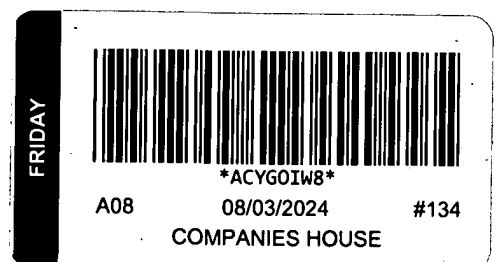


Company Registration Number: 09952066 (England & Wales)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



PORTICO ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement of regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 59

PORTICO ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Robert Hellen
Heather Oram
Steven Levy
Graham Lane (appointed 8 December 2023)

Trustees

Katherine Baynes, Staff Trustee
Robert Hellen, Chair of Trustees (resigned 9 May 2023)
Graham Lane, Trustee¹
Cheryl Woolf, Accounting Officer^{1,2}
Michelle Butler, Trustee¹
Alan Murkin, Trustee
Frances Gretton, Trustee
Ronald Wright, Trustee (deceased 8 November 2023)²
Ros Sanders, Trustee
Karen Packer, Chair of Trustees
Claire Smith, Trustee^{1,2}
Sue Hay, Trustee
Nicole Ramsay, Trustee²
Tammy McCarthy, Trustee (resigned 4 October 2022)¹

¹ Finance Committee

² Audit and Risk Committee

**Company registered
number**

09952066

Company name

Portico Academy Trust

**Principal and registered
office**

59 Ronald Hill Grove
Westcliff-On-Sea
SS9 2JB

Chief executive officer

Cheryl Woolf

**Senior management
team**

Cheryl Woolf, Chief Executive Officer
Richard Queenborough, Director of Learning & Teaching
Christine Farrell, Headteacher of Hamstel Junior School
Lisa Clark, Headteacher of Hamstel Infant School and Nursery (retired 31st August 2023)
Scott Roche, Principal Hamstel Infant School and Nursery (appointed 1st September 2023)
Christopher McClay, Head of School of Friars Primary School and Nursery
Deborah Henley, Head of School of Porters Grange Primary School and Nursery

Independent auditors

MWS
Chartered Accountants
Registered Auditors
Kingsridge House
601 London Road
Westcliff-On-Sea
Essex
SS0 9PE

PORTICO ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers

Lloyds Bank
77 High St
Southend-On-Sea
Essex
SS1 1HT

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also directors of the company for the purposes of the Companies Act) present their report together with the audited financial statements of Portico Academy Trust ("Trust") for the year ended 31st August 2023. The Trustees confirm that the Annual Report and Financial Statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and provisions of the Charities Commission Statement of Recommended Practice (SORP) 2019. The Annual Report serves the purposes of both a trustees report, and a directors report under company law.

The Trust operates five primary schools ("Academies") serving catchment areas in Southend-on-Sea. The Academies have a combined capacity of 2,432 and had a roll of 2,362 in the January 2023 census

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the Trust.

The Trustees of the Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Portico Academy Trust.

The charitable company includes the following Academies:

- | | |
|---|--|
| • West Leigh Junior School | joined the Trust on 01/04/2016 |
| • Porters Grange Primary School & Nursery | converted and joined the Trust on 01/04/2016 |
| • Friars Primary School & Nursery | converted and joined the Trust on 01/09/2016 |
| • Hamstel Infant School & Nursery | converted and joined the Trust on 01/09/2016 |
| • Hamstel Junior School | converted and joined the Trust on 01/09/2016 |

The Trustee board exercises full governance over all of the Academies in the Trust.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of the Academies budgets and finances, and monitors these through its Finance Committee. Each Academy has two link Trustees on the board.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Memorandum and Articles of Association and Funding Agreement.

The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees.

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees are required to attend a training programme. The induction programme involves a tour of the relevant Academy/Academies, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Trustees of Portico Academy Trust are responsible for the strategic direction of the Trust. They are also responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets, making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. Trustees are also responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for each Academy and monitoring performance against the budget and authorised capital limits.

The Senior Leadership teams' (SLT'S) control the Academies at an executive level implementing policies and reporting to the Trustees. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The Trust's CEO is the Accounting Officer.

The Trust continues to set a centralised main budget through GAG pooling, to allow for cost savings and efficiencies to be made. Each Academy has autonomy over their curriculum spend, as well as restricted pots such as Pupil Premium. As a result, unrestricted reserves are pooled to one main Trust fund.

g. Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, Individual School Range (ISR), the pay scales for each role and the level of experience of each staff member, all of which are in accordance with the Trust's appointment and pay policies. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post.

All amendments to key managements' pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations, and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have pecuniary interest in is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

i. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's equal opportunities policy, the Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

j. Engagement with suppliers, customers and others in a business relationship with the Academy

Close working relationships with our suppliers and key stakeholders allow efficient services and best value for money for the Trust. Procurement panels are tailored wherever possible to ensure that the best suppliers are appointed that suits the Trust's needs. Once appointed, we aim to maintain strong contract management by having key personnel in the Trust responsible for monitoring specific suppliers and the services that they provide.

k. Trade union facility time

The Trust had no staff who were relevant union officials during the year.

l. Risk Management

The Trustees regularly undertake a comprehensive assessment of possible risks to the future of the Trust's (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Trust has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the school has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement). The Risk Register is regularly reviewed by the Trustees.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

The Academy Trust's objects ('the Objects') are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

The principal object and aim for the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

The main objectives, strategies and activities for the year ended 31st August 2023 were:

- continue to explore the third sector for additional funding sources through fundraising and grant applications
- narrow the gap between all pupils and dis-advantaged pupils
- continue with a thorough programme of COVID recovery for all pupils as we come through the pandemic
- improve progress measures in all schools
- continue to explore further partnerships with a view to growing the Trust.

c. Public benefit

The Trust provides educational opportunities to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

a. Achievements

The outcomes for Summer 2022 were:

Early Years and Year 1

	FRIARS PRIMARY		HAMSTEL INFANTS		PORTERS GRANGE	
	2023	2022	2023	2022	2023	2022
EYS						
Good level of development	69%	58%	63%	34%	50%	41%
Year 1						
Phonics screening check	73%	52%	90%	87%	84%	48%
Reading screening check	73%	52%	71%	70%	69%	77%
Writing screening check	58%	48%	58%	54%	57%	61%
Maths screening check	60%	48%	67%	60%	61%	74%

End of Key Stage 1

	FRIARS PRIMARY		HAMSTEL INFANTS		PORTERS GRANGE	
	2023	2022	2023	2022	2023	2022
Reading - % of pupils expected standard	73%	71%	67%	66%	60%	43%
Writing - % of pupils expected standard	58%	53%	54%	52%	44%	41%
Maths - % of pupils expected standard	75%	73%	61%	60%	58%	46%

End of Key Stage 2

	FRIARS PRIMARY		PORTERS GRANGE		WEST LEIGH		HAMSTEL JUNIORS		NATIONAL
	2023	2022	2023	2022	2023	2022	2023	2022	2023
Reading - % of pupils expected standard	68%	68%	57%	62%	88%	87%	67%	78%	73%
Maths - % of pupils expected standard	60%	71%	63%	69%	84%	78%	67%	70%	73%
GPS - % of pupils expected standard	77%	80%	51%	61%	86%	82%	71%	80%	72%
Writing - % of pupils expected standard	72%	48%	69%	42%	91%	84%	78%	63%	71%

The Trust continued its mission to ensure that students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Some specific achievements from the schools for the year:

Friars Primary School:

- A significant curriculum change this academic year was the introduction of the Little Wandle Phonics scheme. This has had a positive impact and a successful peer review with Hamstel Infants helped confirm that our practices were highly effective.
- The school's journey with OPAL (Outdoor Play and Learning) is now in full swing. We have our first sandpit (in a repurposed gazebo), two large loose parts areas, a mud kitchen, new construction area, dressing up, music listening zones, a 'wheeled' area and a not so small... 'small world'.
- In the summer term we hosted our first playday events for parents and carers to spend time playing with their children in our OPAL provision.
- We feel we have had a successful year and this is demonstrated by our statutory assessment results. In many areas we have seen improvements and in some cases large improvements. Particular highlights include; a 19% increase in the children achieving GLD in Reception, a 40% increase in Y1 Phonics, an 2.8% increase in KS1 Reading and a 9% increase in Writing. Our KS2 GPS results now place us 6% above the national figure.

Hamstel Infant School:

- The school has had a very successful sporting year. We came second on the Southend City Sports, are in the finals for the County 3 Tees Cricket event, have taken part in Cross Country, Tag Rugby, Football, Speed Stacking, Mini Games, Panathlon events to name a few. Our children are great ambassadors in representing our school.
- Mastery in Number has been introduced with the use of STEM sentences to support learning; not only in maths but now throughout all subjects due to its impact.
- Our end of year assessments have been very respectable again this year - Reception Good Level of Development 63.9% , Phonics Screening Test 89.9% , KS1 combined score for Reading, Writing and Maths was 50.3%.

Hamstel Junior School:

- We proudly produced our elephant sculpture for the 'Herd in the City' project which was displayed in the city throughout the summer, and we were asked to produce eco-themed display boards for The Royals Shopping Centre which our eco warriors played a big part in promoting. This aspect of pupil voice was something we wanted to strengthen.
- Looking at the results of our assessments we are pleased with this year's MTC results. Our mean average has increased slightly from last year (21.62 in 2022, 22.49 in 2023) with 84% of children achieving 20 or more marks (66% achieving 24 or 25 marks) compared to 76% last year (64% achieving 24 or 25 marks).
- We entered many sporting events and came third in both the swimming gala and Borough Sports for our group; we had an increased number of children invited to this year's Super Sports competitions.

Porters Grange Primary School:

- Porters has once again welcomed a record number of pupils through 'in year admissions', successfully settling, inducting and quickly supporting 115 new pupils across the year.
- Our bespoke phonics programme is now well embedded and our children in Reception and Year 1 are achieving extremely well. The Phonics Screening check results are the highest we have ever seen at 83.6 %, despite a high level of SEND, English as an additional language and mobility in this year group.
- Our standout result was in Year 1 phonics this year, with 84% of our children passing the check. This reflects a huge amount of work which has gone into early reading.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

West Leigh Junior School:

- West Leigh is relentless in its pursuit of an excellent education for all. We are very proud of their academic achievements, including a mathematics quiz team from Year 6 who travelled to the final in Oxford. They came 25th out of a possible 17,000 primary schools.
- The boys' and girls' choirs performed at a variety of venues, including O2 and Royal Festival Hall. Music remains a very important aspect of school life at West Leigh.
- Y6 SATs results were pleasing. Data was in line with last year. There was a particular increase in high scores in GPS. Writing in Y3 and 5 (new Y4 and 6) continues to be a priority going forward into next year.

b. Going concern

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

c. Promoting the success of the company

The Trust works towards its future strategic aims in close collaboration with Senior Management Teams within the Academies. There is a strong focus on Teaching and Learning within the Trust to enable the best education and wellbeing of the pupils within it, which is the ultimate ambition of the Trust.

d. Key performance indicators

The key performance indicators are used by the Trust to monitor progress against the Schools Development Plan, whilst monitoring the net incoming and outgoing resources for the year, prior to any depreciation charge and other recognised gains and losses. The Trust complies with all terms and conditions of its Funding Agreement.

The following KPI's were monitored by the Trust for the year ended 31st August 2023:

	2023	2022
GAG as % of total operational income	71%	72%
Total Income per pupil	£6,199	£6,107
Total GAG per pupil	£4,399	£4,417
Staff costs as a % of total expenditure	77%	80%

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Overview and principal source of funding

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that is received from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Trust received £13,554,209 (2022: £12,769,156) of GAG and other funding, as well as £861,526 (2022: £817,760) of self-generated income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

During the year the Trust spent £14,023,173 on charitable activities and transferred £125,661 from the unrestricted and designated funds to support capital new build and improvement projects on the various Academy sites. The trust also transferred £150,000 into the designated funds during the year. The Trust brought forward from 2021-22, £369,633 restricted funds and £2,359,751 unrestricted funds. No new Academies joined in the year. The carry forward for 2022-23 is £412,689 restricted funds and £2,296,183 unrestricted funds and £375,413 of designated funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund asset of £204,000 (2022: Deficit £1,442,000).

b. Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure, though this is proving to be not possible in the current climate. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Finance Director. The budget plan identifies how any carry forward will be allocated for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,296,183. This arose from a mixture of locally raised income and balances transferred from the predecessor schools. It is the Trust's intention that reserves should never fall below six weeks of total salary costs.

The Trustees continue to reserve funds towards a rolling program for Capital and IT investment, which at the year end amounted to £300,000 and £75,413 respectively. This allows the Trust to begin to build up a contingency as well as allowing for a rolling programme to begin to ensure that all schools remain well-resourced and maintained.

The Trustees are holding unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. These are currently having to be used to balance the in-year budgets due to funding constraints. The Trust plans to have a sufficient carry forward to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £3,084,285

The cash balance of the Trust has been healthy all year, ending the year with a balance of £4,458,347. The Trustee's finance committee monitors cash flow as part of the Finance Director reports to ensure sufficient coverage of short term cash flow variances.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Investment policy

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

For the year ended 31 August 2023, the charitable company's cash balances generated a return of £295 (2022: £336)

d. Principal risks and uncertainties

The Trust works to maintain a central Risk Register identifying the major risks, to which each Academy is exposed, and identifying controls and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees with a formal review of the process undertaken on an annual basis. The internal audit control systems and the exposure to identified risks were monitored by an internal audit report commissioned by the Trustees and detailed reviews by the Audit and Risk committee. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of Academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- Each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks
- Reputational – the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed.
- Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing – the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Trust appointed Price Bailey, Chartered Accountants to periodically carry out independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

any deficit. Trustees take these payments into account when setting the annual budget plan.

Fundraising

Financing of equipment and services from funds outside the Trust's normal revenue budgets is becoming increasingly important in maintaining the quality of education for our students.

Currently the majority of the additional income from fundraising comes from voluntary donations, through Parents' Associations and other parental contributions for trips and clubs, and a small level of grant fundraising. This has largely returned to pre pandemic levels of income.

Fundraising is seen by the Trust as a legitimate means of improving our ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public, donating cash or equipment, or actively raising funds is seen as a positive way of supporting schools within the Trust.

The Board of Trustees is responsible for ensuring that:

1. Correct procedures are in place and followed for fundraising procedures
2. Expenditure is properly validated
3. All funds raised are properly accounted for and audited
4. The money is expended in accordance with the objectives agreed with the fundraisers

Streamlined energy and carbon reporting

The Trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption breakdown (kWh):		
Gas	2,820,365	2,876,439
Electricity	1,785,250	1,965,622
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	1,315	1,299
Total scope 1	<u>1,315</u>	<u>1,299</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	823	837
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,138</u>	<u>2,136</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.91</u>	<u>0.87</u>

PORTICO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

Quantification and Reporting Methodology

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is gross total emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust completed the build of its successful CIF tender to replace the heating distribution system at Hamstel Infant school.

We were awarded £97,000 to increase energy efficiency across the Trust. We are exploring options for solar panels for the schools, and hope to progress with this early in the new year

The Trust continues lighting upgrades across all schools. The current policy is that all lighting is replaced from fluorescent to LED when it fails.

Plans for future periods

The Trustee's priorities for the next year are

- Continue to explore the third sector for additional funding sources through fundraising and grant applications
- Narrow the gap between all pupils and dis-advantaged pupils
- Improve progress measures in all schools
- Continue to explore further partnerships with a view to growing the Trust

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware,
- 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 auditors are aware of that information.

Auditors

The auditors, MWS, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2023 and signed on its behalf by:

Karen Packer - Chair of Trustees

.....
Karen Packer
(Chair of Trustees)

Cheryl Woolf - Accounting Officer
.....
Cheryl Woolf
Accounting Officer

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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 Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Portico Academy Trust 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 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Katherine Baynes, Staff Trustee	4	5
Robert Hellen, Chair of Trustees	2	2
Graham Lane, Trustee	5	5
Cheryl Woolf, Accounting Officer	5	5
Michelle Butler, Trustee	5	5
Alan Murkin, Trustee	4	5
Frances Gretton, Trustee	5	5
Ronald Wright, Trustee	4	5
Ros Sanders, Trustee	5	5
Karen Packer, Chair of Trustees	5	5
Claire Smith, Trustee	5	5
Sue Hay, Trustee	4	5
Nicole Ramsay, Trustee	3	5
Tammy McCarthy, Trustee	0	0

Trustees are required to complete and submit business interests to the Trust to ensure all potential conflicts of interest are mitigated against and safeguarding is put in place. There are no areas of concern with the current Trust board.

The Trust maintains an annual review of business interests, which are discussed if necessary at Trustee meetings. If the Trust wanted to enter into a contract with someone with conflict at the Trust this would be discussed at Audit and Risk committee to ensure all risks are mitigated against and policies are followed appropriately. At present there are no conflicts of interest that cause concern at the Trust.

Whilst the main trust board only met 5 times, the supporting committees met regularly to ensure that all risk and areas of note were discussed in depth and any issues were handled in a timely fashion

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the board of Trustees in fulfilling its responsibilities with respect to the monitoring and oversight of the financial health of the Trust. Attendance at the meetings in the year was as follows:

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Graham Lane	6	7
Cheryl Woolf	7	7
Claire Smith	7	7
Michelle Butler	7	7
Tammy McCarthy, resigned October 2022	0	1

The Audit and Risk committee is a sub-committee of the main board of Trustees. Its purpose is to assist the board of Trustees in fulfilling its responsibilities with monitoring and mitigating the main risks facing the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Cheryl Woolf	4	4
Ros Sanders	4	4
Ron Wright	4	4
Claire Smith	4	4
Nicole Ramsey	1	4

Review of value for money

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

The Accounting Officer considered how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value of money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Finance governance and oversight

The Trustees, Accounting Officer and Executive Team maintain a strong oversight of the finance system within the Academies. All purchase orders and payments are reviewed prior to authorisation so that budget holders can be challenged on the effectiveness of their spending proposals and that they are in line with budget plans previously submitted. Trustees receive regular management accounts which are discussed and challenged at the Finance Committee meetings.

Better purchasing

Centralisation of much of the Trust budget has allowed us to exercise significant economies of scale across the Trust. We also continue to exercise a stronger buying power over suppliers to secure Trust wide discounts to ensure value for money. We will continue to seek central procurement where possible to ensure best value of services for the Trust.

During the year, the decision was made to change our broadband provider to ensure a better quality service for the Trust at a lower cost.

We have also scrutinised the level of SLA's with the Local Authority across the Trust and reduced some where it was deemed too expensive.

In the face of spiralling energy costs, upon investigation on alternatives, the prudent decision was made to remain within the Local Authority framework. A Trust decision was also made to limit heating within the schools in the Winter, in order to restrict usage as much as possible. This has led to realised savings on our budgeted

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

costs in this area.

The Trust accepted and engaged with a visit from a School Resource Management Advisor (SRMA) on recommendation from the ESFA, and are considering the recommendations that were made within the report.

Reviewing controls and managing risks

The Trust has again set a deficit budget and three year forecast for the coming year. This is primarily due to rising costs against static income, as well as the impact of a programme of drop in classes within the Trust. Whilst we still have reserves well in excess of our policy to carry this deficit in the short term, it would be unsustainable in the medium term.

We have enforced a recruitment freeze on support staff during this year, which has helped mitigate the financial pressures. This freeze will continue into the coming year, with only class teachers and critical roles being replaced. This will be balanced with the support needed within our schools, as the Trust is mindful that too much of a reduction will prevent our schools being able to provide a Good and Outstanding level of Education for our pupils.

Despite our difficult financial projections, we continue to look carefully at our asset management plans as well as the IT capital needs within our schools. There has been some reserve spending approved in these areas in order to help meet some of these priorities, though the Trust recognises not all requests in these areas have been approved for financial reasons. We continue to seek capital funding through CIF, and were successful in one project submitted at Friars Primary School.

Regular reports are provided to budget holders, while detailed management accounts are provided to Trustees to assist in ensuring effective use of resources and minimising waste.

Our academies work creatively and effectively to generate additional income, such as hire of premises, fundraising and applying for local grants.

The Trust has a Risk Register in place which is reviewed and tested termly during the Audit and Risk committee meetings to ensure risks are mitigated effectively. There is also an annual review by the main Trust board

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Portico Academy Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have engaged Price Bailey to perform a comprehensive internal control review during the year at all Academies.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's internal control systems.

On an annual basis, the appointee reports to the Board of Trustees through the the Audit and Risk 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.

For the year ended August 2023, the Audit and Risk committee agreed to a Website Compliance review within the Trust. This audit was completed by Price Bailey and reported back to the Trust. The committee has also undertaken significant testing of numerous other areas of the Risk Register.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 appointee;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 14 December 2023 and signed on their behalf by:

Karen Packer - Chair of Trustees

Cheryl Woolf - Accounting Officer

.....
Karen Packer
Chair of Trustees

.....
Cheryl Woolf
Accounting Officer

PORTICO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
Accounting Officer
Date: 14 December 2023

PORTICO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 on 14 December 2023 and signed on its behalf by:

Karen Packer - Chair of Trustees

.....
Karen Packer
Chair of Trustees

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST**

Opinion

We have audited the financial statements of Portico Academy Trust (the 'Academy') for the year ended 31 August 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 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'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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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 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'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 or to cease operations, or have no realistic alternative but to do so.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

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:

We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non compliance with laws and regulation or matters in relation to fraud; as non-material breaches would not normally be communicated within this report.

We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures.

In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement.

In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through;
- appropriate training and participation;
- the specialist skills required; and
- knowledge of the industry in which the client operates.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PORTICO ACADEMY TRUST (CONTINUED)**

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'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gorridge

Jonathan Gorridge FCA (senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Registered Auditors

Kingsridge House

601 London Road

Westcliff-On-Sea

Essex

SS0 9PE₁₉ December 2023

Date:

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PORTICO
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Portico Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Portico Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Portico Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2016 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PORTICO
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- assessing the risk of material irregularity in the Academy Trust;
- commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Trust Handbook;
- investigating any areas of significant risk identified;
- consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment;
- a review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Reporting Accountant
MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-On-Sea
Essex
SS0 9PE

Date: 19 December 2023

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	200,598	-	226,909	427,507	918,218
Other trading activities	5	660,633	-	-	660,633	552,916
Investments	6	295	-	-	295	336
Charitable activities	4	-	13,554,209	-	13,554,209	12,769,156
Total income		861,526	13,554,209	226,909	14,642,644	14,240,626
Expenditure on:						
Charitable activities	8	-	14,023,173	647,525	14,670,698	15,128,792
Total expenditure		-	14,023,173	647,525	14,670,698	15,128,792
Net income/(expenditure)		861,526	(468,964)	(420,616)	(28,054)	(888,166)
Transfers between funds	18	(549,681)	424,020	125,661	-	-
Net movement in funds before other recognised gains/(losses)		311,845	(44,944)	(294,955)	(28,054)	(888,166)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	1,734,000	-	1,734,000	8,544,000
Net movement in funds		311,845	1,689,056	(294,955)	1,705,946	7,655,834
Reconciliation of funds:						
Total funds brought forward		2,359,751	(1,072,367)	21,968,277	23,255,661	15,599,827
Net movement in funds		311,845	1,689,056	(294,955)	1,705,946	7,655,834
Total funds carried forward		2,671,596	616,689	21,673,322	24,961,607	23,255,661

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 59 form part of these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09952066

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	21,562,687	21,466,343
		<u>21,562,687</u>	<u>21,466,343</u>
Current assets			
Debtors	16	292,419	900,128
Cash at bank and in hand	23	4,458,347	3,812,954
		<u>4,750,766</u>	<u>4,713,082</u>
Creditors: amounts falling due within one year	17	(1,555,846)	(1,481,764)
Net current assets		<u>3,194,920</u>	<u>3,231,318</u>
Total assets less current liabilities		<u>24,757,607</u>	<u>24,697,661</u>
Net assets excluding pension asset / liability		<u>24,757,607</u>	<u>24,697,661</u>
Defined benefit pension scheme asset / liability	26	204,000	(1,442,000)
Total net assets		<u><u>24,961,607</u></u>	<u><u>23,255,661</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	21,673,322	21,968,277
Restricted income funds	18	412,689	369,633
Restricted funds excluding pension liability / asset	18	<u>22,086,011</u>	<u>22,337,910</u>
Pension reserve	18	204,000	(1,442,000)
Total restricted funds	18	<u>22,290,011</u>	<u>20,895,910</u>
Unrestricted income funds	18	<u>2,671,596</u>	<u>2,359,751</u>
Total funds		<u><u>24,961,607</u></u>	<u><u>23,255,661</u></u>

The financial statements on pages 26 to 59 were approved by the Trustees, and authorised for issue on 14 December 2023 and are signed on their behalf, by:

Karen Packer - Chair of Trustees

.....
Karen Packer
 (Chair of Trustees)

Cheryl Woolf - Accounting Officer

.....
Cheryl Woolf
 Accounting Officer

The notes on pages 29 to 59 form part of these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	852,547	446,125
Cash flows from investing activities	22	(207,154)	(379,924)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year	24	645,393	66,201
Cash and cash equivalents at the beginning of the year		3,812,954	3,746,753
Cash and cash equivalents at the end of the year	23, 24	<u><u>4,458,347</u></u>	<u><u>3,812,954</u></u>

The notes on pages 29 to 59 form part of these financial statements

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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, 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy 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 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 not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.5 Taxation

The Academy 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 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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:

Depreciation is provided on the following bases:

Long-term leasehold property	- Straight line 50 years for buildings, land is depreciated over the life of the lease.
Fixtures and fittings	- Straight line 5 years
Plant and machinery	- Straight line 5 years
Computer equipment	- Straight line 3 years

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

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

1.7 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.

1.8 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 twelve months or less from the date of acquisition or opening of the deposit or similar account.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.9 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 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.

1.10 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 16. 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 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy 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 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 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.

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	200,598	-	200,598	264,065
Government grants	-	226,909	226,909	654,153
	<u>200,598</u>	<u>226,909</u>	<u>427,507</u>	<u>918,218</u>
<i>Total 2022</i>	<u>264,065</u>	<u>654,153</u>	<u>918,218</u>	

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	10,389,459	10,389,459	10,299,864
Other DfE/ESFA grants			
Other DfE/ESFA grants	832,017	832,017	523,520
Universal infant free school meals	183,390	183,390	179,607
Pupil premium	1,094,935	1,094,935	1,030,709
	-	12,499,801	12,033,700
Other Government grants			
Local Authority Income	1,054,408	1,054,408	735,456
	1,054,408	1,054,408	735,456
	13,554,209	13,554,209	12,769,156
	13,554,209	13,554,209	12,769,156
<i>Total 2022</i>	<u>12,769,156</u>	<u>12,769,156</u>	

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Hire of facilities	220,694	220,694	191,766
Catering income	189,436	189,436	172,549
Services provided	213,846	213,846	160,945
School sales	28,332	28,332	27,656
Insurance income	8,325	8,325	-
	660,633	660,633	552,916
<i>Total 2022</i>	<u>552,916</u>	<u>552,916</u>	

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	295	295	336
<i>Total 2022</i>	<u>336</u>	<u>336</u>	

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational Operations:					
Direct costs	8,830,499	28,636	613,814	9,472,949	9,387,382
Allocated support costs	2,496,111	1,524,107	1,177,531	5,197,749	5,741,410
	<u>11,326,610</u>	<u>1,552,743</u>	<u>1,791,345</u>	<u>14,670,698</u>	<u>15,128,792</u>
<i>Total 2022</i>	<u>12,065,521</u>	<u>1,442,622</u>	<u>1,620,649</u>	<u>15,128,792</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Educational Operations	14,670,698	14,670,698	15,128,792
<i>Total 2022</i>	<u>15,128,792</u>	<u>15,128,792</u>	

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations	9,472,949	5,197,749	14,670,698	15,128,792
<i>Total 2022</i>	<u>9,387,382</u>	<u>5,741,410</u>	<u>15,128,792</u>	

Analysis of direct costs

	Educational Operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	8,830,499	8,830,499	8,760,419
Technology costs	41,075	41,075	82,047
Educational supplies	473,429	473,429	443,846
Staff development	3,781	3,781	18,483
Educational consultancy	124,165	124,165	82,587
	<u>9,472,949</u>	<u>9,472,949</u>	<u>9,387,382</u>
<i>Total 2022</i>	<u>9,387,382</u>	<u>9,387,382</u>	

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2023 £	Total funds 2023 £	Total funds 2022 £
Net pension finance charge	47,000	47,000	142,000
Staff costs	2,496,112	2,496,112	3,305,103
Depreciation	647,525	647,525	644,928
Technology costs	14,632	14,632	1,102
Maintenance of premises	172,113	172,113	144,133
Cleaning	327,150	327,150	336,723
Rent and rates	103,202	103,202	74,209
Energy costs	274,117	274,117	176,164
Insurance	49,014	49,014	44,973
Security and transport	15,454	15,454	9,784
Catering	573,904	573,904	537,041
Bank interest and charges	-	-	1,541
Indirect staff costs	3,413	3,413	4,684
Legal and professional fees	233,244	233,244	191,026
Other support costs	240,869	240,869	127,999
	<u>5,197,749</u>	<u>5,197,749</u>	<u>5,741,410</u>
<i>Total 2022</i>	<u>5,741,410</u>	<u>5,741,410</u>	

During the year ended 31 August 2023, the Academy Trust incurred the following governance costs:

£19,630 (2022: £19,630)

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	956	2,052
Depreciation of tangible fixed assets	647,526	644,928
Fees paid to auditors for:		
- audit	15,200	14,144
- other services	3,800	3,536

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	8,545,904	8,374,151
Social security costs	767,220	758,680
Pension costs	1,889,119	2,738,200
	<u>11,202,243</u>	<u>11,871,031</u>
Agency staff costs	124,367	174,490
Staff restructuring costs	-	20,000
	<u><u>11,326,610</u></u>	<u><u>12,065,521</u></u>

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	-	20,000
	<u>-</u>	<u>20,000</u>

b. Severance payments

The Academy paid - severance payments in the year (2022 - 1), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	-	1
	<u>-</u>	<u>1</u>

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	146	149
Administration and educational support (including part time)	187	199
Management	6	7
	<u>339</u>	<u>355</u>

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff (continued)

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	-	4
In the band £80,001 - £90,000	5	1
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy 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 was £693,268 (2022 - £809,134).

12. Central Services

The Trust has a centralised main budget through GAG pooling, to allow for cost savings and efficiencies to be made. As a result there is no top slice charge per central services. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. Arising from this reserves have been pooled to one main Portico fund.

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

- Leadership staff
- Administration supplies
- Legal and professional fees
- Central support staff

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
Cheryl Woolf, Accounting Officer	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	5,000 -	20,000 -
		10,000	25,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

14. Trustees' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, 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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2022	23,478,980	105,270	608,108	18,911	755,714	24,966,983
Additions	678,909	-	26,520	-	38,440	743,869
Transfers between classes	105,270	(105,270)	-	-	-	-
At 31 August 2023	24,263,159	-	634,628	18,911	794,154	25,710,852
Depreciation						
At 1 September 2022	2,532,867	-	351,175	16,974	599,624	3,500,640
Charge for the year	470,907	-	72,486	1,358	102,775	647,526
At 31 August 2023	3,003,774	-	423,661	18,332	702,399	4,148,166
Net book value						
At 31 August 2023	21,259,385	-	210,967	579	91,755	21,562,686
At 31 August 2022	20,946,113	105,270	256,933	1,937	156,090	21,466,343

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	12,439	9,210
VAT repayable	163	96,757
Prepayments and accrued income	279,817	794,161
	<u>292,419</u>	<u>900,128</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	100	-
Other taxation and social security	268,319	6,720
Other creditors	928,033	945,608
Accruals and deferred income	359,394	529,436
	<u>1,555,846</u>	<u>1,481,764</u>

	2023 £	2022 £
Deferred income at 1 September 2022	106,577	119,692
Resources deferred during the year	112,306	106,577
Amounts released from previous periods	(106,577)	(119,692)
	<u>112,306</u>	<u>106,577</u>

Deferred income includes amounts received as follows:

Universal Infant Free School Meals received in advance of entitlement £112,306 (2022: £106,577)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Capital designated funds	150,000	-	-	150,000	-	300,000
IT designated funds	50,000	-	-	25,413	-	75,413
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>175,413</u>	<u>-</u>	<u>375,413</u>
	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
General funds						
General Funds	2,159,751	861,526	-	(725,094)	-	2,296,183
Total Unrestricted funds	<u>2,359,751</u>	<u>861,526</u>	<u>-</u>	<u>(549,681)</u>	<u>-</u>	<u>2,671,596</u>
	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	167,270	10,430,891	(10,234,204)	(275,980)	-	87,977
Other DfE/ESFA grants	88,152	873,696	(930,545)	-	-	31,303
Local Authority grants	-	787,167	(787,167)	-	-	-
Pupil Premium	114,211	1,094,935	(1,166,984)	-	-	42,162
Other non gov	-	17,240	(17,240)	-	-	-
PE Sports Premium	-	100,280	(99,033)	-	-	1,247

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Local Authority high needs grant	-	250,000	-	-	-	250,000
Pension reserve	(1,442,000)	-	(788,000)	700,000	1,734,000	204,000
	<u>(1,072,367)</u>	<u>13,554,209</u>	<u>(14,023,173)</u>	<u>424,020</u>	<u>1,734,000</u>	<u>616,689</u>
	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
Assets inherited on conversion	16,524,880	-	(369,254)	-	-	16,155,626
DfE/ESFA grants	10,345	-	-	-	-	10,345
Assets purchased from grants and other funds	5,385,781	226,909	(245,005)	125,661	-	5,493,346
DFE donated assets	47,271	-	(33,266)	-	-	14,005
	<u>21,968,277</u>	<u>226,909</u>	<u>(647,525)</u>	<u>125,661</u>	<u>-</u>	<u>21,673,322</u>
Total Restricted funds	<u>20,895,910</u>	<u>13,781,118</u>	<u>(14,670,698)</u>	<u>549,681</u>	<u>1,734,000</u>	<u>22,290,011</u>
Total funds	<u>23,255,661</u>	<u>14,642,644</u>	<u>(14,670,698)</u>	<u>-</u>	<u>1,734,000</u>	<u>24,961,607</u>

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

Restricted general funds

These funds relate to the Academy's development and operational activities.

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy Trust.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Restricted fixed asset fund

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

Designated funds

These funds have been set up to set aside unrestricted funds designated by the trustees for specific projects.

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

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Designated funds						
Capital designated funds	150,000	-	-	-	-	150,000
IT designated funds	50,000	-	-	-	-	50,000
	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
General funds						
General Funds	2,435,318	817,317	-	(1,092,884)	-	2,159,751
Total Unrestricted funds	<u>2,635,318</u>	<u>817,317</u>	<u>-</u>	<u>(1,092,884)</u>	<u>-</u>	<u>2,359,751</u>
Restricted general funds						
General Annual Grant (GAG)	216,319	10,299,864	(10,275,496)	(73,416)	-	167,271
Other DfE/ESFA grants	52,439	703,128	(667,415)	-	-	88,152
Local Authority grants	-	735,455	(735,455)	-	-	-
Pupil Premium	82,426	1,030,709	(998,925)	-	-	114,210
Covid catch up	99,573	-	(99,573)	-	-	-
Pension reserve	(8,941,000)	-	(1,707,000)	662,000	8,544,000	(1,442,000)
	<u>(8,490,243)</u>	<u>12,769,156</u>	<u>(14,483,864)</u>	<u>588,584</u>	<u>8,544,000</u>	<u>(1,072,367)</u>
Restricted fixed asset funds						

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Assets inherited on conversion	16,894,133	-	(369,253)	-	-	16,524,880
DfE/ESFA grants	10,343	-	-	-	-	10,343
Assets purchased from grants and other funds	4,469,739	654,153	(242,409)	504,300	-	5,385,783
DFE donated assets	80,537	-	(33,266)	-	-	47,271
	<u>21,454,752</u>	<u>654,153</u>	<u>(644,928)</u>	<u>504,300</u>	<u>-</u>	<u>21,968,277</u>
Total Restricted funds	<u>12,964,509</u>	<u>13,423,309</u>	<u>(15,128,792)</u>	<u>1,092,884</u>	<u>8,544,000</u>	<u>20,895,910</u>
Total funds	<u><u>15,599,827</u></u>	<u><u>14,240,626</u></u>	<u><u>(15,128,792)</u></u>	<u><u>-</u></u>	<u><u>8,544,000</u></u>	<u><u>23,255,661</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
West Leigh Junior School	127,315	69,170
Porters Grange Primary School and Nursery	65,001	38,465
Hamstel Infant School and Nursery	92,270	64,666
Hamstel Junior School	105,908	87,925
Friars Primary School and Nursery	71,033	70,374
Central funds	<u>2,622,758</u>	<u>2,398,784</u>
Total before fixed asset funds and pension reserve	<u>3,084,285</u>	<u>2,729,384</u>
Restricted fixed asset fund	<u>21,673,322</u>	<u>21,968,277</u>
Pension reserve	<u>204,000</u>	<u>(1,442,000)</u>
Total	<u><u>24,961,607</u></u>	<u><u>23,255,661</u></u>

The Trust has a centralised main budget through GAG pooling, to allow for cost savings and efficiencies to be made. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. As a result, reserves have been pooled to one main Portico fund.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
West Leigh Junior School	-	-	63,454	178,126	241,580	217,972
Porters Grange Primary School and Nursery	-	-	85,730	10,974	96,704	124,631
Hamstel Infant School and Nursery	-	-	45,381	61,814	107,195	124,527
Hamstel Junior School	-	-	131,960	67,085	199,045	347,441
Friars Primary School and Nursery	-	-	136,956	54,827	191,783	108,448
Central funds	8,830,499	2,496,112	263,688	1,596,567	13,186,866	13,560,845
Academy	8,830,499	2,496,112	727,169	1,969,393	14,023,173	14,483,864

The Trust centralised the main budget through GAG pooling, to allow for cost savings and efficiencies to be made. Each school has autonomy over the curriculum spend, as well as restricted pots such as Pupil Premium. Arising from this reserves have been pooled to one main Portico fund.

19. Transfers between funds

£125,661 has been transferred from unrestricted funds to restricted fixed asset funds representing fixed assets purchased using unrestricted funds.

£700,000 has been transferred from restricted funds to the pension fund within restricted funds representing employers contribution to the LGPS.

£424,020 has been transferred from unrestricted funds to restricted funds representing direct and support costs purchased using unrestricted funds.

£200,000 has been transferred from unrestricted funds into the designated funds.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	21,562,687	21,562,687
Current assets	2,671,596	1,968,536	110,635	4,750,767
Creditors due within one year	-	(1,555,846)	-	(1,555,846)
Provisions for liabilities and charges	-	204,000	-	204,000
Total	2,671,596	616,690	21,673,322	24,961,608

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	21,466,343	21,466,343
Current assets	2,359,751	1,851,397	501,934	4,713,082
Creditors due within one year	-	(1,481,764)	-	(1,481,764)
Provisions for liabilities and charges	-	(1,442,000)	-	(1,442,000)
Total	2,359,751	(1,072,367)	21,968,277	23,255,661

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

21. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per statement of financial activities)	(28,054)	(888,166)
Adjustments for:		
Depreciation	647,526	644,928
Capital grants from DfE and other capital income	(701,244)	(136,679)
Interest receivable	(295)	(29)
Defined benefit pension scheme cost less contributions payable	41,000	903,000
Defined benefit pension scheme finance cost	47,000	142,000
Decrease/(increase) in debtors excluding capital	133,374	182,774
(Increase) in capital debtors	474,335	(517,474)
Increase in creditors excluding capital	238,905	115,771
Net cash provided by operating activities	852,547	446,125

22. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	295	29
Payments for fixed asset purchases	(908,693)	(516,633)
Capital grants from DfE Group	701,244	136,680
Net cash used in investing activities	(207,154)	(379,924)

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	4,458,347	3,812,954
Total cash and cash equivalents	4,458,347	3,812,954

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,812,954	645,393	4,458,347
	<u>3,812,954</u>	<u>645,393</u>	<u>4,458,347</u>

25. Capital commitments

At 31 August 2023 the Academy Trust had capital commitments as follows

	2023 £	2022 £
Contracted for but not provided in these financial statements	<u>89,112</u>	<u>600,050</u>

26. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The 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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

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%.

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 £1,157,549 (2022 - £1,132,304).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2023 was £865,000 (2022 - £817,000), of which employer's contributions totalled £700,000 (2022 - £662,000) and employees' contributions totalled £165,000 (2022 - £155,000). The agreed contribution rates for future years are 25.0 per cent for employers and 5.5 per cent 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.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. Pension commitments (continued)

Principal actuarial assumptions

Local Government Pension Scheme

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95
Inflation assumption (RPI)	3.90	3.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22	22.3
Females	24.6	24.9

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(187)	(249)
Discount rate -0.1%	193	256
Mortality assumption - 1 year increase	270	293
Mortality assumption - 1 year decrease	(263)	(284)
Salary increase +0.1%	13	23
Salary increase -0.1%	(13)	(23)

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. Pension commitments (continued)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	At 31 August 2023	At 31 August 2022
	£	£
Equities	5,746,000	4,964,000
Gilts	127,000	170,000
Corporate bonds	-	391,000
Property	773,000	835,000
Cash and other liquid assets	289,000	264,000
Alternative assets and other managed funds	2,941,000	2,200,000
Total market value of assets	9,876,000	8,824,000

The actual return on scheme assets was £430,000 (2022 - £22,000).

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

	2023 £	2022 £
Current service cost	(736,000)	(1,561,000)
Interest income	390,000	140,000
Interest cost	(437,000)	(282,000)
Administrative expenses	(5,000)	(4,000)
Total amount recognised in the Statement of financial activities	(788,000)	(1,707,000)

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

	2023 £	2022 £
At 1 September	10,266,000	17,121,000
Current service cost	736,000	1,561,000
Interest cost	437,000	282,000
Employee contributions	165,000	155,000
Actuarial gains	(1,778,000)	(8,662,000)
Benefits paid	(154,000)	(191,000)
At 31 August	9,672,000	10,266,000

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	8,824,000	8,180,000
Interest income	390,000	140,000
Actuarial losses	(44,000)	(118,000)
Employer contributions	700,000	662,000
Employee contributions	165,000	155,000
Benefits paid	(154,000)	(191,000)
Administrative expenses	(5,000)	(4,000)
At 31 August	9,876,000	8,824,000

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2023.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's Lloyds ruling on the equalisation of GMPs between genders, it is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it has been assumed in the valuation that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust as such no provision has been included within these financial statements.

Asset Ceiling

At the reporting date the Academy Trust's estimated fair value of LGPS scheme assets exceeded the estimated total liabilities. The resulting surplus should only be recognised where there is an expectation that future contributions will reduce, or that the scheme will refund contributions already made.

As the resulting surplus is not deemed to be material to the financial statements no asset ceiling assessment has been made or provided for in arriving at the reported surplus in these financial statements.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	-	956

The following lease payments have been recognised as an expense in the statement of financial activities:

	2023 £	2022 £
Operating lease rentals	956	2,052
Changes in lease payments arising from COVID-19 related rent concessions	-	-

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy 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 made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

West Leigh Swim School

West Leigh Swim School Limited a registered charity of which C J Woolf is a Director and Trustee leased a swimming pool from the Academy Trust during the reporting period. The rental charged is considered a fair market rent for the use of the swimming pool.

Rent charged during the accounting period amounted to £89,000 (2022: £54,000) and £nil (2022: £nil) was outstanding at the end of the reporting period.

During the year one trustee had a spouse who was employed by the trust

The trustee S Hay's Husband C Morris is employed at the trust. Salary £23,231 Ers Pension £5,679 S Hay was not involved in the process to employ C Morris, and they receive no special treatment as a result of their relationship to a trustee.

PORTICO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

30. Controlling party

There is no ultimate controlling party.