

Burnt Ash Primary School
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2022



Burnt Ash Primary School
(A company limited by guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2022

Members	B. Danahay D. Gnanapragasam (resigned 23/3/22) A. Junaid C. Hollis L. Crawley (appointed 3/10/22)
Trustees	B. Danahay, Chair of Trustees N. Doran, Chair of Finance * C. Hollis, Vice Chair of Trustees A. Junaid * A. Chan * M. Hardaker P. Taylor * L. Crawley, CEO and Accounting Officer (resigned 31/8/2022) * T. Dinnage, Accounting Officer from 1/9/2022 * E. Timms L. Spencer, Staff Trustee * members of the Finance Committee
Company registered number	09896945 (England and Wales)
Principal and registered office	Rangefield Road Bromley Kent BR1 4QX
Senior management team	L. Crawley, CEO and Accounting Officer until 31/8/2022 T. Dinnage, Headteacher during the year and Accounting Officer from 1/9/2022 F. Blain, Deputy Headteacher (appointed 18/4/22) S. MacAskill, School Business Manager (until 30 October 2022) D. Fernandes, School Business Manager (from 31 October 2022)
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants, Statutory Auditors Thames House Roman Square Sittingbourne Kent. ME10 4BJ
Bankers	Lloyds Bank plc 6-8 Market Square Bromley Kent BR1 1NA
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ

Trustees' Report
For the Year Ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11, serving a catchment area in Downham, Bromley, Kent. It has a pupil capacity of 440 pupils and had a roll of 428 in the school census on 7 October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity, and its memorandum and articles of association are the primary governing documents of the trust.

The trustees of Burnt Ash Primary School are also the directors for the purposes of company law. The academy trust is known as Burnt Ash Primary School.

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

Members' Liability

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

Trustees' Indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

Under the terms of its articles, the academy trust shall have the following trustees:

- Those skilled in educational matters especially relating to finance and legal.
- Those committed to providing quality educational opportunities for all stakeholders.
- Those committed and dedicated to the core purpose of the academy trust and following all charitable and financial procedures.

By using an annual skills audit the board are able to identify the skills needed from new Trustees to compliment or strengthen the board. Potential Parent Trustees are given an introduction to the role before they decide to stand. They are elected by the parent population. Co-opted Trustee take part in an introduction and interview with the Chair and Headteacher. If they have the appropriate skills as identified in the skills audit they are invited to join. Staff Trustees are elected via a staff election.

Policies and procedures adopted for the induction and training of trustees

The training and induction for new trustees depends on their previous experience. All trustees are expected to visit the school before taking up post, where they meet the Headteacher and Chair of Trustee and are introduced to the role of Trustees. Once in post Trustees are expected to visit the school regularly to undertake learning walks and to help them develop a deeper understanding of the ethos and policies of the school.

Trustees have access to the appropriate policies and documents that they need to undertake their role and to increase their understanding.

The Academy subscribes to a full training programme for Trustees, they can select relevant courses based on their role and experience. A training log is maintained by the School Business Log. This year a half day focussed learning walk with senior leaders took place. The Trustees were briefed on the particular school improvement priority they were to look at and the morning ended with a debrief so they could fully understand what they had seen and the impact of the development work.

Organisational Structure

The organisational structure consists of four levels: the members, the trustees, the senior leadership team and the extended leadership team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

Trustees' Report
For the Year Ended 31 August 2022

The trustees are responsible for approving and developing the general policy, adopting an annual school development plan and budget, monitoring the academy trust's use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The senior leadership team comprises the CEO, Headteacher, and Deputy Headteacher. These managers control the academy trust at an executive level implementing the policies laid down by the trustees and reporting back to them. The CEO is the accounting officer for the Academy.

As a group, the senior leadership team are responsible for authorising spending up to the level delegated to them within the scheme of delegation and agreed budgets. They are also over-see the appointment of staff, although appointment boards for posts in the senior leadership team always contain a trustee. Some spending control is devolved to members of the extended leadership team, limits above which a member of the senior leadership team must countersign.

The extended leadership team includes Assistant Heads, SENCo, phase leaders, core curriculum leaders, SBM. Along with the senior leadership team these managers are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, facilities and pupils.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the CEO and following guidance from the relevant professional pay review bodies. Naturally the CEO and Headteacher were not involved in setting their own remuneration packages.

Only staff trustees, including the CEO and Headteacher, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. However, there is also a Co-opted Trustee who has since joining has become a member or staff, she only receives remuneration in respect of services she provides under her contract of employment, and not in respect of her role as a trustee. She will step down at the end of her term. Specific disclosures concerning staff trustees' remuneration is included in note 13.

The day to day running of the pay policy is delegated to the Headteacher and monitored by the finance committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and performance management procedure which are reviewed regularly by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service, performance and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bears in mind the charitable status of the academy trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 11 (d).

Trade union facility time

The academy trust did not have any employees serving as relevant officials and hence none of their employed time was spent on facility time.

Related Parties and other Connected Charities and Organisations

Burnt Ash Primary School is one of two schools who are joined under an umbrella trust – Ignite Education Trust. The purpose of this relationship is to ensure high standards of education being delivered in each school. There is no direct impact on the day to day running of the individual school, however the Ignite Board can step in if either school is failing and not engaging with recommended support measures. The financial arrangements for each school are independent.

Burnt Ash Primary School is a member of the Challenge Partners organisation, which is a nationwide network of schools committed to peer development, growth and challenge.

Trustees' Report
For the Year Ended 31 August 2022

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

Vision and values

The trustees worked closely with the senior leaders and staff to develop the vision for the school, which underpins all decisions made by the board. The school summarises its vision in our strap line – 'Caring about achievement for all'

The agreed vision statement for the school is;

An excellent education to enable all children to achieve, flourish and succeed through:

- A high expectation for all children to achieve their potential through a rich, inspiring curriculum.
- Empowering children to take ownership of their learning by building independence and resilience.
- Working in partnership with parents and with a strong network of schools to build and develop the highest standards of teaching and learning.
- Providing a safe, secure and supportive environment in which all children and adults are valued and respected, and develop a strong sense of self-worth.
- A caring and inclusive school that engages families and the community and celebrates its diversity of cultures and religions.
- Giving children the confidence and desire to make a meaningful contribution to the wider world and develop a strong sense of social responsibility.

Objectives, Strategies and Activities

- To ensure that standards of academic attainment remain high in all areas and for all children, particularly in light of the impact of school closures during the pandemic.
- To ensure high quality teaching is provided across the whole school and that the school is focused on continuous improvement and development.
- To ensure all levels of leadership play an integral part in school improvement.
- To ensure that governance plays a strategic role in monitoring standards and implementing school improvement.
- To provide opportunities to support other schools, teachers and student teacher to learn and develop their practice.
- To maintain, and increase areas of excellence across the school (as recognised by Challenge Partners Quality Review). At present Making Learning Irresistible, Inclusion, Continuing the Learning Journey, Continuous Provision, Inclusion, Early Years, the Deployment and Development of Leadership and Narrowing the Gap for All Pupils
- To provide high quality nursery provision for local children, which will give them access to a language rich and stimulating learning environment.

Public Benefit

Burnt Ash Primary is an academy catering for children aged 3 to 11 and strives to promote and support the advancement of education within the local area and beyond. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our pupils, staff and community both academically and personally. Some of the activities the school has been involved in include;

- Volunteering in the local community and supporting local initiatives. For example; the community gardens, engaging in local competitions/events
- Raising money for national and local charities – For example; British Legion, Children in Need.
- Supporting local foodbanks with donations, referrals and distribution of food to local families. This work increased significantly during the recent pandemic and need continues to be high.
- Engaging with and supporting local sports clubs and providing specialist sports teaching and learning. Taking part in local sports alliances for inter school competitions, engagement with the local cricket and tennis clubs.
- Working with Bromley Schools Collegiate to provide training, mentoring and placement for trainee teachers.
- Headteacher is a Strategic Partner for Challenge Partners, which works with 500 schools nationally to support the improvement of education for pupils, particularly those from disadvantaged backgrounds. She also supports outstanding schools to continue to improve through the Growing the Top Programme.
- Founding member of Ignite Education Trust – a group of local schools with a focus on school improvement and the development of teachers.
- The school hosts one of the 3 remaining Children Centres in the Borough, helping signpost families to local support services and support those vulnerable to domestic violence, alcohol and drug abuse and poverty.

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- The school is funded to provide an Additional Resource Provision for twenty pupils with severe and complex needs. This enables them to be educated in their local community and integrate within the school and with local families.
- The Mayor of London's Schools for Success accreditation supporting London schools improve outcomes for disadvantaged pupils.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

STRATEGIC REPORT

Achievement and Performance

The school has a strong and continued record of high attainment.

End of Keystage 2 Data 2022 (unvalidated)

The results below were attained by children who reached the end of KS2 in July 2022. There were 56 pupils in this cohort. Please note no data is available for 2020 or 2021 due to the pandemic. National data for Greater Depth has not yet been published.

	Reading			Writing (Teacher Assessment)			Maths			SPAG		
	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National
Expected	96%	100%	74%	93%	89%	69%	96%	98%	71%	95%	98%	72%
Greater Depth	21%	55%	x	29%	23%	x	38%	41%	x	48%	55%	x

	2019 School	2022 School	2022 National
Attaining Expected Standard in reading, writing & maths	93%	89%	56%
Attaining Greater Depth in reading, writing & maths	9%	16%	x

Disadvantaged Pupils

Across the school 32% of pupils are eligible for Pupil Premium funding. Within this cohort 17 pupils (30%) were identified as Disadvantaged Pupils, with the school receiving additional funding through Pupil Premium to support their learning. This reflects the school average

	Reading			Writing (Teacher Assessment)			Maths			SPAG		
	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National	2019 School	2022 School	2022 National
Expected	96%	100%	74%	93%	82%	69%	96%	94%	71%	93%	94%	72%
Greater Depth	19%	30%	x	19%	6%	x	30%	18%	x	52%	30%	x

	2019 School	2022 School	2019 National (latest comparative data)
Attaining Expected Standard in reading, writing & maths	93%	82%	51%
Attaining Greater Depth in reading, writing & maths	4%	6%	5%

The most recent validated data can be viewed on the Department for Education website.
<https://www.compare-school-performance.service.gov.uk/school/142584/burnt-ash-primary-school/primary>

Trustees' Report
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Going Concern

After making appropriate enquiries, the board of trustees are confident that the academy trust has adequate resources to continue in operational existence for the foreseeable future, it holds a healthy level of reserves. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £3.095m, down from £3.541m in the prior year. Total income for 2020/21 had included capital income of £517k, including Condition Improvement Fund (CIF) grant income for heating distribution improvement works at the school, accounting for most of the variation.

The trust's revenue income for the year was £3.086m, a modest increase on £3.01m in the prior year. Most of this related to non-grant income, as detailed in notes 4 and 5.

We have continued to receive some COVID-19 related funding, through Recovery Premium and the School Led Tutoring Grant - a total of £36k was received to address the impact of school closure and home learning. This has been carried out through additional tutoring and intervention support.

Self-generated income streams have continued to improve since the pandemic for breakfast and after school clubs. The income for 2021/22 was £120k compared to £72k for the previous year. Nursery income has remained consistent with 2019/20 figures. Lettings have not gone ahead in 21/22 due to CIF works taking place.

With total expenditure for the year of £3.42m (2021: £3.16m) the SoFA shows net expenditure for the year of £322k (2021: net income of £378k) as shown on the SoFA. The SoFA then reports an actuarial gain of £1,667k (2021: loss of £144k) which forms part of the movement in the Local Government Pension Scheme ("LGPS") deficit during the year (the remaining movement, a charge of £291k, is recognised within staff costs).

As a result of the pension scheme movements, and also due to the income and expenditure passing through the restricted fixed asset fund for capital items, the overall movement in funds does not represent a meaningful operational result.

The table which follows reconciles from the overall movement in funds to the £1,345k increase in revenue income funds which relate to the day to day running of the academy:

	2022 (£000s)	2021 (£000s)
Overall net movement in funds for the year per SOFA	1,345	234
Decrease / (increase) attributable to fixed asset fund	4	(514)
LGPS actuarial (gain)/loss	(1,667)	144
LGPS service and interest costs	291	214
Movement on revenue funds during the year	(27)	78
Add: Transfers from revenue to capital to fund fixed asset additions	63	51
Operational surplus /(deficit) on revenue funds before transfers to capital	36	129

The trustees opted to invest £63k of revenue income in capital expenditure, and this is reflected on the SoFA as a transfer into the restricted fixed asset fund. The table above shows that prior to this transfer the operational surplus for the year was £36k.

At 31 August 2022, the net book value of fixed assets was £6.89m and movements in tangible fixed assets are shown in notes 14 and 15 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Trustees' Report
For the Year Ended 31 August 2022

Financial position

The trust held fund balances at 31 August 2022 of £7.53m (2021: £6.18m). These funds included restricted fixed asset funds of £6.89m (2021: £6.89m) which represent the net book value of fixed assets carried on the balance sheet.

At 31 August 2022 the trust held revenue income funds of £640k (2021: £667k) split across restricted and unrestricted funds as shown in note 19.

The LGPS pension reserve at 31 August 2022 was a nil liability (2021: a liability of £1.38m). There has been a significant change, largely due to the discount rate assumption used by the actuary. The reduced liability has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the academy trust are fixed until 1 April 2023. Further details explaining the pension asset and movement on this during the year are provided in note 26.

Reserves Policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of revenue reserves should be no less than one month's payroll cost, amounting to approximately £240k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will continue to monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Investment Policy

The academy trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the academy trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

Principal Risks and Uncertainties

The main risks that the academy trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the academy trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- *Financial* - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

STREAMLINED ENERGY AND CARBON REPORTING

Since Burnt Ash Primary School is not a large company under Companies Act 2006 it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

FUNDRAISING

No fundraising activities are undertaken by the trust. All such activities are carried out by the PTA organisation, The Friends of Burnt Ash.

Trustees' Report
For the Year Ended 31 August 2022

PLANS FOR FUTURE PERIODS

Plans for the future include;

- To continue to improve standards and maintain Outstanding Ofsted grade.
- Support and strengthen other schools and teachers by providing learning opportunities, coaching and challenge.
- To ensure that standards of academic attainment remain high in all areas and for all children, paying particular attention on the long term impact of school closures and lockdown on children and families.
- To ensure high quality teaching is provided across the whole school and that the school is focused on continuous improvement and development.
- To maintain the maximum number of areas of excellence recognised via Challenge Partners. At present the accredited areas are Making Learning Irresistible, Continuing the Learning Journey, Continuous Provision, Inclusion, Early Years, Narrowing the Gap for All Pupils and the Deployment and Development of Senior Leadership.
- To provide high quality nursery provision for local children, which will give them access to a language rich and stimulating learning environment.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust does not hold any funds as custodian trustee on behalf of others.

AUDITORS

In so far as the trustees are aware:

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

The academy trust wishes to continue to secure the services of UHY Hacker Young and a resolution to reappoint them will be tabled at the Finance Committee.

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



Byron Danahay
Chair of Trustees



Tracey Dinnage
Accounting Officer

Date: 5 December 2022

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Governance Statement
For the Year Ended 31 August 2022

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Burnt Ash Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
B. Danahay (Chair of Governors)	2	4
N. Doran (Chair of Finance)	4	4
C. Hollis	4	4
A. Junaid	3	4
A. Chan	4	4
M. Hardacker	2	4
P. Taylor	4	4
E. Timms	4	4
L. Spencer	3	4
L. Crawley (Resigned 31/8/2022)	4	4
T. Dinnage	4	4

The full board has therefore met more than the minimum number of times (three) stipulated in the Academy Trust Handbook, although less than the recommended number of six. The board are content that four meetings are sufficient and they have been able to maintain effective oversight of funds with fewer meetings than six due to the sub-committee structure and regular meetings of the Finance Committee (see below).

The main board was strengthened towards the end of last year with the appointment of three new trustees, who have skills and experience which complement the existing members. This larger board has been in place throughout the year.

The main challenge this year has been to deliver the trust's aims whilst still impacted by the pandemic and its consequences. Supporting our most vulnerable families has been a focus. The trustees worked closely with the school to support staff in providing intensive interventions, tutoring, home learning where necessary and support through the Pastoral team – including access to financial support and food banks.

The board have received regular updates from the Headteacher to enable them to monitor the impact of the trust's work.

Governance reviews

Following last year's review, the board strengthened the finance committee with the appointment of two additional Trustee with the relevant experience and knowledge to support the chair and provide challenge.

During the year Nicholas Doran, who works as an Audit Manager and is a qualified chartered accountant, has continued to be chair of the finance committee.

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Governance Statement
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Conflicts of interest

Conflicts of Interest are checked regularly by way of an annual statement from each trustee as well as confirmation at each Full Board and Committee meeting. Were there to be any conflict of interest declared the individual would not be able to take part in the agenda item discussion or voting. This would be documented by the Clerk to Trustees.

Finance Committee

The finance committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe, well-resourced educational environment. One of the committee's responsibilities is routine budget setting and monitoring. The finance committee has met formally three times this year, and the chair of finance has met with the SBM to review procedures and financial monitoring. Finance Committee members receive monthly financial reports, with a clear deadline to respond with and questions/concerns.

Attendance at Finance Committee meetings during the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
N. Doran (Chair of Finance)	3	3
A. Junaid	3	3
A. Chan	2	3
P. Taylor	2	3
L. Crawley	2	3
T. Dinnage	3	3

Review of value for money

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

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

- There has been a reduction in the opportunities to hold face to face training and coaching events during this academic year due to the pandemic. However, this will resume and enable support to be offered more widely to other schools and income to be generated.
- The succession plan for the future leadership of the school has been completed to ensure a smooth transition during the change of Headship. This has enabled the focus to remain on educational standards and outcomes for the children..

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 Burnt Ash Primary School for the year to 31 August 2022 and up to the date for approval of the annual report and financial statements.

Capacity to Handle Risk

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

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Governance Statement
For the Year Ended 31 August 2022

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint School Business Services (SBS) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The internal auditor reports to the Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. SBS carried out two internal audit visits during the year.

In particular, the checks carried out included:

- financial procedures and accounting system;
- purchases;
- related party transactions;
- banking procedures;
- payroll;
- income;
- monthly management reporting on budget and cashflow
- VAT;
- internal control;
- year-end procedures
- website review
- policies;
- governance;
- risk register and assets

The internal auditor reports to the board of trustees, through the finance 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.

The internal auditors have raised some minor issues relating to supplier's having access to the school details on the purchase order, the monitoring of KPI's, clearer evidence of the balanced budget approval by trustees and evidence of the reserves held. These points have all been addressed and this is reflected in the summarisation report by the internal auditors.

Review of Effectiveness

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

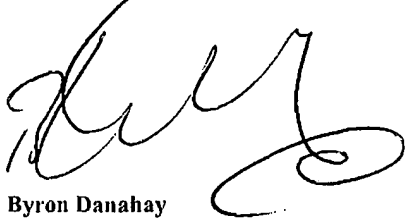
- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Burnt Ash Primary School
(A company limited by guarantee)

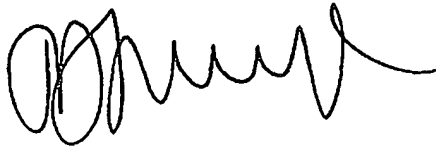
Governance Statement
For the Year Ended 31 August 2022

The management responses ensure that all recommendations are address. This plan is shared with the Finance Committee.

Approved by order of the members of the board of trustees and signed on its behalf by:



Byron Danahay
Chair of Trustees



Tracey Dinnage
Accounting Officer

Date: 5 December 2022

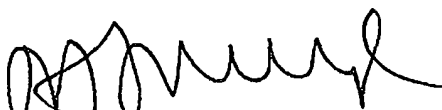
Burnt Ash Primary School
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Burnt Ash Primary 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 all 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 Academy Trust 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 Academy Trust Handbook 2021.

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



T. Dinnage
Accounting Officer

Date: 5 December 2022

Burnt Ash Primary School
(A company limited by guarantee)

Statement of trustees' responsibilities
For the year ended 31 August 2022

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

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

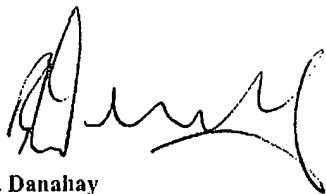
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



B. Danahay
Chair of Trustees

Date: 5 December 2022

Independent Auditors' Report on the financial statements to the Members of Burnt Ash Primary School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report on the financial statements to the Members of Burnt Ash Primary School
(continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

How the audit was considered capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the academy trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the academy trust, including the Academy Trust Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's accounts 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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditors' Report on the financial statements to the Members of Burnt Ash Primary School
(continued)

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:

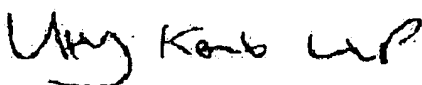
- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

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

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2022

Burnt Ash Primary School
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Burnt Ash Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 October 2020 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 Burnt Ash Primary School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Burnt Ash Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burnt Ash Primary 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 Burnt Ash Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burnt Ash Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Burnt Ash Primary School's funding agreement with the Secretary of State for Education dated 26 January 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Burnt Ash Primary School for the year ended 31 August 2022 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

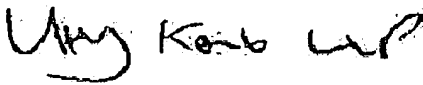
The work undertaken to draw to our conclusion included:

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

Independent Reporting Accountant's Assurance Report on Regularity to Burnt Ash Primary School and the Education & Skills Funding Agency (continued)

Conclusion

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



UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 14 December 2022

Burnt Ash Primary School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	8,635	8,635	534,390
Other trading activities	5	156,864	-	-	156,864	104,460
Investments	6	340	-	-	340	262
Funding for educational operations	4	57,879	2,870,833	-	2,928,712	2,901,425
Total income		215,083	2,870,833	8,635	3,094,551	3,540,537
Expenditure on:						
Raising funds		19,095	58	-	19,153	25,125
Charitable activities	8	142,519	3,179,532	75,507	3,397,558	3,137,083
Total expenditure		161,614	3,179,590	75,507	3,416,711	3,162,208
Net income/(expenditure)		53,469	(308,757)	(66,872)	(322,160)	378,329
Transfers between funds	19	(62,692)	-	62,692	-	-
Net movement in funds before other recognised gains/(losses)		(9,223)	(308,757)	(4,180)	(322,160)	378,329
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	1,667,000	-	1,667,000	(144,000)
Net movement in funds		(9,223)	1,358,243	(4,180)	1,344,840	234,329
Reconciliation of funds:						
Total funds brought forward		396,904	(1,105,852)	6,892,159	6,183,211	5,948,882
Net movement in funds		(9,223)	1,358,243	(4,180)	1,344,840	234,329
Total funds carried forward	19	387,681	252,391	6,887,979	7,528,051	6,183,211

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

The notes on pages 23 to 45 form part of these financial statements.

Burnt Ash Primary School
(A company limited by guarantee)
Registered number: 09896945

Balance sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	554	1,109
Tangible assets	15	6,887,425	6,381,037
		<u>6,887,979</u>	<u>6,382,146</u>
Current assets			
Stocks	16	18,815	21,176
Debtors	17	242,241	569,408
Cash at bank and in hand		628,245	800,182
		<u>889,301</u>	<u>1,390,766</u>
Creditors: amounts falling due within one year	18	(249,229)	(213,701)
Net current assets		<u>640,072</u>	<u>1,177,065</u>
Net assets excluding pension asset / liability		<u>7,528,051</u>	<u>7,559,211</u>
Defined benefit pension scheme asset / liability	26	-	(1,376,000)
Total net assets		<u><u>7,528,051</u></u>	<u><u>6,183,211</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	6,887,979	6,892,159
Restricted income funds	19	252,391	270,148
		<u>7,140,370</u>	<u>7,162,307</u>
Restricted funds excluding pension liability	19	7,140,370	7,162,307
Pension reserve	19	-	(1,376,000)
Total restricted funds	19	<u>7,140,370</u>	<u>5,786,307</u>
Unrestricted income funds	19	<u>387,681</u>	<u>396,904</u>
Total funds		<u><u>7,528,051</u></u>	<u><u>6,183,211</u></u>

The financial statements on pages 20 to 45 were approved and authorised for issue by the trustees and are signed on their behalf, by:

B. Danahay
Chair of Trustees

T. Dinnage
CEO and Accounting Officer

Date: 5 December 2022

The notes on pages 23 to 45 form part of these financial statements.

Burnt Ash Primary School
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	34,740	133,515
Cash flows from investing activities	22	(206,677)	(21,399)
Change in cash and cash equivalents in the year		(171,937)	112,116
Cash and cash equivalents at the beginning of the year		800,182	688,066
Cash and cash equivalents at the end of the year	23, 24	<u>628,245</u>	<u>800,182</u>

The notes on pages 23 to 45 form part of these financial statements

Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Burnt Ash Primary School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are

Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

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.

Where relevant, all expenditure is inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 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.

1.7 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of computer software on a straight-line basis over its expected useful life of 3 years.

1.8 Tangible fixed assets

Individual and groups of assets costing £2,500 and £5,000 or more respectively are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- Over 125 year lease term
Leasehold improvements	- Over remaining 125 year lease term
Furniture and equipment	- 15% straight-line
Computer equipment	- 33.33% straight-line

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 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.

1.13 Operating leases

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

1.14 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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.

Notes to the financial statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.15 Pensions

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.

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

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

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

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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

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Notes to the financial statements
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2. Critical accounting estimates and areas of judgment (continued)

the pension liability.

The ultimate responsibility for setting the assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 4.3% is considerably higher than the rate of 1.7% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £1.376m during the year.

Critical areas of judgment:

FRS 102 section 28.22 allows an entity to recognise a surplus within the Local Government Pension Scheme "only to the extent it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan." The Academy Trust has considered it unlikely that a surplus being recognised would ever result in a repayment or reduction in contributions, given that such a surplus is probably only temporary.

Therefore, although the actuarial report for the year ended 31 August 2022 indicates a defined benefit asset of £106k exists at the year end date, the actuarial gain has been restricted by this amount to leave a break even position and neither an asset or liability has been recognised.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donated fixed assets	-	-	-	11,424
Donations	-	-	-	6,347
Capital grants	-	8,635	8,635	516,619
	-	8,635	8,635	534,390
<i>Analysis of 2021 total by fund</i>	6,347	528,043	534,390	

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Notes to the financial statements
For the year ended 31 August 2022

4. Funding for educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,223,190	2,223,190	2,158,504
Other DfE/ESFA grants				
Rates reclaim	-	7,964	7,964	7,980
Pupil premium	-	169,333	169,333	159,719
Universal infant free school meals	-	56,944	56,944	56,059
PE and Sports Grant	-	19,540	19,540	19,590
Teachers' pay grant	-	-	-	21,778
Teachers' pension grant	-	-	-	79,599
School supplementary grant	-	25,500	25,500	-
Others	-	4,600	4,600	3,997
	-	2,507,071	2,507,071	2,507,226
Other Government grants				
Local authority - special educational needed	-	150,871	150,871	152,816
Local authority - early years	-	139,915	139,915	144,686
Other local authority revenue grants	-	16,656	16,656	7,167
	-	307,442	307,442	304,669
Other income from educational operations	57,879	19,912	77,791	42,123
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	36,400
Other DfE/ESFA COVID-19 funding	-	36,408	36,408	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	11,007
	57,879	2,870,833	2,928,712	2,901,425
<i>Analysis of 2021 total by fund</i>	31,384	2,870,041	2,901,425	

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Notes to the financial statements
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5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Breakfast and after school club	120,115	-	120,115	71,725
Hire of facilities	190	-	190	720
Sale of trading items	8,970	-	8,970	9,961
Other trading activities	24,589	-	24,589	15,023
Insurance claims	3,000	-	3,000	7,031
	<u>156,864</u>	<u>-</u>	<u>156,864</u>	<u>104,460</u>
<i>Analysis of 2021 total by fund</i>	<u>97,429</u>	<u>7,031</u>	<u>104,460</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	340	340	262
	<u>340</u>	<u>340</u>	<u>262</u>
<i>Analysis of 2021 total by fund</i>	<u>262</u>	<u>262</u>	

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Notes to the financial statements
For the year ended 31 August 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	19,153	19,153	25,125
Educational operations:					
Direct costs	2,086,796	-	219,980	2,306,776	2,148,209
Allocated support costs	607,537	224,827	258,418	1,090,782	988,874
	<u>2,694,333</u>	<u>224,827</u>	<u>497,551</u>	<u>3,416,711</u>	<u>3,162,208</u>
<i>Analysis of 2021 total</i>	<u>2,514,320</u>	<u>207,762</u>	<u>440,126</u>	<u>3,162,208</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Educational operations	<u>142,519</u>	<u>3,255,039</u>	<u>3,397,558</u>	<u>3,137,083</u>
<i>Analysis of 2021 total by fund</i>	<u>102,295</u>	<u>3,034,788</u>	<u>3,137,083</u>	

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9. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	2,306,776	1,090,782	3,397,558	3,137,083
<i>Analysis of 2021 total</i>	<i>2,148,209</i>	<i>988,874</i>	<i>3,137,083</i>	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	607,357	543,289
Depreciation	75,507	64,742
Technology costs	8,948	12,552
Premises costs	182,539	170,981
Legal costs	-	1,480
Governance costs	15,222	13,080
Other support costs	201,209	182,750
	<u>1,090,782</u>	<u>988,874</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	2,542	2,929
Depreciation of tangible fixed assets	74,952	64,187
Amortisation of intangible assets	555	555
Fees paid to auditors for:		
- audit	8,950	9,570
- other services	2,210	2,220

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Notes to the financial statements
For the year ended 31 August 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	1,874,933	1,793,090
Social security costs	177,351	161,949
Pension costs	642,049	559,281
	<u>2,694,333</u>	<u>2,514,320</u>

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	20	20
Management	5	4
Administration	51	56
	<u>76</u>	<u>80</u>

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	20	20
Management	5	4
Administration and support	37	35
	<u>62</u>	<u>59</u>

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Notes to the financial statements
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11. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	-	1
In the band £120,001 - £130,000	1	-

d. 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 contributions) received by key management personnel for their services to the academy trust was £459,620 (2021 - £359,973).

12. Trustees' remuneration and expenses

Some trustees have been paid remuneration and received pension benefits from their employment with the academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking their roles under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
L. Crawley, CEO and Accounting Officer (until 31 August 2022)	Remuneration	115,000 - 120,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	20,000 - 25,000
	Other benefits	0 - 5,000	0 - 5,000
L. Spencer, Staff Trustee	Remuneration	40,000 - 45,000	5,000 - 10,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
T Dinnage, Accounting Officer (from 1 September 2022)	Remuneration	80,000 - 85,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
	Other benefits	0 - 5,000	0 - 5,000

During the year ended 31 August 2022, no trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

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

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Notes to the financial statements
For the year ended 31 August 2022

14. Intangible assets

	Computer software £
Cost	
At 1 September 2021	7,156
At 31 August 2022	<u>7,156</u>
Amortisation	
At 1 September 2021	6,047
Charge for the year	555
At 31 August 2022	<u>6,602</u>
Net book value	
At 31 August 2022	<u><u>554</u></u>
<i>At 31 August 2021</i>	<u><u>1,109</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

15. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	4,919,592	1,576,275	95,023	162,453	6,753,343
Additions	-	527,638	6,237	47,465	581,340
At 31 August 2022	4,919,592	2,103,913	101,260	209,918	7,334,683
Depreciation					
At 1 September 2021	148,183	24,903	49,349	149,871	372,306
Charge for the year	27,229	15,059	15,192	17,472	74,952
At 31 August 2022	175,412	39,962	64,541	167,343	447,258
Net book value					
At 31 August 2022	4,744,180	2,063,951	36,719	42,575	6,887,425
At 31 August 2021	4,771,409	1,551,372	45,674	12,582	6,381,037

Included in long-term leasehold property is land at valuation of £1,516,000 (2021 - £1,516,000) which is not depreciated.

16. Stocks

	2022 £	2021 £
Uniform	18,815	21,176

17. Debtors

	2022 £	2021 £
Trade debtors	16,057	2,191
Recoverable VAT	32,067	9,436
Prepayments and accrued income	194,117	557,781
	242,241	569,408

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Notes to the financial statements
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18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	26,818	55,483
Other taxation and social security	43,343	40,133
Other creditors	41,480	38,450
Accruals and deferred income	137,588	79,635
	<u>249,229</u>	<u>213,701</u>
	2022 £	2021 £
Deferred income at 1 September 2021	53,718	44,538
Resources deferred during the year	50,556	53,718
Amounts released from previous periods	(53,718)	(44,538)
	<u>50,556</u>	<u>53,718</u>

The deferred income above comprises ESFA Universal Infant Free School Meals grant income, ESFA rates relief, clubs, school trip and school meals income, received in advance of the 2022/23 academic year.

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Notes to the financial statements
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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General fund	396,904	215,083	(161,614)	(62,692)	-	387,681
Restricted general funds						
General Annual Grant (GAG)	2,854	2,223,190	(2,226,044)	-	-	-
Other DfE/ESFA grants	8,911	320,289	(329,200)	-	-	-
Other government grants	258,383	327,354	(333,346)	-	-	252,391
Pension reserve	(1,376,000)	-	(291,000)	-	1,667,000	-
	(1,105,852)	2,870,833	(3,179,590)	-	1,667,000	252,391
Restricted fixed asset funds						
Fixed assets	6,382,146	-	(75,507)	581,340	-	6,887,979
DfE/ESFA capital grants	510,013	8,635	-	(518,648)	-	-
	6,892,159	8,635	(75,507)	62,692	-	6,887,979
Total Restricted funds	5,786,307	2,879,468	(3,255,097)	62,692	1,667,000	7,140,370
Total funds	6,183,211	3,094,551	(3,416,711)	-	1,667,000	7,528,051

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

General Annual Grant must be used for the normal running costs of the academy trust.

The other DfE/ESFA grants fund is used to track core non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE, together with related expenditure. This fund includes Pupil Premium, Universal Infant Free School Meals and PE/sports grants.

The other government grants fund is used to track grants provided by other government departments.

The pension reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet specific costs of fixed asset projects and to cover the depreciation charged that will be required on the projects going forward and the current fixed assets held. The transfer in to the fund of £62,692 is to reflect capital expenditure met from revenue funds.

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Notes to the financial statements
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General fund	388,516	135,422	(127,034)	-	-	396,904
Restricted general funds						
General Annual Grant (GAG)	-	2,158,504	(2,104,781)	(50,869)	-	2,854
Other DfE/ESFA grants	931	348,722	(340,742)	-	-	8,911
Other government grants	199,446	304,669	(245,732)	-	-	258,383
Other restricted	-	17,770	(17,770)	-	-	-
Catch-up premium	-	36,400	(36,400)	-	-	-
Coronavirus Job Retention Scheme grant	-	11,007	(11,007)	-	-	-
Pension reserve	(1,018,000)	-	(214,000)	-	(144,000)	(1,376,000)
	<u>(817,623)</u>	<u>2,877,072</u>	<u>(2,970,432)</u>	<u>(50,869)</u>	<u>(144,000)</u>	<u>(1,105,852)</u>
Restricted fixed asset funds						
Fixed assets	6,375,881	11,424	(64,742)	59,583	-	6,382,146
DfE/ESFA capital grants	2,108	516,619	-	(8,714)	-	510,013
	<u>6,377,989</u>	<u>528,043</u>	<u>(64,742)</u>	<u>50,869</u>	<u>-</u>	<u>6,892,159</u>
Total Restricted funds	<u>5,560,366</u>	<u>3,405,115</u>	<u>(3,035,174)</u>	<u>-</u>	<u>(144,000)</u>	<u>5,786,307</u>
Total funds	<u>5,948,882</u>	<u>3,540,537</u>	<u>(3,162,208)</u>	<u>-</u>	<u>(144,000)</u>	<u>6,183,211</u>

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Notes to the financial statements
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	6,887,425	6,887,425
Intangible fixed assets	-	-	554	554
Current assets	399,814	489,487	-	889,301
Creditors due within one year	(12,133)	(237,096)	-	(249,229)
Total	387,681	252,391	6,887,979	7,528,051

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	6,381,037	6,381,037
Intangible fixed assets	-	-	1,109	1,109
Current assets	412,640	468,113	510,013	1,390,766
Creditors due within one year	(15,736)	(197,965)	-	(213,701)
Provisions for liabilities and charges	-	(1,376,000)	-	(1,376,000)
Total	396,904	(1,105,852)	6,892,159	6,183,211

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21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(322,160)	378,329
Adjustments for:		
Amortisation	555	555
Depreciation	74,952	64,187
Capital grants received from DfE and other capital income	(374,323)	(49,346)
Interest receivable	(340)	(262)
Defined benefit pension scheme cost less contributions payable	269,000	196,000
Defined benefit pension scheme finance cost	22,000	18,000
Decrease in stocks	2,361	5,376
Decrease/(increase) in debtors	327,167	(401,991)
Increase/(decrease) in creditors	35,528	(77,333)
Net cash provided by operating activities	34,740	133,515

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	340	262
Purchase of intangible assets	-	(1,664)
Purchase of tangible fixed assets	(581,340)	(69,343)
Capital grants received from DfE Group	374,323	49,346
Net cash used in investing activities	(206,677)	(21,399)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	628,245	800,182

Notes to the financial statements
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24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	800,182	(171,937)	628,245

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	532,905

26. Pension commitments

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

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

Contributions amounting to £41,450 were payable to the schemes at 31 August 2022 (2021 - £38,424) and are included within creditors.

Teachers' Pension Scheme

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

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

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

26. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £225,000 (2021 - £201,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £184,000 (2021 - £177,000), of which employer's contributions totalled £136,000 (2021 - £131,000) and employees' contributions totalled £ 48,000 (2021 - £46,000). The agreed contribution rates for future years are 16.6 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	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:

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	22.8	22.9
Females	25.3	25.3
<i>Retiring in 20 years</i>		
Males	24.6	24.8
Females	27.2	27.3

Notes to the financial statements
For the year ended 31 August 2022

26. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(61)	(102)
Discount rate -0.1%	63	105
Mortality assumption - 1 year increase	47	121
Mortality assumption - 1 year decrease	(46)	(117)
CPI rate +0.1%	64	105
CPI rate -0.1%	(62)	(102)

Share of scheme assets

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

	At 31 August	At 31 August
	2022	2021
	£	£
Equities	1,604,000	1,679,000
Gilts	55,000	74,000
Corporate bonds	189,000	201,000
Property	176,000	125,000
Cash and other liquid assets	40,000	23,000
Other	420,000	446,000
Total market value of assets	2,484,000	2,548,000

The actual return on scheme assets was £(249,000) (2021 - £393,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(399,000)	(321,000)
Interest income	45,000	38,000
Interest cost	(67,000)	(56,000)
Administrative expenses	-	(6,000)
Total amount recognised in the Statement of financial activities	(421,000)	(345,000)

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Notes to the financial statements
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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	3,924,000	3,038,000
Current service cost	399,000	321,000
Interest cost	67,000	56,000
Employee contributions	48,000	46,000
Actuarial (gains)/losses	(1,960,000)	499,000
Benefits paid	6,000	(36,000)
At 31 August	2,484,000	3,924,000

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

	2022 £	2021 £
At 1 September	2,548,000	2,020,000
Interest income	45,000	38,000
Actuarial (losses)/gains	(293,000)	355,000
Employer contributions	136,000	131,000
Employee contributions	48,000	46,000
Benefits paid	6,000	(36,000)
Administration expenses	(6,000)	(6,000)
At 31 August	2,484,000	2,548,000

27. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	1,718	1,403
Later than 1 year and not later than 5 years	1,119	28
	2,837	1,431

28. Members' liability

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

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29. Controlling party

The academy trust is run by the Senior Management Team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

30. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions 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 financial period:

Expenditure related party transactions

The niece (Miss. N. Evans), sister (Mrs. L. Morgan) and daughter-in-law (Mrs. M. Dinnage) of Mrs. T.Dinnage (Accounting Officer from 1 September 2022) all worked at Burnt Ash Primary School during the year and were paid a salary, under employment contracts for their roles. Mrs. T. Dinnage had no involvement in their appointment and the trustees are comfortable that their salaries provide value for money and are not at preferential rates.