



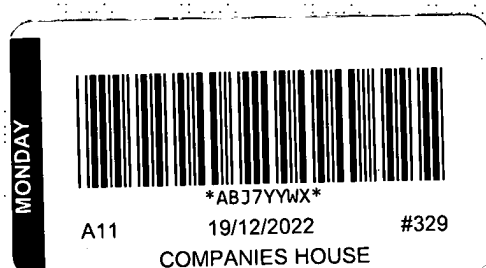
# Kirkby Stephen Grammar School

(A Company Limited by Guarantee)

## Annual Report and Financial Statements

Year Ended 31 August 2022

Company Registration Number:  
07715613 (England & Wales)



# Kirkby Stephen Grammar School

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**Reference and Administrative Details**

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2022.

**Members**

L Walker  
S Harrison  
M Renwick- Smith  
K Lowthrop (resigned 1/12/2021)

**Trustees**

J Weir\* (Chair)  
M Birtles\*  
B Dowson\* (removed 17/10/22)  
A Wallington (resigned 31/8/2022)  
J Cottrell\*  
G Hartley (Headteacher & Accounting Officer)\*  
R Paisley  
V Moules\*  
E Pickersgill  
C Thompson (staff trustee)  
R Young (staff trustee - resigned 12/9/2022)  
J Capper\*  
M Richter  
Phil Dew (appointed 6/12/2021)  
Dan Pearson (appointed 12/9/2022)

\*Members of Buildings & Finance Committee

**Company Secretary**

S McAllister

**Senior Leadership Team**

Headteacher  
Deputy Head  
School Business Manager

G Hartley  
M Bromfield  
S McAllister

**Company Name**

Kirkby Stephen Grammar School

**Principal and Registered Office**

Christian Head  
Kirkby Stephen  
Cumbria  
CA17 4HA

**Company Registration Number**

07715613 (England & Wales)

**Independent Auditor**

Saint and Co  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

**Bankers**

HSBC  
64 Highgate  
Kendal  
Cumbria  
LA9 4TF

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in the Eden Valley. It has a pupil capacity of 545 (yrs 7 -13) and has 350 on roll in the school census on 20 January 2022.

## Structure, Governance and Management

### Constitution

Kirkby Stephen Grammar School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 1st August 2011 are the primary governing documents of the Academy Trust.

The trustees of Kirkby Stephen Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Kirkby Stephen Grammar School. The directors/trustees/governors are referred to as "governors" and together form the "Governing Body".

Details of the governors who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

### Governors Indemnities

In respect of the governors, the Academy Trust holds Governors liability expense under the Risk Protection Arrangements with an indemnity cover of £10,000,000.

### Method of Recruitment and Appointment or Election of Governors

Governors other than parent governors shall be appointed or elected by the governing body with a view to recruiting people with a range of experience and skills that will benefit the school, particularly in education, law, business finance and accounting.

- Members of staff elect from among their number the staff governors.
- The Headteacher is an ex-officio governor.
- The Local Authority may appoint the LA governor.
- Parent governors are elected from the constituency of parents registered at the school.
- Members of the local community appoint from amongst their number the community governors.
- The University of Cumbria may appoint one governor.
- A minimum of one governor may be appointed by the Schools Co-operative Society.
- The governors may appoint no more than three co-opted governors.

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

The school provides an induction pack for new governors, outlining the schedule of meetings, code of conduct for governors, arrangements for visiting the school etc. A brief meeting is arranged with the Chair of Governors, a finance induction is offered, and external training / online courses are made available to governors as appropriate to the needs of the individuals and the school. As there is expected to be only a limited number of new governors in any given year, induction programmes will be carried out informally and tailored to the individual's needs.

**Trustees' Report (continued)****Organisational Structure**

The governing body's primary role is to approve the strategic direction and objectives of the school and monitor its progress towards these objectives.

To enable the governing body to monitor progress effectively, it has created sub-committees: the Finance & Building Committee (meets six times per year), the Pay & Staffing Committee (meets as required), the Teaching, Learning and Curriculum Committee (meets six times per year), the Health & Safety Committee (meets as required), the Audit Committee (meets as required and at least three times per year) and the Pastoral and Welfare Committee (meets three times per year). All of the committees report to the Full Governing Body (meets at least six times per year). From September 2022 the Health and Safety will be incorporated into the Finance & Building Committee.

The Full Governing Body receives regular reports from the Headteacher and approves the curriculum for the School. Subject Leaders are invited to present to the Governing Body on aspects of their work, and most Governors are linked with an individual department or area of responsibility which they will visit.

Governors are responsible for setting general policy, approving the strategic plan, adopting and approving the annual plan and budget, and making major decisions about the direction of the school including capital expenditure and major staff appointments.

Meetings are minuted by the Clerk to Governors and minutes are circulated to all Governors. Excepting Reserved & Confidential Minutes, minutes are available for inspection in school after approval, and it is the intention to publish approved Minutes of Governors' Meetings on the school website. The Headteacher is fully involved in the work of all the sub-committees and acts in partnership with the Governors.

The Headteacher is the Accounting Officer. The Governors have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Headteacher, to the lowest level.

The School Leadership Team for 2021/22 comprised of the Headteacher, Deputy Headteacher and School Business Manager. The School Leadership Team lead the School at an executive level, implement the policies approved by Governors and report to Governors through the various sub-committees and at the Full Governing Body meetings.

The Headteacher has specific responsibility for Teaching and Learning, Staff Development and Curriculum. The Assistant Headteacher has responsibility for Safeguarding, Pupil behaviour, Special Education Needs, and leadership of the Pastoral staff. A Data Lead has been appointed, reporting to the Headteacher for Assessment and Data Tracking, strengthening this area.

Subject Leaders plan their subject curriculum, and are responsible for pupil progress and staff performance within their subject area. Directors of Learning and Pastoral Support have academic and pastoral responsibilities to pupils, and work with form tutors to ensure that pupils' learning is maximised.

**Risk Management**

The governors are responsible for the management of the risks the Academy is exposed to, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Academy's Risk Register, and procedures have been put in place to manage the risk. The key controls used by the Academy include:

- Formal agendas for all governor meetings;
- Detailed terms of reference for all committees;
- A clear development plan identifying key strategic planning objectives;
- Comprehensive financial planning and monitoring;
- Formal written policies reviewed on a regular basis;
- Rigorous review of educational achievement to ensure high standards.

The Board of Governors are satisfied that the major risks identified have adequate control measures in place to manage the risks.

**Trustees' Report (continued)****Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of the Senior Leadership Team is set by the Pay and Staffing Committee. These are set with reference to the STPCD or Cumbria County Council job family pay scales as appropriate. The scales are benchmarked against other schools of comparable size and locality.

**Connected Organisations, including Related Party Relationships**

The School's nominated partner is Kirkby Stephen Primary School.

The School is a co-operative Academy and subscribes to co-operative values. It works with the Co-operative Society to promote co-operative principles and values in the School's life and ethos.

The School is a member of the South Lakes Federation, the intention being that by working together we will enhance the educational experience of young people in the South Lakes / Eden and increase their achievements. The School is a member of EASH (Eden Association of Secondary Headteachers) and CASH (Cumbria Association of Secondary Headteachers), allowing the School to work with other secondary schools to enhance the education of our students.

Kirkby Stephen Grammar School Foundation is considered to be a connected charity as they have a trustee in common and they donate monies to the academy to spend on sports travel and various departments.

A Parent Teacher Fundraisers Association are considered to be a connected charity as they have made several small donations to the academy during the year.

**Objectives and Activities****Objects and Aims**

The principal object and activity of the School is to advance for public benefit the provision of education in the United Kingdom. In doing so, it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. The School meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy. As well as academic work, the school offers a wide-ranging and highly successful programme of extra-curricular activities for pupils across the entire age range.

The School is a co-operative Academy and subscribes to the Principles and Values of the Co-operative movement, as set out in the Statement on the Co-operative Identity of the International Co-operative Alliance.

**Co-operative Principles:**

- Voluntary and open membership – membership is open to everyone
- Democratic member control – all members have an equal voice in making policies and electing representatives
- Autonomy and independence – co-operatives are always independent, even when they enter into agreements with the Government and other organisations
- Education, training and information – co-operatives educate and develop their members as well as their staff
- Co-operation amongst co-operatives – co-operatives work together with other co-operatives to strengthen the co-operative movement as a whole
- Concern for community – co-operatives also work to improve and develop the community, both locally and internationally.

**Co-operative Values:**

- Self-help – we help people to help themselves
- Self-responsibility – we take responsibility for and answer for our actions
- Democracy – we give our members a say in how we run our School
- Equality – one member one vote
- Equity – we carry out our business in a way that is fair and unbiased
- Solidarity – we share interests and common purposes with our members and other co-operatives
- Honesty
- Openness
- Social responsibility
- Caring for others

**Trustees' Report (continued)****Objectives, Strategies and Activities**

Key influences on the Academy Trust's Priorities Plan for the period under review were improving outcomes for pupils, quality of teaching and learning, personal development, behaviour and welfare and leadership and management.

**Outcomes for pupils**

- To further improve outcomes for all students in KS4 and KS5 through curriculum development and high quality teaching and learning.
- To develop effective intervention plans and catch-up programmes for students in all key stages to compensate for the gaps in knowledge and understanding formed during the lockdown periods.
- To focus intervention on the disadvantaged students whose progress was most affected by the Covid pandemic lockdowns.
- To continue to develop strategies that encourage a culture of aspiration in all students but most particularly boys, whose outcomes tend to be lower than girls in most areas of the curriculum.
- To acknowledge that aspirations take many forms and that traditional academic routes should be only one of many models of success promoted and encouraged by teaching staff and school leaders.
- To fully review and develop the departmental curriculum plans and schemes of work to ensure planning for progression, effective transition between key stages and high-quality teaching and learning for all.

**Quality of Teaching and Learning:**

- Regaining control of the classroom environment that has been eroded by itinerant working, loss of routines and consistency of expectations:
- Classroom teachers to re-establish classroom rules and routines in their own teaching rooms through high expectations.
- Remind and reinforce the mottos of Ready Respect Safe with all students and Proud 5 with Years 7 and 8.
- Re-establishing consistent classroom routines and high expectations of behaviour and attitude to work:
- Apply the school behaviour system consistently so that students are used to same high expectations wherever they are in school.
- Maintain student engagement through high quality teaching and learning brought about by effective, rigorous planning and lesson delivery.
- Develop intervention plans for the non-core subjects as well as the core.
- Schedule subject catch-up sessions at lunch where possible.
- Expand the mentoring of students into a structured programme if financial and human resources allow.
- To complete the review of the curriculum in all key stages that was begun last year in order to ensure breadth, continuity and progression for all abilities and groups in all key stages.
- Continue the re-writing of the long-term curriculum plan as well as the schemes of work, with the aim of completing these and fully resourcing them by the end of this year.
- Collaborating effectively within and between departments to ensure that the departmental curricular intents are fit for purpose and fully aligned with the whole school's curriculum intent.
- Implement these plans within the constraints of any remaining Covid restrictions.
- Review the current approach to homework e.g. type of homework set (consolidating learning/ revision/ research/project etc.).
- High quality teaching through effective planning, assessment and clear instruction.
- Numeracy: to further embed and develop approaches to numeracy across the curriculum.
- Literacy: to develop approaches to literacy across the curriculum e.g. reading for pleasure, subject-specific terminology, non-fiction writing styles and approaches, using the Education Endowment Foundation's research paper on Improving Literacy containing 7 key recommendations: Prioritise 'disciplinary literacy' across the curriculum; Provide targeted vocabulary instruction in every subject; Develop students' ability to read complex academic texts through reading strategies; Break down complex writing tasks by modelling writing steps, targeted support e.g. writing frames; Provide opportunities for structured talk; Provide literacy support and interventions for struggling students such as the use of IDL literacy support package for struggling students in Year 7 and targeted students in KS3/KS4.

## Trustees' Report (continued)

### Personal Development, Behaviour and Welfare:

#### ***Mental Health and well-being support:***

- Staff workload - Marking and feedback; data management; planning; administrative tasks;
- Staff safety - Covid safety measures;
- Student anxiety and motivation - Mental health issues e.g. catch-up anxiety; demotivation; mentoring
- Managing catch-up/intervention - Small group mentoring for Year 11 and Year 13; Supervised study time for Year 13; Subject-based intervention based on identified individual need,
- Mentoring expanded to other year groups and non-core subjects, if finances and staffing capacity allows.

#### ***Behaviour:***

- To monitor low-level disruption in classrooms and corridors and maintain support systems such as On-Call through SLT support;
- Re-establishing consistent classroom routines and high expectations of behaviour and attitude to work;
- To ensure that behaviour is routinely logged on SIMS so that there is a record of interventions and sanctions already given.

#### ***CEIAG:***

- To further develop the careers strategy within school to prepare for Gatesvy Benchmarks.

#### ***Staff CPD:***

- Targeted online CPD through subscription to the National College.
- More considered, effective and inclusive CPD programme for non-teaching staff.
- Teaching & Learning CPD – Cognitive Science, curriculum design (intent and implementation), assessment and feedback, literacy and numeracy.
- Safeguarding and behaviour management CPD
- Develop a well-designed programme of training and support for Teams and all aspects of remote education.
- Develop the CPD strategy to focus on developing leadership at all levels.
- Allocate sufficient CPD time to departments to enable effective collaborative planning on the curriculum and schemes of work to take place.

### Leadership and Management:

- Implementing, monitoring and reviewing the systems of control and safety measures to ensure that the school is Covid-secure and risk is minimised.
- Staff wellbeing and workload: To further develop and embed the strategy for reducing workload for staff.
- Continue to review the curriculum plan in all key stages to ensure that it meets the needs of our diverse range of students.
- Involve staff in the curriculum design, particularly Heads of Department
- To continue to bid for and attract additional funding for projects.
- To continually monitor the budget with the aim of reducing the amount of savings that need to be made for the following year.

### Public Benefit

In setting objectives and planning activities, the governors have given consideration to the Charity Commission's general guidance on public benefit. The public benefit is providing education in accordance with the Principal Activities as set out above, and additionally in providing access to school facilities to local community groups.



## Trustees' Report (continued)

## Strategic Report

## Achievements and Performance

## Summary of GCSE and A2 Results

## GCSE

	2020	2021	2022
Qualifications per student	8.3	8.7	8.7
Progress 8	0.29	0.49	-0.15
Attainment 8	5.00	5.50	4.5
Percentage gaining 5 or more 9-4 Grades including English & Maths	66%	75%	65%
Level 4 or above pass in English	84%	90%	69%
Level 4 or above pass in Maths	71%	77%	74%
Level 5 or above pass in English	56%	68%	54%
Level 5 or above pass in Maths	47%	53%	54%
Percentage gaining a level 4 or above in English and Maths	66%	75%	65%

## A Level

	2020	2021	2022
A*-C Pass Rate	98%	97%	66%
A*-E Pass Rate	100%	100%	99%
Points per Entry	40	46.15	30.6
ALPS	Alps 1.10	N/A	n/a
Percentage of AAB or higher in facilitated subjects	11%	84%	9%

## Year 13 Leavers Destinations

In 2021, Year 13 leavers were successful in obtaining university places of their choice, employment or further training. This included students gaining places at the Russell Group of Universities to study Biology, Geography and Business Studies.

## Partnership

Kirkby Stephen Grammar School continues to develop its partnership work with other schools. This has included secondary consortia co-operation at Cumbria Association of Secondary Heads (CASH), Eden Association of Secondary Heads (EASH) and membership with the South Lakes Federation.

## Key Financial Performance Indicators

## Staff Costs as a percentage of Public / GAG income

	2020	2021	2022
Teaching & classroom support costs	1,623,013	1,563,769	1,655,108
Support staff costs	292,993	258,283	279,711
GAG Income	2,107,068	1,920,235	2,009,268
Teaching & classroom support %	77%	81%	82%
Support Staff %	14%	13%	14%
Teaching & classroom support FTE	29	28	28
Pupils on role on census date	350	348	350
Pupil Staff ratio	12.1	12.4	12.5

## Ofsted Inspection Outcome

Kirkby Stephen Grammar School was inspected on 12/13 September 2018 and received a Good rating in all areas including an overall rating of Good. The school was re-inspected on 4-6 October 2022 and awaiting the draft report for inspection.

**Trustees' Report (continued)****Going Concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. There is however uncertainty in this as energy prices are unknown from April 2023 onwards; teachers and support staff payrises are also not yet agreed, with no decision on additional funding to support these. The outcome of these will impact the Academy Trusts position of going concern.

**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2021 to 31 August 2022.

During the period under review, the majority of the Academy Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Academy's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also received grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned and by the expenditure on capital projects treated as revenue expenditure.

During the period ended 31 August 2022, the School received EFSA grants of £2,114,917, capital grants of £751,332, other government grants of £69,412, Covid related grants of £28,936 and £214,685 other income, giving total income of £3,179,282 for the period. Expenditure for the period amounted to £3,021,996. The main expenditure was on staff costs totalling £2,015,063. Other significant expenditure included depreciation of £222,454, maintenance of premises and equipment of £233,584 and Heat and Light £81,537.

At 31 August 2022 the net book value of tangible fixed assets was £5,099,843 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and associated support services to pupils of the School, and access was given to the local community to sporting and venue facilities on a for hire basis.

The School held fund balances at 31 August 2022 of £ 5,655,060 comprising £ 5,964,277 of restricted fixed asset funds, £ 190,641 of general restricted funds and £20,142 of unrestricted funds, less a deficit of £520,000 on the pension reserve fund. Fund details and movements are shown in note 18.

Covid related income arose from Recovery premium grant, National tutoring programme and mass testing funding, totalling £28,936. Additional costs arose from testing, staffing, cleaning and sanitising. There was an unquantifiable loss of income from sports lettings and donations and there is an unquantifiable cost for teachers, support staff and SLT being diverted to deal with Covid related issues and increased supply costs due to Covid related staff absence.

The Academy's GAG reserve decreased to £50,913 in 2021/22. This had been strategically increased over previous years to cover a forecast in year GAG deficit over years 2021/22 and 2022/23, however more than budgeted reserves were utilised in 2021/22 due to increased utility costs, staff payrises and supply costs. The Governors are reviewing this for 2022/23.

**Reserves Policy**

The Academy is largely operating on a break-even basis, with the exception of 2019/20 where strategic planning, lagged funding and a falling role have provided a GAG surplus of £128,144. This had increased slightly to £140,548 in 2020/21 and decreased to £50,913 in 2021/22. The school 3 year budget forecast has in year deficits over the next two financial years which will utilise the GAG surplus / reserve. This was expected as student numbers fluctuate and had been agreed by the Governors. The reserves are expected to be depleted in 2022/23 due to unprecedented utility costs and potential unfunded staff payrises.

The governors agreed to transfer all surpluses for the year on unrestricted general funds and designated investment property (school bungalow) to the GAG. Details are shown in note 10.

**Trustees' Report (continued)*****Funds in Deficit***

The Academy holds a deficit on the local government pension scheme of £520,000. In the event of the closure of the Academy, this deficit would be met by the DfE.

The deficit position of the pension scheme will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years.

Funds in deficit is also included in the Funds note in the Financial statements.

**Investment Policy**

The School has an Investment and Interest policy. This states that the school only invest in cash funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks. Security of funds takes precedence over revenue maximisation.

Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

Other Investments presently held by the Academy are Land (with lease to Kirkby Stephen Mountain Rescue Team) and the school bungalow. The school bungalow will be retained as an Investment, providing a lettings income, unless the Full Governing Body agree to the sale, for which formal DfE approval would be first obtained. The Land (with lease to Kirkby Stephen Mountain Rescue Team) has been formally approved for sale by DfE and is likely to be sold in 2022/23.

**Principal Financial Management Policies**

The Academy Trust's activities expose it primarily to cash flow risks. The Governing Body continually monitors cash flow.

**Principal Risks and Uncertainties**

Principal Risks and uncertainties facing the School for the coming year:

- Inherent in the nature and staffing structure of a small rural school, the school faces key man risk in Finance Administration and Management.
- The principal risks to the Academy are financial and result from the projected deficit on the Local Government Pension Scheme, and from the impact of changes to the funding formulas. The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Long term financial planning is focused on maintaining the breadth and quality of the school's curriculum within the school budget.
- Pupil intake numbers are predicted to vary over the next few years. Staffing cannot always be easily adjusted for this.
- Under section 28 of FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme to a restricted fund within the accounts. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any liquidity problems.

**Fundraising**

The School receives donations from a number of other parties, including but not limited to Cumbria Community Foundation, KSGS PTFA, KSGS Foundation Governors, The Westmorland Family and parental donations. The School does not actively fundraise but welcomes these donations.

**Trustees' Report (continued)****Plans for Future Periods**

For the coming financial year, the School plans to implement the following key objectives:

The school plans to maintain a clear focus on ensuring that safeguarding is effective, raising pupil achievement and improving consistency of teaching and learning. Specific plans include the following:

- Improving outcomes for all students in KS4 and 5 through curriculum development, high quality teaching and learning and reading intervention.
- To complete the implementation of the curriculum in all key stages in order to ensure breadth, continuity and progression for all abilities and groups in all key stages.
- High quality planning, assessment and feedback to ensure that students remember and know more.
- To develop approaches to literacy across the curriculum e.g. reading for pleasure, reading comprehension, and vocabulary instruction, using the **Education Endowment Foundation's** research paper on Improving Literacy as a framework for progress.
- Targeted CPD through the South Lakes Federation and the subscription to the National College on safeguarding, teaching and learning, literacy, curriculum implementation, pedagogy, leadership.
- Implementing, monitoring and reviewing the safeguarding procedures to ensure that actual practice, communication and record keeping are effective.
- To further develop the careers strategy within school.

Other plans include:

- To look at holding a regular GAG reserve in the medium term, to ensure financial stability taking into account varying student numbers

**Funds Held on Behalf of Others**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from 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.

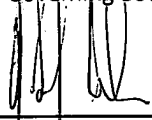
**Auditor**

Insofar as the trustees are aware:

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

It is expected that the current Auditors, Saint & Co., will be re-appointed by the Governors for the year to 31 August 2023.

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

  
\_\_\_\_\_  
**John Weir**  
**Chair of Trustees**

02/12/22 Date

## Governance Statement

### Scope of Responsibilities

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

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kirkby Stephen Grammar School and the Secretary of State for Education.

The Accounting Officer is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

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

The Governing Body has formally met six times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
G Hartley (Head teacher & Accounting Officer)	6	7
J Weir (Chair)	7	7
A Wallington	5	7
M Birtles	7	7
J Capper	3	7
J Cottrell	5	7
P Dew	5	5
B Dowson	0	7
V Moules	5	7
R Paisley	6	7
E Pickersgill	5	7
M Richter	5	7
C Thompson	6	7
R Young	2	7

### Board of Trustees work, performance and changes in composition

Chair of Governor, Finance & Buildings and Teaching & Learning Committees remained the same as they have good experience. Chairs of Pastoral and Health & Safety Committee have been made.

The Governors receive reports and hold scheduled meetings on all aspects of the Academy, including Finance, Buildings, Pay, Staffing, Pastoral, Health and Safety, Teaching and Learning. In addition they meet with nominated staff and students to gain insight into the Academy and undertake checks. These meetings including safeguarding reviews and Health and Safety audits. All are utilised to provide scrutiny and challenge in all aspects of the school. The quality and breadth of information and data used by the board is varied and detailed. The board has been able to utilise this to ask detailed questions and challenge, on for example, budget and student attendance data and therefore finds this acceptable.

The board considers that it has been effective in its performance, while also supporting the Senior Leadership Team.

**Governance Statement (continued)****Conflicts of interest**

The Academy maintains a register of interests for all Governors, Members and Senior Leadership Team. Declarations of interests are taken at the start of each Governor meeting and Governors are withdrawn from discussions or decisions where a conflict exists. The School Business Manager monitors financial transactions for any conflict of interest.

**Meetings**

The Full Governing Body meets at least 6 times and has created sub-committees: Finance & Building Committee (meets six times per year), Pay & Staffing Committee (meets as required), Teaching, Learning and Curriculum Committee (meets six times per year), Health & Safety Committee (meets as required), Audit Committee (meets as required and at least three times per year) and Pastoral & Welfare Committee (meetings three times per year). These cover the whole academic year to ensure continuity and frequency of governance.

**Governance Review**

The Governing Body continues to offer an appropriate balance between support and challenge to the academy. A Governance Review has taken place during the 2021/22 year, including an annual review of the Committees Terms of Reference and committee membership.

The Governing body has been strengthened with Governor training and undertaken a Governor skills audit. In addition new Governors have been appointed. P Dew, Councillor for CCC and member of CCC Scrutiny Advisory Board Children & Young People and D Pearson from Westmorland Family. Additional parent governors are presently being sought. The next Governor review will take place in 2022/23.

The Finance and Buildings Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. To achieve this, it makes appropriate comments and recommendations on such matters to the governing body on a regular basis. J Cottrell continues as Chair of Finance and Buildings Committee.

Attendance at meetings of the Finance and Buildings Committee in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Cottrell (Chair)	6	6
M Birtles	6	6
B Dowson	0	6
V Moules	2	5
J Weir	6	6
G Hartley	6	6
J Capper	2	6

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Governing Body and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.

Attendance at meetings of the Audit Committee in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Birtles (Chair)	4	4
J Cottrell	3	4
B Dowson	0	4
V Moules	0	4
J Capper	0	4
J Weir	4	4

**Governance Statement (continued)****Review of Value for Money**

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

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

- Tender of contracts for cleaning, broadband and audit
- Ongoing review of class sizes across Key Stage 3 and 4 to ensure staffing reflects the differing class sizes across the year groups
- Adjusting HLTA / TA support
- Improving income – Grants
- Schools Resource Management Adviser review including Integrated Curriculum Financial Planning to ensure effective spending.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kirkby Stephen Grammar School for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

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

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

**Governance Statement (continued)****Internal Scrutiny**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor for this purpose. However the trustees have appointed Jonathan Dunham, the CFO of Appleby Grammar School to perform a peer review. This is supported and informed by Armstrong Watson providing an Internal Audit Report on 'Compliance with the Schedule of Musts' and 'Internal Controls and Systems Review'.

The reviewer's role includes giving advice on financial and other matters and performing range of checks of the academy trust's financial and other systems.

The checks carried out in the current period included:

- Testing of income system and controls
- Testing of purchase systems
- Testing of payroll
- Testing of control account/bank reconciliations
- Review of management accounts, 3 year budget, risk register, annual accounts
- Review of Governance structure and minutes, insurance, policies, health and safety, recruitment, GDPR, IT

On an annual basis the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual 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.

We confirm that the reviewer has delivered their schedule of works as planned.


**Review of Effectiveness**

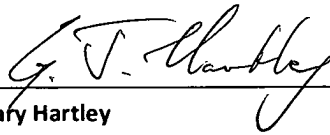
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self- assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body and signed on its behalf by:

  
\_\_\_\_\_  
John Weir  
Chair of Trustees  
  
02/12/22 Date

  
\_\_\_\_\_  
Gary Hartley  
Accounting Officer

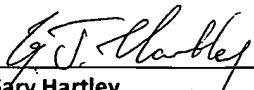


**Statement on Regularity, Propriety and Compliance**

As accounting officer of Kirkby Stephen Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2021.

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

  
\_\_\_\_\_  
**Gary Hartley**  
**Accounting Officer**

8/12/22 Date

**Statement of Trustees' Responsibilities**

The governors (who act as trustees of Kirkby Stephen Grammar School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body and signed on its behalf by:



**John Weir**  
**Chair of Trustees**

07/12/22

Date

**Independent Auditor's Report on the Financial Statements to the Members of Kirkby Stephen Grammar School****Opinion**

We have audited the financial statements of Kirkby Stephen Grammar School for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Kirkby Stephen Grammar School's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Independent Auditor's Report on the Financial Statements to the Members of Kirkby Stephen Grammar School**

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

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

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 and non-compliance with laws and regulations, is detailed below:

- 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 company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- 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 assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- 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;
  - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent Auditor's Report on the Financial Statements to the Members of Kirkby Stephen Grammar School (continued)**

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



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Ian Thompson (Senior Statutory Auditor)

For and on behalf of

Saint & Co  
Chartered Accountants & Statutory Auditors  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

12 December 2022 . Date

**Independent Reporting Accountant's Assurance Report on Regularity to Kirkby Stephen Grammar School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 15/08/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kirkby Stephen Grammar School during the period 01 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

**Respective Responsibilities of the Kirkby Stephen Grammar School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirement of the Kirkby Stephen Grammar School's funding agreement with the Secretary of State for Education dated 01 August 2011 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.

**Independent Reporting Accountant's Assurance Report on Regularity to Kirkby Stephen Grammar School and the Education Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Use of our report**

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



Ian Thompson (Reporting Accountant)

For and on behalf of

Saint & Co  
Chartered Accountants & Statutory Auditors  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

12 December 2022 Date



## Statement of Financial Activities for the Year Ended 31 August 2022

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	2,703	11,467	751,332	765,502	120,174
Charitable activities						
Funding for the Academy trust's educational operations	3	80,176	2,316,090	-	2,396,266	2,332,272
Other trading activities	4	13,109	-	-	13,109	4,700
Investments	5	4,405	-	-	4,405	3,993
<b>Total</b>		<b>100,393</b>	<b>2,327,557</b>	<b>751,332</b>	<b>3,179,282</b>	<b>2,461,139</b>
<b>Expenditure on:</b>						
Raising funds	7	13,778	-	-	13,778	12,304
Charitable activities						
Academy trust educational operations	8	64,295	2,526,971	416,952	3,008,218	2,718,101
<b>Total resources expended</b>	6	<b>78,073</b>	<b>2,526,971</b>	<b>416,952</b>	<b>3,021,996</b>	<b>2,730,405</b>
Net gains on investments	14	-	-	-	-	-
<b>Net income / (expenditure)</b>		<b>22,320</b>	<b>(199,414)</b>	<b>334,380</b>	<b>157,286</b>	<b>(269,266)</b>
<b>Transfers between funds</b>	10	<b>(4,338)</b>	<b>3,594</b>	<b>744</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains and (losses)</b>						
Actuarial gains / (losses) on defined benefit pension schemes	23	-	2,208,000	-	2,208,000	(242,000)
<b>Net movement in funds</b>		<b>17,982</b>	<b>2,012,180</b>	<b>335,124</b>	<b>2,365,286</b>	<b>(511,266)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	18	2,160	(2,341,539)	5,629,153	3,289,774	3,801,040
<b>Total funds carried forward</b>	18	<b>20,142</b>	<b>(329,359)</b>	<b>5,964,277</b>	<b>5,655,060</b>	<b>3,289,774</b>

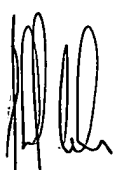
All of the academy's activities derive from continuing operations during the above two financial periods.

## Balance Sheet as at 31 August 2022

Company Number 07715613

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	13		5,099,843		5,151,595
Investments	14		<u>292,778</u>		<u>292,778</u>
			5,392,621		5,444,373
<b>Current assets</b>					
Stock	15	10,523		9,246	
Debtors	16	708,475		105,276	
Cash at bank and in hand		<u>612,091</u>		<u>828,294</u>	
		1,331,089		942,816	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	17	<u>(548,650)</u>		<u>(463,415)</u>	
<b>Net current assets</b>			<u>782,439</u>		<u>479,401</u>
<b>Total assets less current liabilities</b>			6,175,060		5,923,774
<b>Provision for liabilities</b>					
Pension scheme liability	23		<u>(520,000)</u>		<u>(2,634,000)</u>
<b>Net Assets including pension liability</b>			<u>5,655,060</u>		<u>3,289,774</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset funds	18	5,964,277		5,629,153	
General funds	18	190,641		292,461	
Pension reserve	18,23	<u>(520,000)</u>		<u>(2,634,000)</u>	
<b>Total restricted funds</b>	18		5,634,918		3,287,614
<b>Unrestricted income funds</b>					
General fund	18	-		-	
Designated funds	18	<u>20,142</u>		<u>2,160</u>	
<b>Total unrestricted funds</b>			20,142		2,160
<b>Total funds</b>			<u>5,655,060</u>		<u>3,289,774</u>

The financial statements were approved by the trustees, and authorised for issue on 05/12/22 and signed on their behalf by:



\_\_\_\_\_  
John Weir  
Chair of Trustees

## Statement of Cash Flows for the Year Ended 31 August 2022

	2022	2021			
Reconciliation of net income / (expenditure) to net cash flow from operating activities	£	£			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	157,286	(269,266)			
Adjusted for:					
Depreciation	222,454	211,812			
Loss on disposal of tangible fixed asset	1,409	52,261			
Capital grants from ESFA and other capital income	(751,332)	(107,402)			
Net gains on investments	-	-			
Interest receivable	(205)	207			
Investment income receivable	(4,200)	(4,200)			
Defined benefit pension scheme costs less contributions payable	48,000	24,000			
Defined benefit pension scheme net pension finance costs	46,000	44,000			
Decrease/(Increase)Increase in stocks	(1,277)	(4,367)			
Decrease/(Increase) in debtors	(603,199)	(31,010)			
Increase/(Decrease) in creditors	85,235	233,639			
Net cash provided by / (used in) Operating Activities	(799,829)	149,674			
Cash flows from financing activities					
ESFA loan repayments	-	-			
Net cash provided by / (used in) financing activities	-	-			
Cash flows from investing activities					
Interest receivable	205	(207)			
Investment income receivable	4,200	4,200			
Disposal Proceeds	600	-			
Costs of disposals of tangible fixed assets	-	(9,066)			
Purchase of tangible fixed assets	(172,711)	(215,289)			
Capital grants from ESFA and other capital income	751,332	107,402			
Net cash provided by / (used in) investing activities	583,626	(112,960)			
Change in cash and cash equivalents in the reporting period	(216,203)	36,714			
Reconciliation of net cash flow to movement in net funds					
Cash and cash equivalents at 1 September 2021	828,294	791,580			
Change in cash in the reporting period	(216,203)	36,714			
Net cash inflow / (outflow) from loan financing	-	-			
Cash and cash equivalents at 31 August 2022	612,091	828,294			
Analysis of cash and cash equivalents	1 Sep 21	Cash flows	31 Aug 22		
	£	£	£		
Cash in hand and at bank	828,294	(216,203)	612,091		
Loan balances	-	-	-		
Total cash and cash equivalents	828,294	(216,203)	612,091		
Analysis of changes in net debt	1 Sep 21	Cash flows	New finance leases	Other non-cash changes	31 Aug 22
	£	£	£	£	£
Cash	828,294	(216,203)	-	-	612,091
Loans falling due within one year	-	-	-	-	-
Loans falling due after more than a year	-	-	-	-	-
Finance lease obligations	-	-	-	-	-
Total	828,294	(216,203)	-	-	612,091

**Notes to the Financial Statements for the Year Ended 31 August 2022****1. 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 academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going Concern**

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

**Incoming Resources**

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

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

- General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- Capital grants are recognised when receivable 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 sheet in the restricted fixed asset fund.

Donations, legacies and other forms of voluntary income are recognised as income when receivable except in so far as they are not capable of financial measurement.

Gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as income, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****1. Statement of Accounting Policies (continued)****Deferred Income**

Other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

**Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from 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 trust uses up to 10% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The academy trust acts as a banking agent for "Charity Day". Fundraising is organised by the pupils and they are responsible for the donations and expenses. The receipts and payments are excluded from the statement of financial activities.

The funds received and paid and any balances held are disclosed in the agency arrangements note. The unused funds at the period end are included as a liability in the balance sheet in creditors.

**Investment Fixed Assets and Income**

Investment fixed assets are carried at market value and are not depreciated. This is in accordance with section 16 of FRS102 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

The assets are included in the restricted fixed asset fund.

The rental income, less any associated expenses, is credited to the designated investment property income fund.

**Expenditure**

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

- Expenditure on Raising Funds - This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- Charitable Activities - These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets are carried at valuation/cost, net of depreciation and any provision for impairment.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation. Assets costing £1,000 or more (multiple assets ordered or purchased at the same time not included if individual assets are under £750) are capitalised as tangible fixed assets.

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

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****1. Statement of Accounting Policies (continued)****Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Freehold buildings - straight line over economic life (ranging from 10 to 60 years)
- Plant and machinery - straight line over economic life (ranging from 11 to 35 years)
- ICT equipment other additions - straight line 3 to 5 years
- Furniture and equipment other additions - 10 years straight line

All tangible fixed assets have been depreciated for 12 months, including those purchased during the year, except:

- Depreciation is not charged on assets under construction until assets are brought into use.
- Land - no depreciation provided.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**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 the notes. Prepayments are not financial instruments.

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

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****1. Statement of Accounting Policies (continued)**

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

**Stocks**

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

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

**Pension Benefits**

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

**Teachers' Pension Scheme**

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

**Local Government Pension Scheme**

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

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

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****1. Statement of Accounting Policies (continued)****Fund Accounting**

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

School funds that are not otherwise restricted are designated within unrestricted funds.

Restricted fixed asset funds reflect tangible fixed assets, fixed asset investments, and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education Skills and Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

**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, assumptions and judgements*

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.
- The trustees have estimated the value of the investment property, per note 14, to be as follows:  
Bungalow - same as the professional valuation carried out on the formation of the academy in August 2011  
Leased land - same as the professional valuation carried out on the formation of the academy in August 2011.



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Capital grants	-	-	751,332	751,332	107,402
School fund donations	-	3,125	-	3,125	600
Eden Valley Sports Partnership donations	-	-	-	-	-
Miscellaneous donations	2,703	6,842	-	9,545	5,062
Donations in kind	-	1,500	-	1,500	7,110
	<u>2,703</u>	<u>11,467</u>	<u>751,332</u>	<u>765,502</u>	<u>120,174</u>
<b>2021 total</b>	<u>160</u>	<u>12,612</u>	<u>107,402</u>	<u>120,174</u>	

## 3. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>ESFA Grants</b>				
General Annual Grant (GAG)	-	2,009,268	2,009,268	1,920,235
Pupil premium	-	50,683	50,683	51,651
Teachers pay grant	-	4,386	4,386	23,645
Teachers pension grant	-	12,392	12,392	66,814
Schools supplementary grant	-	22,043	22,043	-
Other ESFA grants	-	16,145	16,145	16,788
	<u>-</u>	<u>2,114,917</u>	<u>2,114,917</u>	<u>2,079,133</u>

## Other Government Grants

LA special needs funded statements	-	31,021	31,021	21,525
Eden Valley Sports Partnership grants	-	35,246	35,246	32,650
Other government grants	-	3,145	3,145	6,445
	<u>-</u>	<u>69,412</u>	<u>69,412</u>	<u>60,620</u>

## Exceptional government funding

COVID-19 additional funding (ESFA/DfE)				
Catchup premium	-	-	-	23,280
National tutoring programme	-	7,695	7,695	-
Recovery premium grant	-	7,178	7,178	-
Coronavirus exceptional support	-	-	-	16,452
COVID-19 additional funding (non - ESFA/DfE)				
Mass testing and vaccination funding	-	14,063	14,063	25,080
	<u>-</u>	<u>28,936</u>	<u>28,936</u>	<u>64,812</u>

School fund income	3,053	12,170	15,223	8,572
Trips income	-	41,577	41,577	2,528
Eden Valley Sports Partnership consultancy	63,185	23,357	86,542	83,296
Other educational income	13,938	25,721	39,659	33,311
	<u>80,176</u>	<u>2,316,090</u>	<u>2,396,266</u>	<u>2,332,272</u>
<b>2021 total</b>	<u>71,576</u>	<u>2,260,696</u>	<u>2,332,272</u>	

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

**Exceptional government funding**

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The costs associated with the COVID-19 National tutoring programme and the recovery premium grant and mass testing funding are included in the expenditure note but not separately identified.

<b>4. Other trading activities</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Sports lettings	12,009	-	12,009	4,550
Other lettings	1,100	-	1,100	150
	<u>13,109</u>	<u>-</u>	<u>13,109</u>	<u>4,700</u>
<b>2021 total</b>	<u>4,700</u>	<u>-</u>	<u>4,700</u>	
<b>5. Investment Income</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Income from UK investment properties	4,200	-	4,200	4,200
Bank interest receivable	205	-	205	(207)
	<u>4,405</u>	<u>-</u>	<u>4,405</u>	<u>3,993</u>
<b>2021 total</b>	<u>3,993</u>	<u>-</u>	<u>3,993</u>	

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6. Resources Expended	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	Total 2022 £	Total 2021 £
Expenditure on raising funds	10,980	2,798	-	13,778	12,304
Academy's educational operations					
Direct costs	1,655,108	-	280,949	1,936,057	1,822,911
Allocated support costs	281,720	322,599	302,724	907,043	769,394
Eden Valley Sports Partnership (EVSP)	67,255	3,250	34,932	105,437	112,746
Trips	-	-	43,891	43,891	3,638
School Fund	-	-	15,790	15,790	9,412
	<u>2,004,083</u>	<u>325,849</u>	<u>678,286</u>	<u>3,008,218</u>	<u>2,718,101</u>
	<u>2,015,063</u>	<u>328,647</u>	<u>678,286</u>	<u>3,021,996</u>	<u>2,730,405</u>
2021 total	<u>1,913,955</u>	<u>295,725</u>	<u>520,725</u>	<u>2,730,405</u>	

	2022 £	2021 £
Net income/(expenditure) for the period includes:		
Depreciation	222,454	211,812
Loss on disposal of tangible fixed asset	1,409	52,261
Operating leases	2,816	2,951
Fees payable to current auditor		
- audit of the financial statements	6,840	6,900
- other assurance services	1,680	1,835
- other services	5,435	5,310

7. Expenditure on raising funds	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Lettings				
Staff costs	10,980	-	10,980	10,154
Maintenance of premises and equipment	220	-	220	875
Heat, light, water and rates	1,311	-	1,311	625
Other lettings costs	-	-	-	-
	<u>12,511</u>	<u>-</u>	<u>12,511</u>	<u>11,654</u>
Investment property				
Maintenance of premises and equipment	1,117	-	1,117	500
Heat, light, water and rates	150	-	150	150
	<u>1,267</u>	<u>-</u>	<u>1,267</u>	<u>650</u>
	<u>13,778</u>	<u>-</u>	<u>13,778</u>	<u>12,304</u>
2021 total	<u>12,304</u>	<u>-</u>	<u>12,304</u>	

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>Direct Costs - educational operations</b>				
Teaching and educational support staff costs	13,938	1,641,170	1,655,108	1,563,769
Depreciation	-	183,427	183,427	182,597
Educational supplies	-	47,252	47,252	43,195
Staff development	-	6,257	6,257	3,079
Examination fees	-	31,768	31,768	26,793
Educational consultancy	-	3,975	3,975	3,391
External course costs	-	-	-	-
Other direct costs	-	8,270	8,270	87
	<u>13,938</u>	<u>1,922,119</u>	<u>1,936,057</u>	<u>1,822,911</u>
<b>Support Costs - educational operations</b>				
Support staff costs	-	279,711	279,711	258,283
Depreciation	-	39,027	39,027	29,215
Loss on disposal of tangible fixed asset	-	1,409	1,409	52,261
Staff development	-	5,854	5,854	4,682
Maintenance of premises and equipment	-	105,488	105,488	106,156
Maintenance of premises and equipment - CIF	-	128,096	128,096	-
Professional Fees	-	12,781	12,781	16,293
Cleaning	-	64,055	64,055	67,309
Rates and water	-	24,699	24,699	22,849
Heat and light	-	81,537	81,537	57,165
Insurance	-	7,793	7,793	6,381
Transport	-	3,054	3,054	(9,864)
Catering	-	21,000	21,000	18,231
Technology costs	-	50,701	50,701	60,771
Other support costs	-	19,857	19,857	17,330
	<u>-</u>	<u>845,062</u>	<u>845,062</u>	<u>707,062</u>
<b>Support Costs - governance</b>				
Audit fees	-	6,840	6,840	6,900
Accountancy and assurance fees	-	9,090	9,090	7,145
Less: Recharge to EVSP	-	(2,500)	(2,500)	-
Staff costs	-	2,009	2,009	1,927
Legal and professional fees	-	542	542	2,360
Net finance costs in respect of defined benefit pension schemes	-	46,000	46,000	44,000
	<u>-</u>	<u>61,981</u>	<u>61,981</u>	<u>62,332</u>
<b>Eden Valley Sports Partnership (EVSP)</b>				
EVSP staff costs	34,900	32,355	67,255	79,822
Sports hall utilities, maintenance and other charges	1,700	1,550	3,250	4,500
Other EVSP costs	10,479	24,453	34,932	28,424
	<u>47,079</u>	<u>58,358</u>	<u>105,437</u>	<u>112,746</u>
<b>Trips</b>				
Staff costs	-	-	-	-
Accommodation and transport	-	18,491	18,491	2,988
Entrance fees/tickets	-	24,246	24,246	650
Miscellaneous	-	1,154	1,154	-
	<u>-</u>	<u>43,891</u>	<u>43,891</u>	<u>3,638</u>
<b>School Fund</b>				
Staff costs	-	-	-	-
Miscellaneous	3,278	12,512	15,790	9,412
	<u>3,278</u>	<u>12,512</u>	<u>15,790</u>	<u>9,412</u>
<b>Total direct and support costs</b>	<u>64,295</u>	<u>2,943,923</u>	<u>3,008,218</u>	<u>2,718,101</u>
<b>2021 total</b>	<u>63,815</u>	<u>2,654,286</u>	<u>2,718,101</u>	

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 9. Staff

## a. Staff costs

	2022	2021
	£	£
Staff costs during the period were:		
Wages and salaries	1,457,365	1,405,386
Social security costs	136,533	127,538
Pension costs	424,116	393,306
	<u>2,018,014</u>	<u>1,926,230</u>
Supply staff costs	18,965	10,287
Staff restructuring costs	-	-
Less: seconded out of the organisation	(21,916)	(22,562)
	<u>2,015,063</u>	<u>1,913,955</u>

Pension costs includes the following:

	2022	2021
	£	£
Local Government Pension Scheme deficit recovery	55,042	53,742

## b. Severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

	2022
	No
0 - £25,000	-
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-
	<u>-</u>

## c. Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non-contractual redundancy payments totalling £Nil (2021: £Nil).

## d. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2022	2021
	No	No
<b>Charitable Activities</b>		
Management	3	3
Teachers and classroom support	41	42
Administration and support	10	8
Eden Valley Sports partnership	3	5
	<u>57</u>	<u>58</u>

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****e. Higher paid staff**

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

	2022	2021
	No	No
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2022 the employer's pension contributions in respect of this employee amounted to £17,167 (2021: £17,167).

**f. Key management personnel**

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

	2022	2021
	£	£
Senior leadership team	224,031	220,788
Staff Trustees	<u>110,644</u>	<u>103,970</u>
	<u>334,675</u>	<u>324,758</u>

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 10. Transfers Between Funds

2022  
£

## Restricted general funds

## General Annual Grant (GAG)

To fixed asset funds for purchase of fixed assets used for charitable purposes	(1,344)
Disposal proceeds from fixed asset sales moved to GAG funds	600
From unrestricted funds as detailed below	6,439
Transfer from restricted school funds	27
Eden Valley Sports Partnership transfers to GAG	245
Transfer to restricted trips	385
Community grant contribution to GAG	40

6,392

## Community grant

Contribution to School Trips	(2,699)
Contribution to GAG	(40)

(2,739)

## Eden Valley Sports Partnership (EVSP)

Eden Valley Sports Partnership transfers to GAG	(245)
---	-------

(245)

## School Trips

Contribution from community grant	2,699
Contribution from GAG	(385)

2,314

## School Funds

Contributions to GAG	(27)
To unrestricted School Funds	(2,101)

(2,128)

3,594

## Restricted fixed asset funds

## Fixed assets used for charitable purposes

Purchases from GAG	1,344
Purchases from ESFA CIF grant	102,851
Purchases from Capital improvements in sport & recreational facilities fund	68,516
Disposal proceeds from fixed asset sales moved to GAG funds	(600)

172,111

## Capital improvements in sport &amp; recreational facilities fund

To fixed asset funds for purchase of fixed assets used for charitable purposes	(68,516)
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## ESFA CIF grant - kitchen refurbishment project

To fixed asset funds for purchase of fixed assets used for charitable purposes	(102,851)
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744

## Unrestricted funds

## Unrestricted general funds

Donations & bank interest	(2,908)
---------------------------	---------

## Designated unrestricted funds

Other lettings current year surplus	(598)
Investment property surplus current year surplus	(2,933)

(3,531)

Net unrestricted general less designated unrestricted surplus to GAG

(6,439)

## Unrestricted School Funds

Unrestricted school funds from restricted school funds	2,101
	(4,338)

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****11. Related Party Transactions – Governors' remuneration and expenses**

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

Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors.

The value of governors' remuneration and other benefits for the period was as follows:

G Hartley (principal and governor from September 2017)		
Remuneration	£70,000 to £74,999	(2021: £70,000 to £74,999)
Employer's pension contributions	£15,000 to £19,999	(2021: £15,000 to £19,999)
C Thompson (staff governor from May 2019)		
Remuneration	£25,000 to £29,999	(2021: £25,000 to £29,999)
Employer's pension contributions	£5,000 to £9,999	(2021: £5,000 to £9,999)
R Young (staff governor from May 2019)		
Remuneration	£40,000 to £44,999	(2021: £40,000 to £44,999)
Employer's pension contributions	£5,000 to £9,999	(2021: £5,000 to £9,999)
M Richter (staff governor from May 2021)		
Remuneration	£10,000 to £14,999	(2021: £0 to £4,999)
Employer's pension contributions	£0 to £4,999	(2021: £0 to £4,999)
V Moules (member of staff, parent governor from September 2018)		
Remuneration	£0 to £4,999	(2021: £0 to £4,999)
Employer's pension contributions	£0 to £4,999	(2021: £0 to £4,999)
R Wolstenholme (staff governor from September 2017 until October 2020)		
Remuneration		(2021: £5,000 to £9,999)
Employer's pension contributions		(2021: £0 to £4,999)

During the year ended 31 August 2022, £1,810 travel and subsistence expenses were reimbursed to four governors (2021: £Nil to no governors).

**12. Governors and officers insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2022 provides cover up to £10,000,000 (2021: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13. Tangible Fixed Assets	Freehold Land & Buildings	Assets under construction	Plant & Machinery	Furniture & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£	£
As at 1 September 2021	5,671,087	120,429	1,266,923	82,025	64,787	7,205,251
Additions	13,702	54,814	-	102,851	1,344	172,711
Disposals	-	-	-	(5,770)	-	(5,770)
Transfers	175,243	(175,243)	-	-	-	-
As at 31 August 2022	5,860,032	-	1,266,923	179,106	66,131	7,372,192
<b>Depreciation</b>						
As at 1 September 2021	1,195,336	-	742,919	59,136	56,265	2,053,656
Charge in year	134,783	-	79,067	3,341	5,263	222,454
Disposals	-	-	-	(3,761)	-	(3,761)
As at 31 August 2022	1,330,119	-	821,986	58,716	61,528	2,272,349
<b>Net book values</b>						
As at 31 August 2022	4,529,913	-	444,937	120,390	4,603	5,099,843
As at 1 September 2021	4,475,751	120,429	524,004	22,889	8,522	5,151,595

**Valuation details**

The freehold land and buildings and the plant and machinery integral to the buildings, include valuations of £5,614,053 and £1,084,169 respectively (excluding the bungalow - see note 14) as at 1 August 2011 made by A T Snape RICS Registered Valuer, who was independent of the charitable company. The basis of valuation for all the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Fixed Assets.

**Freehold Property restriction**

The freehold property is subject to the following restrictions: a) restriction dated 08/09/2011 whereby no disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the Secretary of State for Education of Sanctuary Buildings, Great Smith Street, London, SW1P 3BT. b) restriction dated 08/07/2014 whereby no disposition of the part of the registered estate known as the sports hall is to be registered without a written consent signed by The English Sports Council (the operating name of Sport England) of Third Floor, Victoria House, Bloomsbury Square, London, WC1B 4SE.

**All Weather Pitch**

Included within the freehold land and buildings is an All Weather Pitch with a net book value of £92,120 (2021: £110,856). The All Weather Pitch is leased out to Kirkby Stephen Community Sports Association (KSCSA) and the lease dated 7 November 1996 refers to a piece of land provided for the purpose of constructing an all weather sports pitch thereon. The Academy enjoys the right to use the pitch during the school day and at weekends. The governors therefore believe it is correct to recognise this asset in the accounts.

**Freehold land and buildings**

The additions and transfer from assets under construction are the new tennis courts, financed by the capital improvements in sport & recreational facilities restricted fund.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 14. Fixed Asset Investments

Movement in market value	2022	2021
	£	£
Market value at 1 September	292,778	292,778
Transfers from tangible fixed assets	-	-
Acquisitions at cost	-	-
Disposals at market value brought forward	-	-
Fair value movements	-	-
Market value at 31 August	<u>292,778</u>	<u>292,778</u>

## Analysis of investments at 31 August 2022 between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
UK Property	-	-	292,778	292,778	292,778

UK property comprises three assets as follows:

**Bungalow**

The school bungalow was transferred from tangible fixed assets in the year ended 31 August 2013 at net book value and was uplifted to equate to the market value as at 1 August 2011, which was the date the Academy originally acquired the property. The market value on that date was £236,778, comprising the building £175,000 and associated land £61,778, made by A T Snape RICS Registered Valuer, who was independent of the charitable company. The trustees consider that the property's current market value has not significantly changed since 1 August 2011.

The property is subject to a restriction dated 08/09/2011 whereby no disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the Secretary of State for Education of Sanctuary Buildings, Great Smith Street, London, SW1P 3BT.

**Land leased to Kirkby Stephen Mountain Rescue Team**

This land, comprising 0.14 acres, is situated in the corner of North Field and leased to Kirkby Stephen Mountain Rescue Team and is not used for the Academy's charitable purposes. In the year ended 31 August 2017 the asset was transferred from tangible fixed assets at its book value of £56,000, which is based on developed land values when the asset was acquired on 1 August 2011. The trustees consider that the land's market value has not significantly changed since 1 August 2011.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

<b>15. Stock</b>	<b>2022</b>	<b>2021</b>
	£	£
Educational supplies	9,275	7,632
Other stock	1,248	1,614
	<u>10,523</u>	<u>9,246</u>
<b>16. Debtors</b>	<b>2022</b>	<b>2021</b>
	£	£
Trade debtors	11,563	22,206
VAT recoverable	38,309	30,239
Prepayments	27,256	31,504
Accrued income	631,347	21,327
	<u>708,475</u>	<u>105,276</u>
<b>Accrued Income</b>	<b>2022</b>	<b>2021</b>
	£	£
ESFA grant funding:		
Pupil premium	8,171	8,473
Academies Condition Improvement Fund	617,808	-
Other ESFA grants - Summer School	-	8,378
Total ESFA grant funding	625,979	16,851
LA special needs funded statements	373	4,476
Other accrued income	4,995	-
	<u>631,347</u>	<u>21,327</u>
<b>17. Creditors: Amounts Falling due Within One Year</b>	<b>2022</b>	<b>2021</b>
	£	£
Trade creditors	210,317	149,029
Taxation and social security	34,394	32,693
Sundry creditors	37,317	36,721
ESFA creditors	7,300	6,543
Accruals	163,585	214,990
Deferred income	95,737	23,439
	<u>548,650</u>	<u>463,415</u>
<b>Deferred Income</b>	<b>2022</b>	<b>2021</b>
	£	£
Deferred income at 1 September 2021	23,439	35,265
Resources deferred in the year	95,737	23,439
Amounts released from previous years	(23,439)	(35,265)
Deferred income at 31 August 2022	<u>95,737</u>	<u>23,439</u>
Deferred income comprises:		
Deposits in advance for Trips in the following academic year	18,070	
ESFA grant for rates 1 September 2022 to 31 March 2023	7,168	
School games organiser grant for 1 September 2022 to 31 March 2023	14,912	
EVSP service level agreements for future academic years	54,658	
Other educational income	929	
	<u>95,737</u>	

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds	Balance at 01-Sep 2021 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2022 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	140,548	2,009,268	(2,105,295)	6,392	50,913
Pupil premium	-	50,683	(50,683)	-	-
Teachers pay grant	-	4,386	(4,386)	-	-
Teachers pension grant	-	12,392	(12,392)	-	-
Schools supplementary grant	-	22,043	(22,043)	-	-
Other ESFA grants	-	16,145	(16,145)	-	-
LA special needs funded statements	-	31,021	(31,021)	-	-
Eden Valley Sports Partnership(restricted)	131,399	58,603	(58,358)	(245)	131,399
COVID-19: Additional Funding ESFA	-	14,873	(14,873)	-	-
COVID-19: Mass testing funding	-	14,063	(14,063)	-	-
Other government grants	-	3,145	(3,145)	-	-
School Trips	-	41,577	(43,891)	2,314	-
School Funds	7,136	15,295	(12,511)	(2,128)	7,792
Other educational income	9,941	25,721	(32,923)	(2,739)	-
Other restricted general funds	3,437	8,342	(11,242)	-	537
	<u>292,461</u>	<u>2,327,557</u>	<u>(2,432,971)</u>	<u>3,594</u>	<u>190,641</u>
<b>Restricted Fixed Asset Funds</b>					
Fixed assets used for charitable purposes	5,151,595	-	(223,863)	172,111	5,099,843
Fixed assets used for investment purposes	292,778	-	-	-	292,778
Capital improvements in sport & recreational facilities	181,496	-	(54,814)	(68,516)	58,166
ESFA formula capital grant	-	10,179	(10,179)	-	-
ESFA CIF grant - boilers	3,284	5,119	(8,403)	-	-
ESFA CIF grant - kitchen	-	292,342	(97,199)	(102,851)	92,292
ESFA CIF grant - electrics	-	443,692	(22,494)	-	421,198
	<u>5,629,153</u>	<u>751,332</u>	<u>(416,952)</u>	<u>744</u>	<u>5,964,277</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve fund	(2,634,000)	-	(94,000)	2,208,000	(520,000)
<b>Total Restricted Funds</b>	<u><b>3,287,614</b></u>	<u><b>3,078,889</b></u>	<u><b>(2,943,923)</b></u>	<u><b>2,212,338</b></u>	<u><b>5,634,918</b></u>
<b>Unrestricted Funds</b>					
Unrestricted general funds	-	16,846	(13,938)	(2,908)	-
Designated lettings fund	-	13,109	(12,511)	(598)	-
Designated school funds	2,160	3,053	(3,278)	2,101	4,036
Designated investment property income	-	4,200	(1,267)	(2,933)	-
Designated Eden Valley Sports Partnership	-	63,185	(47,079)	-	16,106
<b>Total Unrestricted Funds</b>	<u><b>2,160</b></u>	<u><b>100,393</b></u>	<u><b>(78,073)</b></u>	<u><b>(4,338)</b></u>	<u><b>20,142</b></u>
<b>Total Funds</b>	<u><b>3,289,774</b></u>	<u><b>3,179,282</b></u>	<u><b>(3,021,996)</b></u>	<u><b>2,208,000</b></u>	<u><b>5,655,060</b></u>

Details of Transfers between funds are shown in Note 10.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2022.

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****18. Funds (continued)**

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

**General Annual Grant (GAG) fund**

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency (ESFA).

**Pupil premium fund**

This represents funding paid by the ESFA to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

**Defined benefit pension scheme fund**

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. In the event of the closure of the Academy, this deficit will be met by the Department for Education.

**Local authority special needs funded statements**

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

**Eden Valley Sports Partnership (EVSP)**

The EVSP fund was generated over a period of 7 years from 2004 to 2011. The government set up the School Sports Partnership scheme as a national scheme based within a Sports College as the hub which managed each Partnership. The idea was to use the expertise and specialist PE staff in secondary schools to improve the PE teaching in primary schools. Kirkby Stephen Grammar School was the hub, and worked in partnership with 4 other secondary schools in the Eden Valley, and their feeder primary schools. This meant 5 secondary schools were working with 40 primaries across Eden.

**Designated Eden Valley Sports Partnership (EVSP)**

This unrestricted fund is in respect of Service Level Agreements.

**ESFA formula capital grant**

The outgoing resources of £10,179 represents expenditure on the purchase of smaller items of furniture and equipment and the maintenance of premises.

**Capital improvements in sport and recreational facilities**

Under the conditions set down by the ESFA the net proceeds from a previous land sale must be ring-fenced for capital improvements in sport and recreational facilities. The outgoing resources of £54,814 represents expenditure on the maintenance of sports premises and equipment. The transfer of £68,516 consists of freehold land and buildings additions (new tennis courts).

**ESFA condition improvement funds**

This represents monies from the ESFA in relation to capital projects.

**Fixed assets used for charitable purposes**

This represents the value and movements per the Tangible Fixed Assets note.

**Fixed assets used for investment purposes**

This relates to the market value of the school bungalow and the land leased to KSMRT, as shown in the fixed asset investment note, from which a rental income is derived.

**Designated lettings fund**

This is in respect of sports lettings and other lettings outside normal school hours.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 18. Funds (continued)

## Funds in Deficit

The pension reserve fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The academy has previously entered into an agreement effective from 01 April 2020 to make additional contributions in addition to normal funding levels and it is anticipated that the payments will be made over 13 years from 01 April 2020. For details of the deficit payment plan see the pensions note.

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

	Balance at 01-Sep 2020 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2021 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	128,144	1,920,235	(1,910,041)	2,210	140,548
Pupil premium	-	51,651	(51,651)	-	-
Other ESFA grants	-	107,247	(107,247)	-	-
LA special needs funded statements	-	21,525	(21,525)	-	-
Eden Valley Sports Partnership(restricted)	129,099	54,490	(51,290)	(900)	131,399
COVID-19: Additional Funding ESFA	-	39,732	(39,732)	-	-
COVID-19: Mass testing funding	-	25,080	(25,080)	-	-
Other government grants	-	6,445	(6,445)	-	-
School Trips	-	2,528	(3,638)	1,110	-
School Funds	10,180	6,715	(7,053)	(2,706)	7,136
Other educational income	1,051	25,648	(15,648)	(1,110)	9,941
Other restricted general funds	3,419	12,012	(9,962)	(2,032)	3,437
	<u>271,893</u>	<u>2,273,308</u>	<u>(2,249,312)</u>	<u>(3,428)</u>	<u>292,461</u>
<b>Restricted Fixed Asset Funds</b>					
Fixed assets used for charitable purposes	5,191,313	-	(255,007)	215,289	5,151,595
Fixed assets used for investment purposes	292,778	-	-	-	292,778
ESFA formula capital grant	-	10,148	(10,148)	-	-
ESFA CIF grant - boilers	-	97,254	(3,635)	(90,335)	3,284
Capital improvements in sport & recreational facilities	368,191	-	(68,184)	(118,511)	181,496
	<u>5,852,282</u>	<u>107,402</u>	<u>(336,974)</u>	<u>6,443</u>	<u>5,629,153</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve fund	(2,324,000)	-	(68,000)	(242,000)	(2,634,000)
<b>Total Restricted Funds</b>	<u>3,800,175</u>	<u>2,380,710</u>	<u>(2,654,286)</u>	<u>(238,985)</u>	<u>3,287,614</u>
<b>Unrestricted Funds</b>					
Unrestricted general funds	-	7,616	-	(7,616)	-
Designated lettings fund	(785)	4,700	(11,654)	7,739	-
Designated school funds	1,650	2,457	(2,359)	412	2,160
Designated investment property income	-	4,200	(650)	(3,550)	-
Designated Eden Valley Sports Partnership	-	61,456	(61,456)	-	-
<b>Total Unrestricted Funds</b>	<u>865</u>	<u>80,429</u>	<u>(76,119)</u>	<u>(3,015)</u>	<u>2,160</u>
<b>Total Funds</b>	<u>3,801,040</u>	<u>2,461,139</u>	<u>(2,730,405)</u>	<u>(242,000)</u>	<u>3,289,774</u>

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	5,099,843	5,099,843
Investments	-	-	292,778	292,778
Current assets	20,142	739,291	571,656	1,331,089
Current liabilities	-	(548,650)	-	(548,650)
Pension scheme liability	-	(520,000)	-	(520,000)
<b>Total Net Assets</b>	<b>20,142</b>	<b>(329,359)</b>	<b>5,964,277</b>	<b>5,655,060</b>

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	5,151,595	5,151,595
Investments	-	-	292,778	292,778
Current assets	2,260	481,308	459,248	942,816
Current liabilities	(100)	(188,847)	(274,468)	(463,415)
Pension scheme liability	-	(2,634,000)	-	(2,634,000)
<b>Total Net Assets</b>	<b>2,160</b>	<b>(2,341,539)</b>	<b>5,629,153</b>	<b>3,289,774</b>

## 20. Long-term commitments, including under operating leases

## Operating leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£	£
Assets other than land & buildings		
Amounts due within one year	2,956	2,815
Amounts due between one and five years	2,711	4,208
Amounts due after five years	-	-
	<b>5,667</b>	<b>7,023</b>

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****21. Financial Commitments - capital projects**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Contracted for, but not provided in the financial statements	<u>92,292</u>	<u>110,384</u>
	<u>92,292</u>	<u>110,384</u>

The Academy entered into contracts relating to the following projects:

**Kitchen refurbishment project**

The kitchen refurbishment project was an approved CIF project for £322,342. During the year ended 31 August 2022 there was a spend of £200,050. £102,852 was capitalised within fixture and fitting additions and the balance of a revenue nature charged to the SOFA as an expense. The balance of £92,292 remains contracted for but not provided for at the balance sheet date.

**22. Members' Liability**

Kirkby Stephen Grammar School is a company limited by guarantee. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 23. Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	28,308	28,155
Local Government Pension Scheme	8,875	8,451
	<u>37,183</u>	<u>36,606</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	244,388	240,478
Local Government Pension Scheme	76,686	75,086
Local Government Pension Scheme deficit recovery	55,042	53,742
LGPS current service & past service cost/contributions adjustment	48,000	24,000
	<u>424,116</u>	<u>393,306</u>

## Teachers' Pension Scheme

## Introduction

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

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

## Valuation of the Teachers' Pension Scheme

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

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

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****23. Pensions and Similar Obligations (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £244,388 (2021: £240,478).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2022	2021
	£	£
Employer's contributions	76,686	75,086
Lump sum deficit contributions	55,042	53,742
Employees' contributions	22,401	22,016
Total contributions	<u>154,129</u>	<u>150,844</u>

The agreed contribution rates for future years are 20.0% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £53,200 in 2020-21, £54,500 in 2021-22 and £55,800 in 2022-23.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 23. Pensions and Similar Obligations (continued)

## Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.30%	4.30%
Rate of increase for pensions in payment / inflation	2.90%	2.90%
Discount rate for scheme liabilities	4.30%	1.70%
Inflation assumption (CPI)	2.80%	2.80%

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 2022	At 31 August 2021
<i>Retiring today</i>		
Males	22.6	22.7
Females	25.3	25.3
<i>Retiring in 20 years</i>		
Males	24.1	24.3
Females	27.1	27.2

**Sensitivity analysis**

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

<b>Sensitivity analysis</b>	At 31 August 2022 Deficit	At 31 August 2022 Change	At 31 August 2021 Deficit	At 31 August 2021 Change
Discount rate + 0.1%	443,000	(77,000)	2,509,000	(125,000)
Discount rate - 0.1%	599,000	79,000	2,762,000	128,000
Mortality assumption - 1 year increase	592,000	72,000	2,818,000	184,000
Mortality assumption - 1 year decrease	449,000	(71,000)	2,456,000	(178,000)
CPI rate + 0.1%	598,000	78,000	2,762,000	128,000
CPI rate - 0.1%	444,000	(76,000)	2,509,000	(125,000)
Pay growth + 0.1%	533,000	13,000	2,656,000	22,000

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 23. Pensions and Similar Obligations (continued)

## Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2022 £	Fair value at 31 August 2021 £
Equity instruments		
Equities	1,012,000	1,236,000
Debt instruments		
Government bonds	427,000	542,000
Other bonds	0	0
Property	292,000	240,000
Cash/liquidity	93,000	120,000
Other	1,186,000	1,016,000
<b>Total Market Value of Assets</b>	<b>3,010,000</b>	<b>3,154,000</b>
Present value of scheme liabilities		
Funded	(3,530,000)	(5,788,000)
Unfunded	-	-
<b>Surplus / (deficit) in the scheme</b>	<b>(520,000)</b>	<b>(2,634,000)</b>

The actual return on the scheme assets in the year was -£219,000 (2021: £445,000).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

## Amounts recognised in the statement of financial activities

	2022 £	2021 £
Current service cost (net of employee contributions)	(179,000)	(152,000)
Net interest cost	(43,000)	(41,000)
Administration expenses	(3,000)	(3,000)
Past service (cost)/gain	-	-
Benefit changes	-	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>(225,000)</b>	<b>(196,000)</b>

## Other recognised gains and (losses)

	2022 £	2021 £
Remeasurements (liabilities)	2,481,000	(639,000)
Remeasurements (assets)	(273,000)	397,000
<b>Total amount recognised in the SOFA</b>	<b>2,208,000</b>	<b>(242,000)</b>

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 23. Pensions and Similar Obligations (continued)

## Changes in the deficit in the year:

	2022	2021
	£	£
Deficit in scheme at 1 September 2021	(2,634,000)	(2,324,000)
Current service cost	(179,000)	(152,000)
Interest cost	(97,000)	(89,000)
Employer contributions	131,000	128,000
Past service (cost)/gain	-	-
Actuarial gain/(loss) - Remeasurements	2,208,000	(242,000)
Administration expenses	(3,000)	(3,000)
Interest income	54,000	48,000
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Deficit at 31 August 2022</b>	<b>(520,000)</b>	<b>(2,634,000)</b>

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

	2022	2021
	£	£
At 1 September 2021	(5,788,000)	(4,917,000)
Current service cost	(179,000)	(152,000)
Interest cost	(97,000)	(89,000)
Employee contributions	(22,000)	(22,000)
Past service (cost)/gain	-	-
Actuarial gain/(loss) - Remeasurements	2,481,000	(639,000)
Benefits / transfers paid	75,000	31,000
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Benefit obligation at 31 August 2022</b>	<b>(3,530,000)</b>	<b>(5,788,000)</b>

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

	2022	2021
	£	£
At 1 September 2021	3,154,000	2,593,000
Interest income	54,000	48,000
Administration expenses	(3,000)	(3,000)
Actuarial gain/(loss) - Remeasurements	(273,000)	397,000
Employer contributions	131,000	128,000
Employee contributions	22,000	22,000
Benefits / transfers paid	(75,000)	(31,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Scheme assets at 31 August 2022</b>	<b>3,010,000</b>	<b>3,154,000</b>

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****24. Related Party Transactions**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

**Income Related Party Transactions**

- M Birtles acted as a governor for the academy during the period and also acted as a trustee for Kirkby Stephen Grammar School Foundation. The governor has no equitable interest in either entity but the following item is noted: the academy received donations from the Foundation during the period amounting to £1,570 for educational equipment, an educational trip and a duke of edinburgh expedition (2021: £2,050 for educational materials and equipment, an educational trip and musical concerts).
- One related party donated £50 to the academy in the year (2021: two related parties donated aggregate of £65).

Some of the governors are parents of the pupils; transactions, such as payments for transport costs, were at arms length and no amounts were owing by the governors at the year end.

In entering into the above transactions the academy has complied with the requirements of the ESFA's Academies Financial Handbook.

Related party transactions with staff governors regarding remuneration and expenses are detailed in an earlier note.

**25. Agency Arrangements**

The academy acts as an intermediary for the following agency arrangements but has no responsibility for them. The receipts and payments during the period have been excluded from the Statement of Financial Activities.

**16-19 Bursary Fund**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Monies brought forward	6,543	8,467
Income during the year	9,385	7,822
Expenditure during the year	(8,628)	(9,746)
Balance carried forward	<u>7,300</u>	<u>6,543</u>

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****26. Agreement between Kirkby Stephen Grammar School and Eden Valley Sports Partnership**

In November 2015 the governors agreed to transfer £50,000 from EVSP unrestricted funds to the restricted GAG to assist with the EFSA loan repayment of £95,000. An internal agreement was that repayments of £5,000 per annum should be transferred annually back from the GAG to EVSP funds from December 2016 to December 2025 inclusive but the governors may choose to vary the repayment terms depending on the needs of EVSP or Kirkby Stephen Grammar School. Prior to 2018/19 the Academy still held a GAG deficit and the Governors decided to defer all future payments until the GAG deficit had been reduced to £Nil and then review the position.

A large proportion of the brought forward GAG reserves were used in the year and although the school has a surplus at this time, it is expected these will be used up in 22/23 due to the budgetted in year deficit. Due to this, the lack of clarity on school funding and fluctuation student numbers the school has decided not to make a repayment to EVSP at this time.

**27. Post Balance Sheet Events****Land and Buildings**

The academy has obtained approval to sell some of its investment property, namely the land leased to Kirkby Stephen Mountain Rescue Team. It is expected the sale will complete within the next few months at a value in excess of the land's carrying value.

**Pension Scheme Valuation**

The academy has obtained a valuation of its LGPS liability at the year end. However, since the year end with further economic turmoil the trustees believe that the rate of inflation used would be higher if the valuation was to be performed using this information. No allowance has been made by the actuary in the figures provided in line with the accounting requirements and the impact of such movements will emerge as part of the 31 August 2023 figures. The trustees believe obtaining further information of the financial effect on the LGPS liability to the date of approval of the accounts would not assist the users understanding and the assumptions are volatile at present so would not be cost effective for the academy trust.