
- ◆ Equity for all within and across schools is prioritised, with a closing of gaps evident.
- ◆ Progressing with new build of Howard of Effingham and Betchwood Vale.

AUDITOR

In so far as the Trustees are aware:

- ◆ relevant audit information has been disclosed to The Trust's auditors; and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, and signed on its behalf by:



Ian Wilson

Chair of Trustees

Date: 20 December 2023

Governance statement 31 August 2023

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Trust Board met 6 times from 1 September 2022 to 31 August 2023. Attendance at these meetings was as follows:

Trustee	Number of meetings attended	Out of a possible
R Barnfield	6	6
P Belok	6	6
T Crombie	6	6
J Cunliffe*	2	2
S Darvill-Croxford	6	6
L Kemeny	5	6
M Lowcock	5	6
T Mills	6	6
C Ofoego*	4	4
M Pinder*	4	4
C Williamson	6	6
I Wilson	6	6

**denotes left or appointed during the year*

The Trust Board has responsibility for the agreement of the long-term strategic plan of the Trust and ensuring adequate resourcing in place to deliver against this plan. The Trust Board receives regular monitoring of the progress of the initiatives in place to ensure the delivery of the overall strategic plan for the Trust.

The Business & Finance Committee and the Audit & Risk Committee are committees of the main Trust Board, as is the Standards & Performance Committee, which has oversight of student progress/outcomes and effective governance across the Trust, and the People, Pay & Performance Committee which has oversight of how employees are remunerated. There is also a dedicated SEND Sub-Committee for specialist provision which reports into the Standards & Performance Committee.

The Standards & Performance Committee met 6 times during the year.

Governance statement 31 August 2023

Governance (continued)

Trustee	Number of meetings attended	Out of a possible
R Barnfield	6	6
T Crombie	6	6
L Kemeny	5	6
M Lowcock	6	6
C Williamson	6	6
I Wilson	4	6

**denotes left or appointed during the year*

The purpose of the SEND Sub-Committee is to provide oversight of student progress/outcomes and effective governance across the specialist provision within the Trust. The SEND Sub-Committee met 6 times during the year:

Trustee	Number of meetings attended	Out of a possible
R Barnfield	5	6
M Lowcock (Chair)	6	6
J Cunliffe*	0	2
P Belok	5	6
T Mills	6	6
M Pinder*	4	6

**denotes left or appointed during the year*

In accordance with the Academy Trust Handbook 2022, Academy Trust Boards are tasked with setting an organisation's risk appetite and ensuring that the framework of governance, risk management and control is in place to manage risk within this. The Audit and Risk Committee plays a crucial role in supporting the Trust Board to meet these obligations. The Audit & Risk Committee comprises four Trustees, with the CEO, and the COO/CFO in attendance.

The Audit & Risk Committee met 4 times during the year:

Trustee	Number of meetings attended	Out of a possible
R Barnfield	4	4
P Belok	4	4
J Cunliffe*	2	2
M Lowcock	4	4
C Ofoego*	2	2
M Pinder*	2	2

**denotes left or appointed during the year*

The purpose of the Business & Finance Committee is to provide oversight of the THPT financial position ensuring sufficient levels of resourcing to deliver the Trust's main purpose whilst having due regard to the financial viability of the Trust.

Governance statement 31 August 2023

Governance (continued)

The Business & Finance Committee met 6 times during the year, attendance at these meetings was as follows:

Trustee	Number of meetings attended	Out of a possible
R Barnfield	6	6
P Belok	6	6
L Kemeny	5	6
T Mills	5	6
I Wilson	6	6

The People, Pay & Performance Committee provide oversight of strategic direction, challenge and decision-making on the following areas: pay and rationale, recruitment and retention, performance development and staff welfare and wellbeing.

People Pay & Performance Committee met 8 times during the year; attendance at these meetings was as follows:

Trustee	Number of meetings attended	Out of a possible
R Barnfield	8	8
P Belok	8	8
S Darvill-Croxford	6	8
L Kemeny	6	8
C Williamson	8	8

Conflicts of interests

The Trust maintains an up-to-date and complete register of interests. In addition to the annual declaration of interest forms which are completed by Trustees and key personnel under the supervision of the Partnership Clerking & Governance Manager, declarations of interest are a standing item at all Trustee meetings. Declared relationships are flagged on the relevant finance and procurement systems so that any proposed or actual transactions are noted and managed in line with the Trust procedures for managing related party transactions. These are then updated on the ESFA portal as and when required. Persons with declared business interests are not involved in discussions and decisions made with regard to suppliers and the CFO ensures that related party suppliers comply with 'at cost' provisions where they apply.

Governance reviews

Since THPT was established as a MAT in 2013, it has experienced significant growth with an increase in the breadth, range and complexity of its activities. Appointments to the Trust Board of Trustees are made to ensure an appropriate range of skills are incorporated across the Board and Committees. Trustees hold at least six Board meetings per year.

Governance reviews (continued)

Each school within the Trust has a Local Governance Board (LGB) operating a Portfolio Holder model. The role and responsibilities of the LGBs reflect partnership working and focus on the critical monitoring of standards, teaching/learning and progress of the School Improvement Plan as well as ensuring safeguarding is effective at a local level. A further review of this tier of governance will begin in September 2023 in accordance with the DfE recommended triennial review cycle.

The triennial review of the Trustee tier of governance was delayed by the pandemic and the merger with LIFT but began in Spring/Summer 2021 and continued into Academic Year 2021/22 with an external specialist consultant. That expert advice supported Trustees in ensuring their key governance accountabilities are appropriate for the larger trust THPT has become and the structure is suitable and scalable to accommodate future growth.

The Trust regularly reviews its Governance Scheme of Delegation which currently encompasses governance and operational accountability and, supports the governance structure developments described above.

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the 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 Trust has delivered and improved value for money during the year by:

Educational Strategies

All Executive Principals have MAT-wide responsibilities which include leadership development, stakeholder engagement and the quality of education. In addition, the Trust has further increased resources within the Partnership Services school improvement team including the appointment of phase specific THPT lead professionals for:

- ◆ Core subjects
- ◆ Behaviour & Attendance
- ◆ Mental Health
- ◆ Inclusion
- ◆ Safeguarding.

These leads co-ordinate and align the sharing of good practice across all THPT schools, primary, secondary and special phase. The value for money achieved in these part-time appointments, which Senior Leaders across the Trust undertake as a career development opportunity, is demonstrable, leading to improvements in educational outcomes and wider achievements associated with removing barriers to learning.

This approach together with planned and costed interventions led by the school improvement teams, have brought about quantifiable improvements and hence value for money in:

Review of Value for Money (continued)

Educational Strategies (continued)

- ◆ The planned curriculum and quality of education provided
- ◆ Standards of teaching and learning across the schools
- ◆ Standards of behaviour and attendance
- ◆ Addressing safeguarding incidents & culture
- ◆ Coping strategies for mental health and wellbeing issues
- ◆ Outcomes for students, especially those with SEND.

The introduction of integrated curriculum and financial planning continues to result in significant savings in the secondary phase. Continued investment to complete an implemented Trust-wide IT Strategy has offered the opportunity to improve teaching and learning through latest technology (cloud storage and Office 365 connectivity).

THPT Partnership Services Team

- ◆ The THPT Partnership Services of Finance, Estates, IT, Procurement and Project Management are organised to support the Trust and overseen by the Trust's COO. The THPT Partnership Services of HR are also organised centrally to support the Trust and are overseen by the Trust's DoHR&T. The aim is to provide a robust fit for purpose support structure that delivers economies of scale across the Trust and ensures best practice in place.
- ◆ The Executive Leadership Team reviews the dashboard tool supplied by the ESFA and reviews the benchmarking data to benchmark our organisational structure against similar MATs. There is a process of continuous improvement in place to ensure optimal use of systems and resources.
- ◆ The Trust has a dedicated procurement manager who manages procurement of all high value goods and services and uses framework agreements and open tender processes to secure best value.
- ◆ The Trust reviews existing contracts with third parties to ensure value for money and service definition is delivered.
- ◆ The Estates team utilise the School Condition Allocation to ensure the Trust's estate is safe, well-maintained, and complies with regulations. The budget is driven by the five workstreams within Estates: Condition, Compliance, Sufficiency, Sustainability, Principal requests regarding Suitability. The priorities for each of these workstreams are considered as part of the budget setting process and a planned schedule of works drawn up for approval by the Board. Progress against this plan is monitored by B&F Committee throughout the year. The Trust engaged the services of a specialist energy broker to review and advise on the needs of the Trust and to manage the procurement and tender processes for the provision of new energy contracts across the Trust. The specialist broker helped Trustees and Trust Leaders to navigate the unprecedented instability in the energy markets at a critical time and continues to provide advice to ensure the Trust is in a strong position to understand the options ahead of the contract renewal in September 2024.

The purpose of the system of internal control

The system of internal controls 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 THPT's 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 Trust has an internal system of control which was in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have 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 Trustees are of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the Trustees;
- ◆ regular reviews by the Business and Finance Committee and the main Trust 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 educational performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and mitigation of risks.

The system of internal control is then tested/reviewed on a periodic basis by the independent internal auditors.

Wylie & Bisset, an independent audit firm, continue to provide internal audit services and internal control assurance to the Trust.

Governance statement 31 August 2023

The risk and control framework (continued)

On an annual basis, the auditor reports to board of trustees, through the Audit & Risk Committee, on the operation of the systems and control and on the discharge of the trustees' financial responsibility. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

In their annual report to the Board for the year to 31 August 2023, they provided their opinion that THPT have adequate and effective risk management, control and governance processes to manage the achievement of our objectives, and that we have proper arrangements to promote and secure value for money. In forming their opinion, they conducted audits into four areas:

- ◆ Financial Controls – Substantial assurance
- ◆ Payroll – Strong assurance
- ◆ Budgetary & Financial Reporting – Strong assurance
- ◆ Health & Safety – Strong assurance.

Along with a follow up audit of previous recommendations which provided Substantial assurance for the Board.

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 taken account of:

- ◆ the work of the internal auditor;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the strategic financial leadership and management by the Trust's Executive Leadership Team; and
- ◆ the work of the COO/CFO, the Principal and the Finance Partner within each school who collectively have responsibility for the implementation and maintenance of the financial internal control framework.

The Accounting Officer has advised the Trust Board of the implications of the result of their review of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees and signed on their behalf by:



I Wilson
Chair of Trustees
Approved on:
20 December 2023



L Lee
CEO and Accounting Officer

Statement on regularity, propriety and compliance 31 August 2023

As Accounting Officer of The Howard Partnership Trust, I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement 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 Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Trust Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Related party transaction

The Trust utilises the services of Inclusive Education Trust (IET) for the provision of Alternative Provision services for its students. A close family member of N Euridge, Deputy CEO of THPT, is the CEO of Inclusive Education Trust. During the year THPT procured services from IET totalling £25,845 thereby exceeding the £20k limit, and only became aware of this after the event. After declaring this to the ESFA they did not approve the transaction, as the Trust did not seek prior approval. However, the ESFA confirmed that this did not prevent the Trust from entering into or continuing with the transaction in this instance.



L Lee
Accounting Officer

Date: 20 December 2023

Statement of Trustees' responsibilities 31 August 2023

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

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



I Wilson
Chair of Trustees

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

Independent auditor's report on the financial statements to the members of The Howard Partnership Trust

Opinion

We have audited the financial statements of The Howard Partnership Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2023, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group 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 group or charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Conclusions relating to going concern (continued)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ♦ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ♦ the charitable parent company 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

Matters on which we are required to report by exception (continued)

- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

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

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

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

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

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

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

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

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

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

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

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

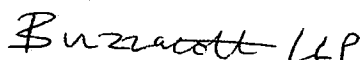
- ♦ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting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

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

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



Alison Pyle, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

20 December 2023

Independent reporting accountant's report on regularity 31 August 2023

Independent reporting accountant's assurance report on regularity to The Howard Partnership Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter 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 The Howard Partnership Trust during the period from 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Howard Partnership Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Howard Partnership Trust's funding agreement with the Secretary of State for Education dated 27 June 2011 and the Academy Trust Handbook 2022, 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 Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the period from 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Independent reporting accountant's report on regularity 31 August 2023

Approach (continued)

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

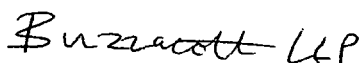
The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Matter: As described on page 26, prior approval for related party transactions with Inclusive Education Trust totalling £25,845 in aggregate was not obtained from the ESFA in breach of the Academy Trust Handbook.

 Buzzacott LLP

20 December 2023

For and behalf of Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2023
(Including income and expenditure account and statement of recognised gains and losses)

	Notes	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income from:						
Donations and capital grants	1	128	62	2,224	2,414	14,009
Charitable activities						
· Funding for the Trust's educational operations	3	2,153	56,694	—	58,847	53,821
· Boarding activities	24	—	194	—	194	329
Other trading activities	2	1,125	—	—	1,125	1,004
Total income		3,406	56,950	2,224	62,580	69,163
Expenditure on:						
Raising funds	4	131	—	—	131	111
Charitable activities						
· Trust's educational operations	5	2,788	59,193	6,038	68,019	62,892
· Boarding activities	24	—	298	—	298	285
Total expenditure	4	2,919	59,491	6,038	68,448	63,288
Net income (expenditure)		487	(2,541)	(3,814)	(5,868)	5,875
Transfers between funds	15	—	(506)	506	—	—
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	21	—	6,582	—	6,582	31,184
Net movement in funds		487	3,535	(3,308)	714	37,059
Reconciliation of funds						
Total fund balances brought forward at 1 September		5,435	(7,914)	133,393	130,914	93,855
Fund balances carried forward at 31 August		5,922	(4,379)	130,085	131,628	130,914

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

Balance sheets 31 August 2023

	Notes	2023		2022	
		Group £'000	Trust £'000	Group £'000	Trust £'000
Fixed assets					
Tangible assets	12	125,945	125,904	130,048	130,007
Current assets					
Debtors	13	1,478	1,692	2,070	2,222
Cash at bank and in hand		13,213	13,194	13,377	13,336
		14,691	14,886	15,447	15,558
Liabilities					
Creditors: amounts falling due within one year	14	(4,587)	(4,583)	(4,892)	(4,880)
Net current assets		10,104	10,303	10,555	10,678
Net assets excluding pension scheme liability		136,049	136,207	140,603	140,685
Pension scheme liability	21	(4,421)	(4,421)	(9,689)	(9,689)
Total net assets		131,628	131,786	130,914	130,996
Restricted funds					
Fixed assets fund	15	130,085	130,043	133,393	133,350
Restricted income funds	15	42	42	1,775	1,775
Pension reserve	15	(4,421)	(4,421)	(9,689)	(9,689)
Total restricted funds		125,706	125,664	125,479	125,436
Unrestricted income funds					
General fund	15	5,922	6,122	5,435	5,560
Total unrestricted funds		5,922	6,122	5,435	5,560
Total funds		131,628	131,786	130,914	130,996

The financial statements on pages 35 to 65 were approved by the Trustees, and authorised for issue on 20 December 2023 and are signed on their behalf by:



I Wilson
Chair of Trustees

The Howard Partnership Trust
Company Limited by Guarantee
Registration Number: 07597068 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2023

		2023 £'000	2022 £'000
Net cash flow from operating activities			
Net cash (used in) provided by operating activities	A	(1,601)	1,683
Cash flows provided by (used in) investing activities	B	1,437	(2,293)
Change in cash and cash equivalents in the year		(164)	(610)
Cash and cash equivalents at 1 September		13,377	13,987
Cash and cash equivalents at 31 August	C	13,213	13,377

A Reconciliation of income to net cash flow from operating activities

	2023 £'000	2022 £'000
Net (expenditure) income for the year (as per the statement of financial activities)	(5,868)	5,875
Adjusted for:		
Depreciation charges (note 12)	4,890	4,709
Capital grants from DfE and other capital income	(2,224)	(2,103)
Inherited fixed assets	—	(11,840)
Defined benefit pension scheme cost less contributions payable (note 21)	884	4,260
Defined benefit pension scheme finance cost (note 21)	430	628
Decrease/ (increase) in debtors	592	(447)
(Decrease)/ increase in creditors	(305)	601
Net cash (used in) provided by operating activities	(1,601)	1,683

B Cash flows from investing activities

	2023 £'000	2022 £'000
Purchase of tangible fixed assets	(787)	(4,396)
Capital grants from DfE/ESFA	2,140	2,103
Capital grants from sponsors and others	84	—
Net cash provided by (used in) investing activities	1,437	(2,293)

C Analysis of changes in net debt

Group	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash at bank and in hand	13,377	(164)	13,213
Total	13,377	(164)	13,213

Principal accounting policies 31 August 2023

Statement of accounting policies

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

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP, second edition effective 2019), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Howard Partnership Trust meets the definition of a public benefit entity under FRS 102.

These financial statements have been rounded to the nearest thousand pounds sterling.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet include the financial results of the Trust and the trading subsidiary, THPT Services Limited, for the year ended 31 August 2023.

No separate statement of financial activities has been presented for The Howard Partnership Trust alone, as permitted by Section 408 of the Companies Act 2006.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. In making this assessment the Trustees have considered operational income and expenditure covering the going concern period. As part of the monthly reporting suite, THPT monitors short term forecast reserves (12 months) versus budgeted reserves as well as undertaking medium term forecasting (a further two years) of reserves.

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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Income (continued)

Grants

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

The assets and liabilities of schools joining the Trust have been valued at fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised within *Donations – transfer from existing academy into the Trust* in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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 numbers on roll.

Principal accounting policies 31 August 2023

Expenditure (continued)

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

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

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

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

Freehold buildings	2% per annum
Leasehold buildings	2% per annum
Fixtures, fittings and equipment	10-20% per annum
Motor vehicles	20% per annum
Computer equipment	33% per annum

Depreciation is charged from the year of acquisition.

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

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

Principal accounting policies 31 August 2023

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions benefits

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

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

A small number of qualifying support staff access a workplace pension scheme with NOW pensions, having opted out of the defined benefit schemes indicated above. The NOW pension scheme is a defined contribution scheme. Consequently, contributions payable are charged to the statement of financial activities.

Fund accounting

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

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

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

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Surrey County Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ The net book value of tangible fixed assets is based on the original cost of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.
- ◆ The values attributed to properties donated to the Trust are initially recognised based on an independent professional valuation. The property's condition, the nature of educational use, and the geographical location are taken into consideration in estimating the value.
- ◆ The Trust's income and expenditure flows for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern.

Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 23.

Notes to the financial statements Year to 31 August 2023

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000	2022 Total funds £'000
Capital grants	—	—	2,224	2,224	2,103
Donated fixed assets	—	—	—	—	11,840
Other donations	128	62	—	190	66
	128	62	2,224	2,414	14,009

Donated fixed assets in the prior year related to the building at Fox Grove School gifted to the Trust by the ESFA.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000
Capital grants	—	—	2,103	2,103
Donated fixed assets	—	—	11,840	11,840
Other donations	2	64	—	66
	2	64	13,943	14,009

2 Other trading activities

	Unrestricted funds	
	2023 Total funds £'000	2022 Total funds £'000
Hire of facilities	545	526
Miscellaneous	288	173
Nursery Services	51	81
Wraparound Care	241	224
	1,125	1,004

Notes to the financial statements Year to 31 August 2023

3 Funding for Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
DfE / ESFA grants				
General Annual Grant (GAG)	—	43,731	43,731	41,716
Other DfE/ESFA grants				
· UIFSM	—	240	240	236
· Pupil Premium	—	1,710	1,710	1,407
· Teachers Pay and Pension	—	174	174	249
· PE and Sports	—	162	162	194
· Rates Rebate	—	266	266	263
· Supplementary grant	—	1,638	1,638	453
· Other	—	636	636	328
	—	48,557	48,557	44,846
Other Government grants				
· Local authority grants	—	8,032	8,032	7,197
· Nursery	497	—	497	636
	497	8,032	8,598	7,833
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	—	—	—	277
	—	—	—	277
Non-Government funding				
Other income from the Trust's educational operations	1,656	105	1,761	865
2023 Total funds	2,153	56,694	58,847	53,821

Notes to the financial statements Year to 31 August 2023

3 Funding for Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>DfE / ESFA grants</i>			
General Annual Grant (GAG)	—	41,716	41,716
<i>Other DfE/ESFA grants</i>			
. UIFSM	—	236	236
. Pupil Premium	—	1,407	1,407
. Teachers Pay and Pension	—	249	249
. PE and Sports	—	194	194
. Rates Rebate	—	263	263
. Supplementary grant	—	453	453
. Other	—	328	328
	—	44,846	44,846
<i>Other Government grants</i>			
. Local authority grants	—	7,197	7,197
. Nursery	636	—	636
	636	7,197	7,833
<i>COVID-19 additional funding (DfE/ESFA)</i>			
Other DfE/ESFA COVID-19 funding	—	277	277
	—	277	277
<i>Non-Government funding</i>			
Other income from the Trust's educational operations	759	106	865
2022 Total funds	1,395	52,426	53,821

4 Expenditure

	Staff costs £'000	Non pay expenditure		2023 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Expenditure on raising funds</i>				
. Direct costs	52	26	2	80
. Support costs	32	11	8	51
<i>Trust's educational operations</i>				
. Direct costs	34,584	—	4,298	38,882
. Allocated support costs	15,490	10,148	3,499	29,137
<i>Boarding activities</i>				
. Direct costs	251	—	—	251
. Allocated support costs	—	33	14	47
	50,409	10,218	7,821	68,448

Notes to the financial statements Year to 31 August 2023

4 Expenditure (continued)

		<i>Non pay expenditure</i>		
	<i>Staff costs</i> £'000	<i>Premises</i> £'000	<i>Other costs</i> £'000	<i>2022 Total funds</i> £'000
<i>Expenditure on raising funds</i>				
. Direct costs	69	—	11	80
. Support costs	19	6	6	31
<i>Trust's educational operations</i>				
. Direct costs	32,368	—	3,445	35,813
. Allocated support costs	15,946	7,918	3,215	27,079
<i>Boarding activities</i>				
. Direct costs	257	—	23	280
. Allocated support costs	—	1	4	5
	<u>48,659</u>	<u>7,925</u>	<u>6,704</u>	<u>63,288</u>

The prior year expenditure analysis has been reclassified to separate out boarding activities from educational operations.

	<i>2023 Total funds</i> £'000	<i>2022 Total funds</i> £'000
Net Income (expenditure) for the year includes:		
Operating lease rentals	134	121
Depreciation	4,890	4,709
Fees payable to auditor		
. Audit	52	49
. Other services	13	12

5 Charitable activities

	<i>Unrestricted funds</i> £'000	<i>Restricted funds</i> £'000	<i>2023 Total funds</i> £	<i>2022 Total funds</i> £
Direct costs – educational operations	2,788	36,094	38,882	35,813
Direct costs – boarding activities	—	251	251	280
Support costs – educational operations	—	29,137	29,137	27,079
Support costs – boarding activities	—	47	47	5
	<u>2,788</u>	<u>65,529</u>	<u>68,317</u>	<u>63,177</u>

	<i>Unrestricted funds</i> £'000	<i>Restricted funds</i> £'000	<i>2022 Total funds</i> £
Direct costs – educational operations	1,080	34,733	35,813
Direct costs – boarding activities	—	280	280
Support costs – educational operations	224	26,855	27,079
Support costs – boarding activities	—	5	5
	<u>1,304</u>	<u>61,873</u>	<u>63,177</u>

Notes to the financial statements Year to 31 August 2023

5 Charitable activities (continued)

Analysis of support costs	Boarding activity £'000	Educational operations £'000	Total 2023 £'000	Total 2022 £'000
Support staff costs	—	15,490	15,490	15,946
Depreciation and impairment	—	4,890	4,890	4,709
Technology costs	—	968	968	682
Premises costs	33	5,258	5,291	3,210
Legal costs	—	7	7	50
Other support costs	14	2,506	2,520	2,382
Governance costs	—	18	18	105
Total support costs	47	29,137	29,184	27,084

6 Comparative information

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

	Notes	Unrestricted general fund £'000	Restricted general funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000
<i>Income from:</i>					
Donations and capital grants	1	2	64	13,943	14,009
Transfer on existing Academies joining the Trust		—	—	—	—
<i>Charitable activities</i>					
Funding for the Trust's educational operations	3	1,395	52,755	—	54,150
Other trading activities	2	1,004	—	—	1,004
Total income		2,401	52,819	13,943	69,163
<i>Expenditure on:</i>					
Raising funds	4	111	—	—	111
<i>Charitable activities</i>					
Trust's educational operations	5	1,304	56,879	4,709	62,892
Boarding activities		—	285	—	285
Total expenditure	4	1,415	57,164	4,709	63,288
Net income (expenditure)		986	(4,345)	9,234	5,875
Transfers between funds	15	(11)	(99)	110	—
<i>Other recognised gains and losses</i>					
Actuarial gains (losses) on defined benefit pension scheme	21	—	31,184	—	31,184
Net movement in funds		975	26,740	9,344	37,059
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September		4,460	(34,654)	124,049	93,855
Fund balances carried forward at 31 August		5,435	(7,914)	133,393	130,914

Notes to the financial statements Year to 31 August 2023

7 Staff

a) Staff costs

Staff costs during the period were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	36,317	32,870
Social security costs	3,477	3,158
Pension costs (2023 LGPS service cost: £884k)	8,590	11,331
Apprenticeship levy	166	148
	48,550	47,507
Supply staff costs	1,847	1,122
Staff restructuring costs	12	30
	50,409	48,659
Staff restructuring costs comprise	2023 £'000	2022 £'000
Redundancy payments	—	—
Severance payments	12	30
	12	30

b) Severance payments

The Academy Trust paid three severance payments in the year, disclosed in the following bands:

	2023 No.
£0 - £25,000	3

c) Non statutory/ non contractual staff severance payments

Of the £12,000 noted above, non-statutory/non-contractual severance payments totalling £12,300 are included (2022: £30,000). Individually the payments were for £5,300, £5,000 and £2,000 (2022: individually the payment was for £30,000).

Notes to the financial statements Year to 31 August 2023

7 Staff (continued)

d) Staff numbers

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

	2023 No.	2022 No.
Teachers	542	504
Administration and support	791	717
Management	21	33
	1,354	1,254

e) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2023 No.	2022 No.
£60,001 - £70,000	29	22
£70,001 - £80,000	13	10
£80,001 - £90,000	9	9
£90,001 - £100,000	5	3
£100,001 - £110,000	2	1
£120,001 - £130,000	1	1
£190,000 - £200,000	1	—
£210,001 - £220,000	—	1
	60	47

Apart from one (2022: one) staff members, all of the above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2023, pension contributions for these staff amounted to £1,013,763 (2022: £811,104).

f) Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Leadership team as listed on page 1. The total amount of employer benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £770,593 (2022: £757,886).

8 Trustees' remuneration and expenses

The Chief Executive Officer only receives remuneration in respect of services provided undertaking the role of Chief Executive Officer and not in respect of services as a trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits for the year ended 31 August 2023 for their period of office as a Trustee was as follows:

	2023 £'000	2022 £'000
R Barnfield, CEO		
Remuneration	190-200	210 – 215
Employer's pension contributions	10-15	10 – 15

Notes to the financial statements Year to 31 August 2023

8 Trustees' remuneration and expenses (continued)

During the year ended 31 August 2023, Trustees' travel and subsistence expenses totalled £nil (2022 - £nil).

9 Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The ESFA Risk Protection Arrangement provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023 was included within the overall membership premium.

10 Wholly owned trading subsidiary

The Trust owns 100% of the issued ordinary share capital of THPT Services Limited, a company incorporated in England. The principal activities of the subsidiary are the provision of nursery services. A summary of the result for the year and position at the year end of THPT Services Limited, which have been included in these consolidated financial statements, is shown below:

	2023 £'000	2022 £'000
Turnover	51	82
Cost of Sales	(100)	(94)
Gross loss	(49)	(12)
Administrative expenses	(23)	(10)
Loss on ordinary activities before taxation	(72)	(22)
Loss on ordinary activities after taxation	(72)	(22)

The assets and liabilities of the subsidiary were:

	2023 £'000	2022 £'000
Non-current assets	42	43
Current assets	19	51
Creditors: amounts falling due within one year	(80)	(46)
Total assets less current liabilities	(19)	(42)
Creditors: amounts falling due after more than one year	(139)	(134)
Net liabilities	(158)	(86)
Represented by:		
Shareholders' funds	(158)	(86)
	(158)	(86)

Notes to the financial statements Year to 31 August 2023

11 Partnership services

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

- ◆ Strategic leadership support
- ◆ Educational support services
- ◆ Human Resources consultancy and support;
- ◆ Financial, IT and business support services;
- ◆ Estates and premises support; and
- ◆ Project management services.

The Trust charges for these services on an allocation which also takes into account numbers on roll. In addition, a partnership fee of up to 6% of budgeted income is charged and includes a variable portion based on numbers on roll and Ofsted rating. The actual amounts for partnership fees charged during the year have remained static since 2018/19 but will be subject to review in the coming financial year:

	2023 £'000	2022 £'000
Howard of Effingham	216	216
Thomas Knyvett College	152	152
Kenyngton Manor school	50	50
St Lawrence school	20	20
Oxted school	356	356
Cuddington school	34	34
Eastwick school	88	88
Three Rivers Academy	252	252
Meadhurst Primary school	72	72
Fox Grove School	35	42
Linden Bridge school	43	86
West Hill school	45	81
	1,363	1,449

Notes to the financial statements Year to 31 August 2023

12 Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation						
At 1 September 2022	110,435	32,358	13,375	2,070	76	158,314
Additions	—	—	298	489	—	787
Disposals	—	—	(1,027)	—	—	(1,027)
At 31 August 2023	110,435	32,358	12,646	2,559	76	158,074
Depreciation						
At 1 September 2022	17,204	1,687	7,942	1,377	56	28,266
Charge in year	2,387	754	1,234	499	16	4,890
Disposals	—	—	(1,027)	—	—	(1,027)
At 31 August 2023	19,591	2,441	8,149	1,876	72	32,129
Net book value						
At 31 August 2023	90,844	29,917	4,497	683	4	125,945
At 31 August 2022	93,231	30,671	5,433	693	20	130,048

Trust	Freehold buildings £'000	Leasehold buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation						
At 1 September 2022	110,385	32,358	13,376	2,070	76	158,265
Additions	—	—	298	489	—	787
Disposals	—	—	(1,026)	—	—	(1,026)
At 31 August 2023	110,385	32,358	12,648	2,559	76	158,026
Depreciation						
At 1 September 2022	17,197	1,686	7,942	1,377	56	28,258
Charge in year	2,386	754	1,235	499	16	4,890
Disposals	—	—	(1,026)	—	—	(1,026)
At 31 August 2023	19,583	2,440	8,151	1,876	72	32,122
Net book value						
At 31 August 2023	90,802	29,918	4,497	683	4	125,904
At 31 August 2022	93,188	30,672	5,434	693	20	130,007

The freehold buildings relate to:

- The Howard of Effingham School site at Lower Road;
- The Thomas Knyvett College site at Stanwell Road;
- The St Lawrence School site at Effingham Common Road;
- The Oxted School site at Bluehouse Lane;
- The Eastwick Schools site at Eastwick Drive;
- The Three Rivers Academy site at Hersham Road;

Notes to the financial statements Year to 31 August 2023

12 Tangible fixed assets (continued)

The leasehold buildings relate to:

- i. The Kenyngton Manor School site at Bryony Way;
- ii. The Cuddington Community Primary School site at Salisbury Road;
- iii. The Meadhurst Primary School at Feltham Hill Road;
- iv. The Linden Bridge School at Grafton Road;
- v. The West Hill School at Kingston Road;
- vi. The Fox Grove School at Kingston Road.

From a consistent accounting perspective, at 31 August 2023 the sites were designated for educational purposes only. The land has no open market value and hence the value in these financial statements relate to the school buildings only, which are included at a depreciated replacement cost valuation.

13 Debtors

	Group 2023 £'000	Trust 2023 £'000	Group 2022 £'000	Trust 2022 £'000
Trade debtors	256	255	243	240
VAT recoverable	481	481	590	590
Amount due from subsidiary	—	215	—	163
Other debtors	41	41	49	49
Prepayments and accrued income	700	700	1,188	1,180
	1,478	1,692	2,070	2,222

Included within the Trust debtors are amounts due greater than one year of £138,822 (2022: £134,150).

14 Creditors: amounts falling due within one year

	Group 2023 £'000	Trust 2023 £'000	Group 2022 £'000	Trust 2022 £'000
Trade creditors	1,087	1,087	889	880
Taxation and social security	858	858	772	772
Other creditors	991	991	896	896
Accruals and deferred income	1,651	1,647	2,335	2,332
	4,587	4,583	4,892	4,880

	Group 2023 £'000	Trust 2023 £'000	Group 2022 £'000	Trust 2022 £'000
Deferred income				
Deferred Income at 1 September	605	605	443	443
Amounts released from previous years	(605)	(605)	(443)	(443)
Resources deferred in the year	617	617	605	605
Deferred Income at 31 August	617	617	605	605

Deferred income relates to funding received in advance for various educational and sporting activities.

Notes to the financial statements Year to 31 August 2023

15 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)	1,512	43,731	(44,737)	(506)	—
Other DfE/ESFA grants:					
UIFSM	—	240	(240)	—	—
Pupil Premium	—	1,710	(1,710)	—	—
Provision for boarding	104	194	(298)	—	—
Teachers Pay and Pension	—	174	(174)	—	—
PE sports grant	—	162	(146)	—	16
Rates Rebate	—	266	(266)	—	—
Catch-up premium	52	—	(52)	—	—
Supplementary grant	—	1,638	(1,638)	—	—
Other ESFA grants	—	636	(636)	—	—
Other grants	—	8,032	(8,032)	—	—
Pension reserve	(9,689)	—	(1,314)	6,582	(4,421)
	<u>(8,021)</u>	<u>56,783</u>	<u>(59,243)</u>	<u>6,076</u>	<u>(4,405)</u>
Fixed assets fund					
Local authority capital grants	11,844	84	(392)	—	11,536
DfE/ESFA capital grants	14,635	2,110	(1,927)	—	14,818
Capital expenditure from GAG	683	—	(257)	506	932
Private sector restricted fixed asset reserves	139	30	(169)	—	—
Academy building and furniture and equipment transferred from Local Authority	106,092	—	(3,293)	—	102,799
	<u>133,393</u>	<u>2,224</u>	<u>(6,038)</u>	<u>506</u>	<u>130,085</u>
Other funds					
Other restricted grants	107	167	(248)	—	26
	<u>107</u>	<u>167</u>	<u>(248)</u>	<u>—</u>	<u>26</u>
Total restricted funds	<u>125,479</u>	<u>59,174</u>	<u>(65,529)</u>	<u>6,582</u>	<u>125,706</u>
Unrestricted funds					
General funds	5,435	3,406	(2,919)	—	5,922
Total unrestricted funds	<u>5,435</u>	<u>3,406</u>	<u>(2,919)</u>	<u>—</u>	<u>5,922</u>
Total funds	<u>130,914</u>	<u>62,580</u>	<u>(68,448)</u>	<u>6,582</u>	<u>131,628</u>

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

ESFA revenue grant fund and other restricted funds

These grants relate to the Trust's educational operations and development.

General Annual Grant (GAG)

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

Pension reserve

The pension reserve relates to the Trust's Local Government Pension Scheme liability for support staff.

Notes to the financial statements Year to 31 August 2023

15 Funds (continued)

Fixed asset fund

This fund represents the tangible fixed assets of the Trust, together with unspent contributions from other funds, in order to carry out work of a capital nature. The Trust's policy is to review substantial capital and maintenance projects on commencement to assess whether they are capital or maintenance in nature. Spending on capital projects is then transferred to the fixed assets fund, while spending on maintenance is expensed. Amounts transferred in the year represent capital expenditure funded by School Condition allocation and other capital maintenance grants where the project was completed in the year.

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2023 £'000	2022 £'000
Central trust	6,164	7,335
Total before fixed assets and pension reserve	6,164	7,335
Restricted fixed asset fund	130,043	133,350
Pension liability	(4,421)	(9,689)
Total for academy trust	131,786	130,996
THPT Services Ltd:		
Restricted fixed asset	42	43
Other funds	(200)	(125)
Total for the group	131,628	130,914

The Trust operates a reserve pooling policy. All unspent funds are held centrally by the Trust.

Notes to the financial statements Year to 31 August 2023

15 Funds (continued)

Analysis of academies by cost

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

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding deprecia- tion) £'000	2023 £'000	2022 £'000
Cuddington Community Primary	775	399	41	351	1,566	1,330
Eastwick schools	2,178	1,197	203	538	4,116	3,787
Fox Grove school	1,142	1,358	192	374	3,066	1,889
Howard of Effingham	5,864	2,074	659	1,144	9,741	8,413
Kennynton Manor school	1,145	1,017	113	418	2,693	2,228
Linden Bridge school	1,596	1,959	169	534	4,258	3,695
Meadhurst Primary school	1,877	738	118	454	3,187	3,075
Oxted school	7,509	2,277	475	1,802	12,063	10,649
St Lawrence Primary	553	385	59	207	1,204	1,084
Thomas Knyvett College	3,583	990	365	734	5,672	4,817
Three Rivers Academy	5,352	1,820	638	1,155	8,965	7,434
West Hill school	1,917	563	79	279	2,838	2,442
Teaching school	—	—	—	—	—	34
Central services	1,093	830	65	931	2,919	7,602
	34,584	15,607	3,176	8,921	62,288	58,479

Notes to the financial statements Year to 31 August 2023

15 Funds (continued)

Comparative information

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	979	41,716	(41,092)	(91)	1,512
Other DfE/ESFA grants:					
Provision for boarding	60	329	(285)	—	104
UIFSM	—	236	(236)	—	—
Pupil Premium	—	1,407	(1,407)	—	—
Teachers Pay and Pension	—	249	(249)	—	—
PE sports grant	13	194	(207)	—	—
Rates Rebate	—	263	(263)	—	—
Catch-up premium	164	—	(104)	(8)	52
Supplementary grant	—	453	(453)	—	—
Other DfE/ESFA COVID-19 funding	—	277	(277)	—	—
Other grants	—	328	(328)	—	—
Pension reserve	(35,985)	—	(4,888)	31,184	(9,689)
	<u>(34,769)</u>	<u>45,452</u>	<u>(49,789)</u>	<u>31,085</u>	<u>(8,021)</u>
Fixed assets fund					
Fixed assets	118,521	—	(4,709)	16,236	130,048
Gifted from ESFA – new school	—	11,840	—	(11,840)	—
DfE/ESFA capital grants	5,364	2,098	—	(4,259)	3,203
Other capital grants	36	5	—	(38)	3
Other capital	128	—	—	11	139
	<u>124,049</u>	<u>13,943</u>	<u>(4,709)</u>	<u>110</u>	<u>133,393</u>
Other funds					
Local authority grants	—	7,197	(7,197)	—	—
Other restricted grants	115	170	(178)	—	107
	<u>115</u>	<u>7,367</u>	<u>(7,375)</u>	<u>—</u>	<u>107</u>
Total restricted funds	<u>89,395</u>	<u>66,762</u>	<u>(61,873)</u>	<u>31,195</u>	<u>125,479</u>
Unrestricted funds					
General funds	4,460	2,401	(1,415)	(11)	5,435
Total unrestricted funds	<u>4,460</u>	<u>2,401</u>	<u>(1,415)</u>	<u>(11)</u>	<u>5,435</u>
Total funds	<u>93,855</u>	<u>69,163</u>	<u>(63,288)</u>	<u>31,184</u>	<u>130,914</u>

Notes to the financial statements Year to 31 August 2023

16 Analysis of net assets between funds

Group	General funds £'000	Restricted General funds £'000	Restricted Fixed Assets fund £'000	Total 2023 £'000	Total 2022 £'000
Fund balances at 31 August 2023 are represented by:					
Tangible fixed assets	—	—	125,945	125,945	130,048
Current assets	5,922	4,629	4,140	14,691	15,447
Current liabilities	—	(4,587)	—	(4,587)	(4,892)
Pension scheme liability	—	(4,421)	—	(4,421)	(9,689)
Total net assets	5,922	(4,379)	130,085	131,628	130,914

Trust	General funds £'000	Restricted General funds £'000	Restricted Fixed Assets fund £'000	Total 2023 £'000	Total 2022 £'000
Fund balances at 31 August 2023 are represented by:					
Tangible fixed assets	—	—	125,904	125,904	130,007
Current assets	6,122	4,624	4,139	14,886	15,558
Current liabilities	—	(4,583)	—	(4,583)	(4,880)
Pension scheme liability	—	(4,421)	—	(4,421)	(9,689)
Total net assets	6,122	(4,380)	130,043	131,786	130,996

Comparative information in report of the proceeding period is as follows:

Group	General funds £'000	Restricted General funds £'000	Restricted Fixed Assets fund £'000	Total 2022 £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	130,048	130,048
Current assets	5,435	6,667	3,345	15,447
Current liabilities	—	(4,892)	—	(4,892)
Pension scheme liability	—	(9,689)	—	(9,689)
Total net assets	5,435	(7,914)	133,393	130,914

Trust	General funds £'000	Restricted General funds £'000	Restricted Fixed Assets fund £'000	Total 2022 £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	130,007	130,007
Current assets	5,560	6,655	3,343	15,558
Current liabilities	—	(4,880)	—	(4,880)
Pension scheme liability	—	(9,689)	—	(9,689)
Total net assets	5,560	(7,914)	133,350	130,996

Notes to the financial statements Year to 31 August 2023

17 Capital commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	255	458

18 Commitments under operating leases

Operating leases

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

	Equipment	
	2023 £'000	2022 £'000
Amounts due within one year	76	122
Amounts due between two and five years inclusive	27	95
	103	217

19 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreements, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

20 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

21 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer defined benefit schemes. In addition, a small number of qualifying support staff access a workplace pension scheme with NOW pensions, having opted out of the defined benefit schemes indicated above. The NOW pension scheme is a defined contribution scheme.

21 Pension and similar obligations (continued)

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The actuarial valuation of the TPS which applied during the year ended 31 August 2023 was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £5,232,556 (2022: £4,830,265), with £602,546 payable at 31 August 2023 (2022: £562,968).

Notes to the financial statements Year to 31 August 2023

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £3,208,000 (2022: £2,877,000), of which employer's contributions totalled £2,492,000 (2022: £2,246,000) and employees' contributions totalled £716,000 (2022: £631,000). The agreed contribution rates for future years are unknown pending valuation information.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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 the GOV.UK website.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	4.00%	3.95%
Rate of increase for pensions in payment / inflation	3.00%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%
Inflation assumption (CPI)	3.00%	3.05%

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.4	22.1
Females	24.6	24.5
<i>Retiring in 20 years</i>		
Males	21.9	23.1
Females	25.9	26.2

	At 31 August 2023 £'000	At 31 August 2022 £'000
Discount rate +0.1%	927	987
Mortality assumption – 1 year increase	1,672	65
CPI rate +0.1%	888	932

Notes to the financial statements Year to 31 August 2023

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	28,417	24,205
Corporate bonds	4,487	5,164
Property	2,991	2,259
Cash and other liquid assets	1,496	645
Total market value of assets	37,391	32,273
Present value of scheme liabilities		
Funded	(41,812)	(41,962)
Deficit in the scheme	(4,421)	(9,689)
	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service cost	3,376	6,506
Net interest cost	430	628
Total amount recognised in the SOFA	3,806	7,134
Changes in the present value of defined benefit obligations were as follows:	2023 £'000	2022 £'000
At 1 September	41,962	68,159
Current service cost	3,376	6,506
Interest cost	1,856	1,173
Employee contributions	716	631
Actuarial gain	(5,524)	(33,361)
Benefits paid	(574)	(1,146)
At 31 August	41,812	41,962
	2023 £'000	2022 £'000
Changes in the fair value of the Trust's share of scheme assets:		
At 1 September	32,273	32,174
Interest income	1,426	545
Actuarial gain (loss)	1,058	(2,177)
Employer contributions	2,492	2,246
Employee contributions	716	631
Benefits paid	(574)	(1,146)
At 31 August	37,391	32,273

22 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Trust has granted loans with a balance of £120,000 (2022: £120,000) to its wholly owned subsidiary, THPT Services Limited. The loans are secured on the assets of THPT Services Limited and is repayable over five years. Interest is being charged on the loan at the Bank of England rate plus 1% and £4,672 (2022: £1,800) was charged in the year. At the year end, the full balance of the interest of £18,822 (2022: £14,150) was also outstanding and is included within debtors.

In addition, THPT Services Limited owed the Trust £76,363 (2022: £29,046) and this is included in THPT Services Limited creditors. During the year the Trust recharged expenditure totalling £44,144 (2022: £16,384).

During the year the Trust procured therapeutic intervention services from Inclusive Education Trust, totalling £25,845 (2022: £18,506). At 31 August 2023, a balance of £nil was outstanding (2022: £1,288). A close family member of N Euridge, a member of the Executive Leadership Team, is Executive Head of Inclusive Education Trust.

During the year, the Trust paid membership and training fees of £4,000 (2022: £7,000) to Surrey Downs Partnership for School Direct teacher training. Surrey Downs Partnership is part of South East Surrey Schools Education Trust (SESSET). At 31 August 2023 there were no payments outstanding (2022: £nil). The Trust received fees totalling £12,675 (2022: £23,520) for the provision of teaching staff to SESSET. Trustee I Wilson is a trustee of SESSET.

Where a related party relationship has been established, these services have a statement assurance was requested that this has been provided at no more than cost.

No further related party transactions took place in the period of account.

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £34,054 and disbursed £42,690 from the fund. An amount of £21,367 is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting period ending 31 August 2022 are £37,186 received, £32,141 disbursed and £30,003 included in other creditors.

Notes to the financial statements Year to 31 August 2023

24 Academy trust boarding trading account

	2022/23			2021/22		
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
. Fee income		28			5	
. Grants		166			324	
			194			329
Expenditure						
Direct costs:						
. Staff costs		251			280	
Indirect costs:						
. Goods and services		5			2	
. Utilities and maintenance		33			1	
. Other costs		9			2	
Total operating costs		298				285
Surplus/(Deficit) on boarding			(104)			44
Surplus/(Deficit) brought forward at 1 September 2022			104			60
Surplus/(Deficit) carried forward at 31 August 2023			—			104

25 Events after the balance sheet date

There are no post balance sheet events to disclose.