

Registered number: 08231964 (England and Wales)

BIRKETT HOUSE SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

Members

Janet Flawith
Lesley Emery
Rosemary Lowe
Alan Baker

Trustees

Andy McQuaid	*#	(Resigned 31 August 2022, Chair of Trustees & Link Trustee)
Chris White	*#	(Headteacher & Accounting Officer)
James Royley	*	(Parent Trustee)
Linda Bickley	#	(Co-opted, Chair of Quality Committee)
Maureen Lambert	#	(Co-opted)
Sophie Thomson	#	(Resigned 1 May 2021, Staff Trustee)
David Ruffett	*	(Co-opted)
Emily Robertshaw	#	(Parent Trustee)
Tim Pearce	*	(Co-opted, Chair of Trustees From 1 September 2022)
Kath Starmer	*	(Co-opted)
Hannah Lockett Bates	#	(Parent Trustee)
Ume Sundas	*	(Co-opted by members Appointed 9 November 2022)
Elaine Hackett	#	(Co-opted by members Appointed 9 November 2022)
Kate Kopaczal	#	(Co-opted by members Appointed 9 November 2022)
Alex Higginson	#	(Co-opted by members Appointed 9 November 2022)

** Member of the Resource Committee*

Member of the Quality Committee

Company Secretary

Chris White

Senior Leadership Team

Chris White (Headteacher)
Cath Brooks (Deputy Headteacher)
Karen Harrup (Deputy Headteacher Until December 2021)
Jenny Barker (Deputy Headteacher From January 2022)
Alex Higginson (Assistant Headteacher)
Kiona Tapley (Assistant Headteacher)
Gaynor Hall (Business Manager)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

Principal and Registered Office

Birkett House School
Station Road,
Wigston,
LE18 2DT

Company Registration Number

8231964 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson,
11 Merus Court,
Meridian Business Park,
Leicester,
LE19 1RJ

Bankers

National Westminster Bank,
5 The Parade,
Oadby
LE2 5BB

Solicitors

John Walker, Solicitor & Mediator,
14 Forsells End,
Houghton on the Hill,
LEICS
LE7 9HQ.

BIRKETT HOUSE SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 4 to 19 serving a catchment area in South Leicestershire. It has a pupil capacity of 236 and had a roll of 246 in the school census Spring 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Birkett House School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Birkett House School. 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 pages 1 and 2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £13.61.

Method of Recruitment and Appointment or Election of Trustees

Trustees are elected along the guidelines provided in the Articles of Association, which states:

- Trustees appointed by members shall not be greater than 13, but no less than three;
- Staff Trustees cannot exceed one third of total Board of Trustees;
- there can only be one LA Trustee;
- a minimum of 2 parent Trustees;
- the Headteacher.
- additional Trustees if appointed under Article 62, 62a, 68a; will be appointed by the Secretary of State.
- Any further Trustees if appointed under Article 63, 68a;
- the Trustees can appoint up to three co-opted Trustees;
- Staff Trustees cannot be more than one third of the total membership, are appointed by election, the electors being all other staff members; and
- Parent Trustees are appointed by election, the electors being all other parents.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with a tour of the school and an induction by the Chair of Trustees or the Business Manager with reference to how the school operates and the purpose of a member of the Board of Trustees. Trustees are allocated to a sub-committee by virtue of the vacancy and their personal experiences relevant to the role.

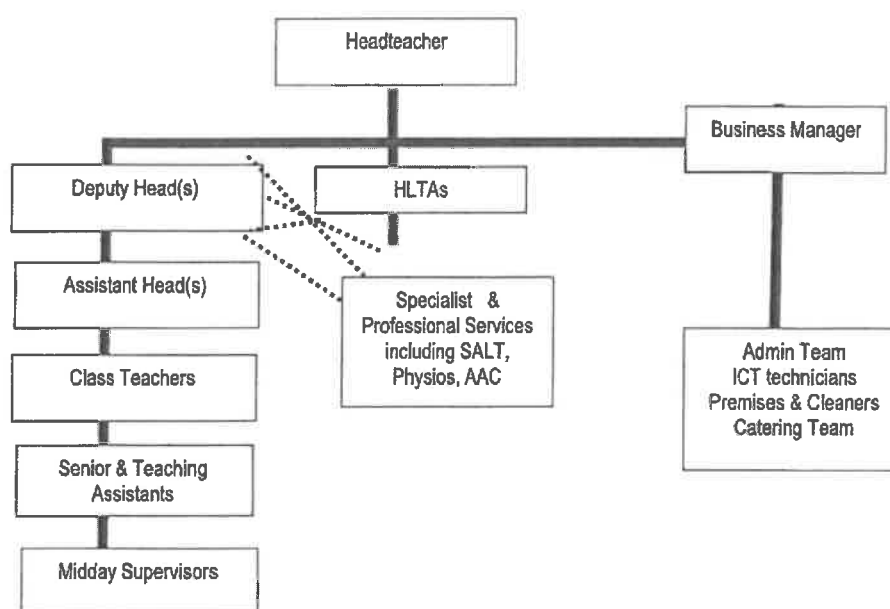
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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2022

The Business Manager provides new Trustees with the latest Trustee training and development programmes and an induction package providing a document on the role of the Board of Trustees, the Board of Trustees decision planner, Trustee visits, governance and accountability. They also receive information about the school, the leadership structure, school policies and procedures and a glossary of school-based terminology. They also receive the Department of Education's Trustee Handbook.

Organisational Structure



Working closely with the Head Teacher the Board of Trustees is responsible for approving the Trust's Aims & Objectives, aid the establishment of school strategy, maintaining the overall framework of policies & procedures within which the Trust operates, and monitoring the Trusts performance. Trustees help the Trust maintain a long-term focus whilst working on its shorter-term goals and plans.

Arrangements for setting pay and remuneration of Key Management Personnel

Arrangements for setting the pay and remuneration of the Academy's Key Management Personnel are reviewed by the Resources & Pay subcommittee and approved by the Full Board of Trustees. The school follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The school's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The school adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

Trade union facility time

Relevant union officials

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

No school time or funds were spent during the year on trade union facilities time. The staff undertook no paid trade union activities during the period.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Related Parties and other Connected Charities and Organisations

Birkett House School does not have any relevant related parties or other connected charities and organisations.

OBJECTIVES AND ACTIVITIES

We aim to provide a high-quality provision for all pupils & staff and promote public confidence in the integrity of the school. All employees are expected to reflect high standards of behaviour both at work and in their private life and set a good example to pupils and other at all times. Employees are expected to be mindful of their behaviour outside the school and the reflection this may have on themselves, the School and their profession.

Objects and Aims

Birkett House aims to work in partnership with all stake holders to deliver the highest possible outcomes for the pupils within its community. It will do this by ensuring both pupils and staff have the skills and knowledge for a successful future. This will be done in an environment where all are confident, secure & happy applying a curriculum that prepares for life in modern Britain.

This sits with the Trusts Object which states:

- To advance to the public benefit education in the United Kingdom in particular managing & developing a school especially organised to make special educational provision for pupils with special educational needs.

Objectives, Strategies and Activities

Birkett House is a school at the heart of its community. We aspire for all our pupils to work in an environment that encourages lifelong learning, equipping pupils with the tools and skills to achieve. We will work to encourage pupils to develop confidence, self-belief and be aware of the choices open to them. We will encourage tolerance and inclusion, where all pupils are able to build effective relationships based on strength of community, friendship and respect. In short, we expect the students of Birkett House to be both aspirational and inspirational.

The school requires that its employees adhere to the relevant professional standards for their role, as listed below. Employees safeguard children's wellbeing and maintain public trust in their profession, as part of their professional duties:

- Teachers Standards (2012);
- National Standards for Subject Leaders (1998);
- SenCo Standards;
- National Standards for School Leaders;
- School Leadership Standards; and
- National occupational standards for supporting teaching and learning in schools.

Public Benefit

In setting objectives, the Trustees have considered the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

STRATEGIC REPORT

During the reporting year Ofsted inspected the school and the judgement was good.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategies and Activities

Staff members are encouraged to maintain pupils outstanding achievements helped with the following strategies:

- Data collection and target setting are embedded in practice;
- Education and Health Care Plan Outcomes are addressed through Individual Education Plans and the focus on holistic learning is embedded. We are ready for training, with a trainer, on the Engagement Model in time for its statutory launch in September 2022;
- Acknowledgement of holistic progress of pupils as important element of achievement and attainment;
- Continuation of development of pupil progress meetings, impact and required action to be taken;
- Accreditation to validate pupil progress and expected outcomes; and
- The curriculum has been rewritten considering a clear philosophy and long-term maps that better demonstrate expected progression.

Teaching promotes outstanding learning for pupils

The school has focussed on assessment for learning – learning has improved in lessons as evidenced by observations and pupil achievement.

Feedback from lesson observations also evidences that over time learning has increased as per feedback from lesson observation. This is a move forward from earlier observations when concentration was given to the pupils learning rather than the 'teaching'. It could be argued that pupils learn despite the level of teaching whereas if teaching is outstanding it follows that pupils will learn as a result.

- School priority and Performance target focused on accountability at all levels;
- focussed lesson observations, learning walks & work scrutinises;
- links to employees' Continuing Professional Development (CPD) planned against school priorities;
- good induction and mentoring;
- strategic meetings with teachers and deputy head;
- consistent and well targeted annotation to support progress over time;
- development of a strategic approach to resources to maximize learning and progress; and
- the curriculum pathways plan for clear development for all our students.

To promote good behaviour and attendance

The school considers that the impact of poor behaviour on the learning and safety of students and staff is much reduced because of well-trained staff, individual behaviour plans, and use of a wide range of strategies that meet and engage the individual students:

- staff members receive EDR (Engage, Disengage, Re-engage) training – Behaviour management;
- EDR trainers in school;
- staff allocated to classrooms on a needs led basis;
- monitoring of accidents and incidents;
- monitoring of attendance;
- creative implementation of individual learning plans;
- preparation of students for next stages of education / life and readiness for work;
- maintain the school's capacity to support behaviour and relevant monitoring; and
- the prioritisation of the emotional wellbeing of students.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

To maximise the impact of distributed Leadership

The leadership of the school has a clear vision and planned strategically. Senior leaders are experienced and are willing to rise to new challenges. Leadership is distributed to maximise its effectiveness, with clear lines of accountability:

- continued review of leadership across school and appointments made, Job descriptions and planned meetings secure accountability; and
- to formalise succession planning through a planned programme of middle leaders' development and whole school staff restructure.

Systems for pro-active communication with parents

The school recognises that parental engagement is vital in ensuring the progress and wellbeing of students. Class teams are proactive in the day-to-day engagement with pupils and this is further developed through:

- engaging parents and carers through email and text systems;
- a highly successful Facebook page;
- ensuring the schools website is kept in date and fresh;
- parent visits into school and a range of coffee mornings etc, COVID-19 permitting.
- electronic survey system which allows for greater analysis and faster distribution is in place.

Achievements and Performance

Analysis of results 2021-2022 based on comparisons V expectations. The school uses a system called Solar which records data effectively for those students in Key Stages 1,2 and 3. We have developed our own system for recording at Key Stages 4 and 5 which fits the Education and Health Care Plans and qualifications students achieve at this age.

The results on the Solar system at key stages 1-3 are as follows:

Key Stage	Literacy (%)			Numeracy (%)		
	Below expected	Expected	Above expected	Below Target	Expected	Above expected
1	18	24	58	15	25	60
2	17	22	61	19	19	62
3	36	31	33	36	37	27
Overall	23	26	51	23	27	50

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More specifically:

Subject	Below Expected (%)	Expected (%)	Above Expected (%)
Art	22	32	46
Computing	30	27	43
D&T	26	35	39
Geography	21	37	42
History	24	37	39
Literacy /Comm	21	27	52
Literacy / Reading	25	24	51
Literacy / Writing	25	25	50
Music	29	37	34
Maths / Number	26	28	46
Maths / Shape	22	24	54
Maths / U&A	24	27	49
PE	24	28	48
Science / Bio	26	31	43
Science / Chem	30	26	44
Science / Enquiry	25	25	50
Science / Physics	25	29	46
SMSC	26	25	49

As a general statement for the majority of students (75%) reaching their expected levels or above. As a comparison with 2020-2021, this shows standards are being maintained. Generally, there are now more students achieving expected or above expected levels. This is reflective of our new curriculum that we put into place in Academic year 2020-2021, which we see as ensuring greater curriculum coverage. The more practical subjects such as computing, geography and history are also demonstrating consistent improvement:

- 100% of pupils made some progress;
- comparisons of progress for those pupils in receipt of pupil premium shows there is a difference in progress, we attribute this to their experience of lock down and this is a pattern across the country. The gap has narrowed since last year;
- Looked after Children made slightly less progress than their peers this varies dependent on the specific subject. There are reasons behind this, and they were fully explored at Personal Educational Plan (PEP) meetings;
- Comparing progress across the key stages overall shows that it is in Key Stage 1 students make good progress as expected in their baseline year. Key stage 2 also made good progress. At Key stage 3 the assessment criteria does not yet reflect the Engagement Model that students with complex needs are following, hence the impact on achievement measured only on formative assessment;
- in our off-site provisions at Little Hill, Thistly Meadow and Thomas Estley students make most Academic progress;
- the holistic outcomes of pupils are outstanding because of Individual targets which include communication, socialisation, independence, and behaviour. As a result, pupil make rapid progress from their starting points;
- our students were able when required to take part in national tests; one student achieved full marks in his phonics test; and
- pupils in Key stage 4 and 5 have access to a wide range of accredited courses, formal qualifications and pathways.

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These have included the following achievements:

Key Stage 5 Personal Progress

Student	Early maths: Measure	Early maths skills: Number	Early Maths Skills: Shape	Engaging with the world: Objects	Qualification weighting
2 students	Pass	Pass	Pass	Pass	9 credits - Award

Key Stage 5 Pathways Entry 2

Student	Creative Media and Performing Arts	Healthy Living and Fitness	English	Maths	Independent Living	Award weighting
1 student	Passed all units	Passed all units	Passed 2 of 3 units	Passed 2 of 3 units	Passed 1 of 3 units	2 of 5 awards achieved
4 students	Passed all units	Passed all units	Passed all units	Passed all units	Passed all units	5 awards achieved
1 student	No units passed	Passed 1 of 3	Passed 1 of 3	Passed 2 of 3	Passed 1 of 3	No awards achieved
1 student	Passed all units	Passed all units	Passed 2 of 3 units	Passed all units	Passed 1 of 3 units	3 awards achieved

- All our leavers moved onto college provision and remained in education

Going Concern

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

The impact of COVID-19 during this year were not detrimental. Whilst expenses were incurred in areas which had not been anticipated at the start of the year, the greater savings in other areas of the business has meant that an overall increase to expected reserves has been achieved.

FINANCIAL REVIEW

Birkett House has now completed five years on their new site. At the start of this year the national COVID-19 closures had somewhat drawn to a close, however, later into the Autumn Term there were instances of COVID-19 with students and staff, which meant that classes had to be closed twice for brief periods due to the lack of staffing resources for the remaining students.

We lost several personnel during the Academic year to better paid or full-time occupations. Recruiting to replace staff has proved more successful recently but the school does expect to lose more trained and skilled staff because of the need to increase their earning potential.

Trustees Resources Committee review the school's risk register on a termly basis which allows better planning and resourcing. An example of this was the school being well stocked for cleaning materials within the pandemic having previously stock piled provisions when supply chains were threatened post Brexit. The school continues to remain vigilant of changes.

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Additional funds from the DfE for Free School Meals during holiday periods has remained in place.

Due to the number of tablets/notebooks provided by the government during the pandemic period, the school has been able to ensure students at key stages 3, 4 & 5 all have personal use of a unit whilst in school.

School procured additional educational psychology hours to support students that we felt had potentially suffered mental health challenges during lockdown. A decision was made to keep this in place during the Academic year.

Reserves Policy

At 31 August 2022 the total funds comprised:

Unrestricted	£422,000
Restricted: Fixed asset funds	£6,863,000
GAG	£883,000
Pension reserve	(£311,000)
	<u>£7,857,000</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teacher's scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased Government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy Trust, at the discretion of the Trustees. The aim of the Trustees is to maintain a reserve to meet future working capital requirements and the current level of reserves is considered sufficient.

Investment Policy

The Board of Trustees have decided through the risk assessment that the school should always try to maintain one month's expenditure which is based on 8.33% of expenditure (currently approx. £458k). The resources committee considered the reserves/investment policy in Autumn 2022 and after acknowledging existing plans and expected payroll increases there will be no investment this Academic year. The Trust can hold a further reserve that should not exceed 12% of the annual GAG unless Trustees have sufficient reasons for accumulating the reserve.

Principal Risks and Uncertainties

The principal risks facing the Academy Trust are:

Reputational risk - Internal risk factors might include lack of policies and procedures, inadequate internal controls, noncompliance with regulatory issues, poor supervision of staff and students, poor leadership, lack of crisis management planning, a divided Board of Trustees, lack of training and poor communication.

Performance risk - In a special school performance of a pupil learning is very individual to a pupil in relation to their disability and effects of this on their ability to learn. The school prides itself on understanding our individual pupil's needs and meeting them in an educational environment which allows pupils to progress. A key principle in reducing this risk is ensuring that the school has a well motivated, highly trained group of staff across the whole school.

Financial Risk - The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs.

An uncertain agenda which may encourage/force schools into the Multi-Academy route.

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The Academy Trust practices through its Board, namely the Board of Trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by the Senior Leadership Team.

The school maintains a risk register which is reviewed by the senior leadership team and Resources Committee three times a year to review dynamic risks. The above risks are reflected in the Risk Register

FUNDRAISING

The Academy Trust actively supports both national and local charities. Staff and students become involved in annual fund-raising events such as Children in Need, Sports Relief, Christmas Jumper Day, etc. All contributions are given on a purely voluntary basis with no minimum amount being set or expected.

During the year ending 31 August 2022 the school actively took part in the following fundraising events:

National Charity Events	
Mellow Yellow Young Minds, Mental Health Day	- £63.40
Children in Need	- £322.26
British Legion	- £110.00
Elf Day	- £193.75
Christmas Jumper Day	- £ 32.40
Comic Relief	- £ 215.65

As an Academy Trust we do not use professional fundraisers or any commercial participators to fundraise on our behalf.

During the year we received no fundraising complaints with the public receiving no unreasonably intrusive fundraising approaches or undue pressure to donate.

PLANS FOR FUTURE PERIODS

Schools nationally are awaiting confirmation from central government regarding grant aid toward increased salary & utility costs.

Increases to salary costs now allows the school to access the apprenticeship levy. The basic calculation is 0.5% of any PAYE bill above £3m, offset by a £15,000 allowance. This now allows us to access the levy and put the money to good use with a good apprentice provider.

The Academy Trust is mindful that the government protection of teacher salary & pension increases could end at some point however we understand this is to continue as a 'local' payment and will be received via the local authority. We are also led to understand that this amount will be capped and will not increase in line with teacher/pupil numbers as it was before.

We remain mindful of the fact that COVID-19 could in the Autumn Term cause staffing pressures should the virus spread. At present we are not asked to report on staff absence due to COVID-19 and we no longer have stock of test kits. COVID-19 has currently become an absence type which falls into the same category as winter coughs & colds. The school continues to follow National Government guidelines and at present continue to pay staff who are absent for all COVID-19 related reasons.

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IMPACT OF COVID-19 VIRUS

The school held up well to the challenges that were presented by staff illness due to COVID-19. Following on from previous year, Classes adapted to: online learning; the pressures of ensuring home schooled pupils; access to electronic devices (supplied by DfE) and set up by school. Staff continued to meet these challenges well and adapted to whatever was required and whenever it was needed. All were met within the school's annual budget during this current year.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held by the Academy Trust on behalf of others.

AUDITOR

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on ...~~8~~... ~~December~~...2022 and signed on the Board's behalf by:


.....
Timothy Pearce
Chair of Trustees

Date: 8 December 2022

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher 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 Birkett House School 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 12 times during the year as both full governing body and their associated committees. These were all provided as face to face with the option to attend virtually using Microsoft Teams and attendance was good.

Trustee	Full	Quality	Resources	Meetings attended	Total possible
Trustee 1 Andy McQuaid Chair of Full & Resources Committee	3 of 4	4 of 4	2 of 4	9	12
Trustee 2 Chris White Head Teacher & Accounting Officer	4 of 4	4 of 4	4 of 4	12	12
Trustee 3 Kath Starmer	2 of 4		3 of 4	5	8
Trustee 4 Tim Pearce	4 of 4		4 of 4	8	8
Trustee 5 James Royley	3 of 4		0 of 4	3	8
Trustee 6 David Ruffett	1 of 4		3 of 4	4	8
Trustee 7 Hannah Lockett Bates	4 of 4	2 of 4		6	8
Trustee 8 Maureen Lambert	2 of 4	2 of 4		4	8
Trustee 9 Linda Bickley Chair of Quality Committee	4 of 4	4 of 4		8	8
Trustee 10 Sophie Thompson	Teacher on maternity leave then left the Board of Trustees at end of tenure May 2022				
Trustee 11 Emily Robertshaw	3 of 4	2 of 4		5	8

The Board believes that the full business of the Trust is met within four meetings in each Committee particularly as the Scheme of Delegation has allowed provision for sub committees to make decisions on behalf of the full board.

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- the Chair of Full Trustees was Andy McQuaid, Quality committee is chaired by Linda Bickley, Resources Committee is chaired by Tim Pearce;
- trustees 8 left the Board of Trustees at the beginning of the Academic year & trustee 11 was on maternity leave, then left at the end of her tenure, May 2022;
- the Resources committee covers personnel, premises, finance & health & safety. It also deals with the pay committee findings in the Autumn term and the final accounts meeting with auditors in December;
- the Quality committee deals with matters relating to curriculum & CPD/teaching & learning. This committee would also look at matters relating to school complaints, excursions and policies relating to curriculum & teaching & learning; and
- the whole year's committee dates were shared with the Trustees via email.

Conflicts of Interest

Members, Trustees and staff that are cost centre managers are asked to declare annually any pecuniary interests. This is extended to include an any related parties questionnaire.

At each meeting of both Full Governors or sub-committees, all parties present are asked to declare any pecuniary interest to the agenda.

Trustees Review

The Board of Trustees are predominantly holding face to face meetings in school once again. Whilst it is no longer a 'health' requirement to hold meetings via Teams the school has chosen to continue providing this option to meetings as for some it provides an easier access to remaining involved in the governance of the school without the journey.

As with the previous year, Birkett House was not immune to the impact of COVID-19 and like most schools it remained open to support vulnerable children, their families and those of key workers. The Governing Body provided support and guidance to the school throughout this period and continued to do so throughout Academic year:

- Trustees' visits to the school ensure that they are aware of what is happening first hand, this includes safeguarding where the nominated Trustee had interviewed children and followed up their responses.
- we also have a trustee on the health & safety committee which meets half termly during the school year.
- Trustees refined their roles and responsibilities – linking Trustees to specific area which will help them to gain knowledge of the school.
- Trustees reviewed and approved policies to help ensure the school meets its statutory responsibilities.
- Trustees reviewed The Parental Survey as a positive step to improving communications with parents; and
- Trustee's quality assured the Curriculum Development ensuring leaders are working to agreed timescales. The development of the curriculum will ensure the school meets the requirements of the updated Ofsted Inspection framework by ensuring that the Intent, Implementation and Impact of everything we do is focused on providing the best education for the children. The school also takes advice from an independent external partner who offers quality assurance to the judgements of school leaders and future developments.

Governance Statement

The new Chair has been provided with a document by the Clerk to Governors in order to complete a Governance Statement and a meeting has been arranged in January 2023 between the Chair and the two Vice Chairs in order to complete this activity.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

REVIEW VALUE FOR MONEY

As the Accounting Officer the Head has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

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

- Standards have been maintained on the new site to reduce the need for repairs and maintenance in year;
- Staffing levels are maintained and measured on a regular basis to ensure the school can operate with the best welfare for pupils considered;
- Budgetary considerations are made on regular basis to ensure the school is future proofed, consideration being given to assets which will future proof the school; and
- Discussions are held between the SLT to consider resources we can implement immediately with consideration of how these will impact on the school.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives. It can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been placed in Birkett House School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trusts significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements.

THE RISK AND CONTROL FRAMEWORK

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

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

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

The Board of Trustees has considered the need for a specific internal audit function and this financial year decided not to appoint an auditor for this purpose but instead appoint Trustees to carry out the following monitoring reports:

- a member of the Resource Committee attended school to look at aspects of finance. This produced a report shared with Trustees at the next full Trustee meeting in line with planned timetable;
- the Chair carried out a monitoring report on how teachers PMR's are evidenced & actioned annually; and
- a member of the Resources Committee completed monitoring on the new Health Care Assistant in role from October 2021 to check progress in a somewhat isolated role.

This work was reported to the Board of Trustees and were not any significant matters arising however recommended observations were addressed.

On an annual basis a summary report is prepared to outline the areas reviewed, key findings, recommendations, and conclusions to help the board consider actions and assess year on year progress.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 external auditor; and
- the financial management and governance self-assessment process

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 8 December.....2022 and signed on its behalf by:



Timothy Pearce
Chair of Trustees



Chris White
Accounting Officer

BIRKETT HOUSE SCHOOL

(A Company Limited by Guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2022**

As Accounting Officer of Birkett House School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Trust Handbook 2021.

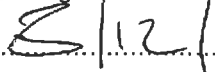
I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2021.

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

.....

Chris White

Accounting Officer

.....
 2022

BIRKETT HOUSE SCHOOL

(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees (who are also the Governors of Birkett House School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

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



.....
Timothy Pearce
Chair of Trustees

Date: 8 December 2022

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BIRKETT HOUSE SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BIRKETT HOUSE SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report including the Strategic Report.

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

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

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BIRKETT HOUSE SCHOOL (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 18, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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

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

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BIRKETT HOUSE SCHOOL (CONTINUED)**

Use of our report

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

Helen Blundell

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date: 14 December 2022

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BIRKETT HOUSE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birkett House School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Birkett House School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Birkett House School's funding agreement with the Secretary of State for Education dated 30 May 2012 as amended by deed of variation on 21 September 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

BIRKETT HOUSE SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BIRKETT HOUSE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date: 14 December 2022

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants	3	3	-	49	52	15
Other trading activities	4	32	2	-	34	28
Investments	5	1	-	-	1	-
Charitable activities:						
Academy Trust educational operations	6	-	5,237	-	5,237	4,979
Total income		36	5,239	49	5,324	5,022
Expenditure on:						
Raising funds	7	18	-	-	18	15
Charitable activities:						
Academy Trust educational operations	8	-	6,038	200	6,238	5,352
Total expenditure		18	6,038	200	6,256	5,367
Net (expenditure)/ income		18	(799)	(151)	(932)	(345)
Transfers between funds	18	-	(21)	21	-	-
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	25	-	7,668	-	7,668	(1,461)
Net movement in funds		18	6,848	(130)	6,736	(1,806)

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Reconciliation of funds:						
	18					
Total funds brought forward		404	(6,276)	6,993	1,121	2,927
Net movement in funds		18	6,848	(130)	6,736	(1,806)
Total funds carried forward		422	572	6,863	7,857	1,121

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

The notes on pages 30 to 59 form part of these financial statements.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08231964

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	6,863	6,993
Current assets			
Debtors	16	32	37
Cash at bank and in hand	22	2,375	1,230
		<u>2,407</u>	<u>1,267</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,102)	(151)
Net current assets		<u>1,305</u>	<u>1,116</u>
Total assets excluding pension liability		<u>8,168</u>	<u>8,109</u>
Defined benefit pension scheme liability	25	(311)	(6,988)
Total net assets		<u><u>7,857</u></u>	<u><u>1,121</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	18	6,863	6,993
Restricted income funds	18	883	712
Restricted funds excluding pension liability	18	<u>7,746</u>	<u>7,705</u>
Pension reserve	18	(311)	(6,988)
Total restricted funds	18	<u>7,435</u>	<u>717</u>
Unrestricted income funds	18	<u>422</u>	<u>404</u>
Total funds		<u><u>7,857</u></u>	<u><u>1,121</u></u>

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 25 to 59 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Timothy Pearce
Chair of Trustees

Date: 8 December 2022



Chris White
Accounting Officer

Date: 8 December 2022

The notes on pages 30 to 59 form part of these financial statements.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,166	272
Cash flows from investing activities	21	(21)	(33)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,145	239
Cash and cash equivalents at the beginning of the year		1,230	991
Cash and cash equivalents at the end of the year	22	<hr/> 2,375 <hr/>	<hr/> 1,230 <hr/>

The notes on pages 30 to 59 form part of these financial statements

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Birkett House School meets the definition of a public benefit entity under FRS 102.

Birkett House School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1,000.

1.2 Going concern

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

This consideration has taken into account as far as possible, the economic and political climate, and its impact on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **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 period is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,500 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, transfers are made to the restricted fixed asset fund.

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

Leasehold land	- 125 years over the life of the lease
Leasehold property	- 2% straight-line per annum
Motor vehicles	- 20% straight-line per annum
Furniture and equipment	- 10% straight-line per annum
Plant and machinery	- 20% straight-line per annum
Computer equipment	- 25% straight-line per annum

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

1.6 Taxation

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

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

1.7 Cash at bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 Liabilities

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

1.9 Provisions

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

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Where the net valuation is an asset, it is recognised only to the extent that the asset is considered to be recoverable by refund or reduced contribution.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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.

1.12 Operating leases

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

1.13 Fund accounting

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

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

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting year then an amount will be included as amounts due to the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of the tangible fixed assets and note 1.5 for the useful economic lives for each class of assets.

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Donations and capital grants

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Other donations	3	-	3
Capital grants	-	49	49
Total 2022	3	49	52

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Donations and capital grants (continued)

	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Capital grants	15	15
Total 2021	<u>15</u>	<u>15</u>

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

4. Other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Lettings	2	-	2
Other income	12	2	14
Catering income	18	-	18
Total 2022	<u>32</u>	<u>2</u>	<u>34</u>

	Unrestricted funds 2021 £000	Total funds 2021 £000
Lettings	5	5
Other income	8	8
Catering income	15	15
Total 2021	<u>28</u>	<u>28</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Investment income	1	1
Total 2022	1	1

6. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £000	Total funds 2022 £000
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	2,362	2,362
Other DfE/ESFA grants;		
Pupil Premium	82	82
UIFSM	14	14
Other	71	71
	2,529	2,529
Other Government grants		
Local Authority Grants	2,700	2,700
	2,700	2,700
Other income from the Academy Trust's educational operations	8	8
Total 2022	5,237	5,237

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Funding for the Academy Trust's educational operations (continued)

	Restricted funds 2021 £000	Total funds 2021 £000
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	2,364	2,364
Other DfE/ESFA grants;		
Pupil Premium	76	76
Teachers' Pay and Pension Grant	91	91
UFSM	11	11
Other	19	19
	<u>2,561</u>	<u>2,561</u>
Other Government grants		
Local Authority Grants	2,326	2,326
	<u>2,326</u>	<u>2,326</u>
Other income from the Academy Trust's educational operations	7	7
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	57	57
Other DfE/ESFA COVID-19 funding	28	28
	<u>85</u>	<u>85</u>
Total 2021	<u><u>4,979</u></u>	<u><u>4,979</u></u>

The Academy Trust received £Nil (2021: £57k) of funding for Catch-up Premium and costs incurred in respect of this funding totalled £Nil (2021: £57k).

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure on raising funds

	Unrestricted funds 2022 £000	Total funds 2022 £000
Catering staff gross	6	6
Catering national insurance	2	2
Catering pension costs	10	10
Total 2022	18	18

	Unrestricted funds 2021 £000	Total funds 2021 £000
Catering staff gross	4	4
Catering staff national insurance	2	2
Catering staff pensions	9	9
Total 2021	15	15

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Educational Operations	5,124	1,114	6,238

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational Operations	4,449	903	5,352

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £000	As restated total funds 2021 *
		£000
Direct staff costs	4,868	4,205
Direct depreciation	200	207
Examination fees	1	1
School trips and visits	7	-
Other direct costs	26	23
Direct learning resources	22	13
	5,124	4,449

Analysis of support costs

	Total funds 2022 £000	As restated total funds 2021 *
		£000
Pension finance cost (note 14)	122	88
Support staff costs	494	369
Support technology costs	24	11
Support premises costs	259	223
Other support costs	215	212
	1,114	903

*Following the reclassification in the Academies Accounts Direction 2021/2022 of expenses, the groupings of expenses in respect of direct and support costs have changed. The prior year numbers have been reclassified.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000
Expenditure on raising funds:				
Direct costs	18	-	-	18
Academy Trust's educational operations:				
Direct costs	4,868	141	115	5,124
Allocated support costs	616	259	239	1,114
Total 2022	5,502	400	354	6,256

	Staff Costs 2021 £000	As Restated Premises 2021 * £000	As Restated Other 2021 * £000	Total 2021 £000
Expenditure on raising funds:				
Direct costs	4	-	11	15
Academy Trust's educational operations:				
Direct costs	4,205	141	103	4,449
Allocated support costs	469	223	211	903
Total 2021	4,678	364	325	5,367

*Following the reclassification in the Academies Accounts Direction 2021/2022 of expenses, the groupings of expenses in respect of premises and other costs have changed. The prior year numbers have been reclassified.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Net income/(expenditure)

Net expenditure for the year includes:

	2022 £000	2021 £000
Operating lease rentals	1	2
Depreciation of tangible fixed assets	200	207
Fees paid to auditors for:		
- audit	12	12
- other services	4	6
	<u>217</u>	<u>227</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	3,466	3,152
Social security costs	254	227
Pension costs	1,657	1,206
	<u>5,377</u>	<u>4,585</u>
Staff restructuring costs	3	5
Pension finance cost (note 14)	122	88
	<u>5,502</u>	<u>4,678</u>

Staff restructuring costs comprise:

	2022 £000	2021 £000
Severance payments	3	5
	<u>3</u>	<u>5</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

b. Severance payments

The Academy Trust paid 1 severance payments in the year (2021: 1), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	1	1

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £3,313 (2021: £4,818). Individually, the payment was £3,313 (2021: £4,818).

d. Staff numbers

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

	2022 No.	2021 No.
Teaching	27	27
Administration and support	175	163
Management	6	6
	208	196

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1

The above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2022, pension contributions for these members of staff amounted to £34,858 (2021: £50,249).

f. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £488,213 (2021: £515,846).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£000	£000
Chris White, Headteacher	Remuneration	75 - 80	75 - 80
	Pension contributions paid	15 - 20	15 - 20
Sophie Thompson, Staff Trustee (Resigned 30 August 2022)	Remuneration	10 - 15	15 - 20
	Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2022, no Trustees were reimbursed or paid directly for expenses they have incurred (2022: £NIL).

Other related party transactions involving the Trustees are set out in note 27.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £14 (2021: £13). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	2022	2021
	£000	£000
Expected return on pension scheme assets	125	98
Interest on pension scheme liabilities	(247)	(186)
	(122)	(88)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets

	Leasehold land and property £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2021	7,436	419	34	137	183	8,209
Additions	-	49	-	13	8	70
At 31 August 2022	7,436	468	34	150	191	8,279
Depreciation						
At 1 September 2021	738	163	29	107	179	1,216
Charge for the year	141	44	3	10	2	200
At 31 August 2022	879	207	32	117	181	1,416
Net book value						
At 31 August 2022	6,557	261	2	33	10	6,863
At 31 August 2021	6,698	256	5	30	4	6,993

The Academy Trust constructed buildings are situated on land owned by Leicestershire County Council, but partially situated on land owned by Wigston College. There is currently a dispute between Wigston College and the Local Authority over boundary fencing, and the legal transfer of the land to Birkett House School has not yet taken place. However, it was always the intention of the Local Authority that the land should be transferred to Birkett House School, and the buildings were constructed on that land under that plan. This land, at a value of £366,750, and buildings, at a value of £5,253,950, has therefore been included in the land and buildings as an asset of the Academy Trust, as the Academy Trust has control over the asset and it remains the intention for the land to be legally transferred on a long term lease once the dispute is resolved.

Included within cost of leasehold land and property is land valued at £366,750 (2021: £366,750), on 31 August 2017, using the depreciated replacement cost valuation method, by Sally Turner MRICS of Leicestershire County Council. The freehold of this land and buildings is owned by Leicestershire County Council and the Academy holds a 125 year lease on a peppercorn rent from 2017.

Included within cost of leasehold land and property is land valued at £49,691 (2021: £49,691), on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method. The freehold of this land and buildings is owned by Leicestershire County Council and the Academy Trust holds a 125 year lease on a peppercorn rent from 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2022 £000	2021 £000
VAT recoverable	12	11
Prepayments and accrued income	20	26
	<u>32</u>	<u>37</u>

17. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Other taxation and social security	47	50
Other creditors	81	80
Accruals and deferred income	974	21
	<u>1,102</u>	<u>151</u>
	2022 £000	2021 £000
Deferred income at 1 September 2021	7	174
Resources deferred during the year	843	7
Amounts released from previous periods	(7)	(174)
Deferred income at 31 August 2022	<u>843</u>	<u>7</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals and High Needs Top Up Funding for the 2022/2023 Academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	404	36	(18)	-	-	422
	<u>404</u>	<u>36</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>422</u>
Restricted general funds						
General Annual Grant (GAG)	712	2,362	(2,217)	(21)	-	836
Pupil Premium	-	82	(62)	-	-	20
UIFSM	-	14	(14)	-	-	-
Other DfE/ESFA grants	-	71	(44)	-	-	27
Local Authority grants	-	2,700	(2,700)	-	-	-
Other income	-	7	(7)	-	-	-
Donations	-	3	(3)	-	-	-
Pension reserve	(6,988)	-	(991)	-	7,668	(311)
	<u>(6,276)</u>	<u>5,239</u>	<u>(6,038)</u>	<u>(21)</u>	<u>7,668</u>	<u>572</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
Net book value of fixed assets	6,993	-	(200)	70	-	6,863
Capital grants (DFC)	-	16	-	(16)	-	-
Capital grants (Littlehill refurbishment LCC grant)	-	33	-	(33)	-	-
	<u>6,993</u>	<u>49</u>	<u>(200)</u>	<u>21</u>	<u>-</u>	<u>6,863</u>
Total Restricted funds	<u>717</u>	<u>5,288</u>	<u>(6,238)</u>	<u>-</u>	<u>7,668</u>	<u>7,435</u>
	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	£000	Balance at 31 August 2022 £000
Total funds	<u>1,121</u>	<u>5,324</u>	<u>(6,256)</u>	<u>-</u>	<u>7,668</u>	<u>7,857</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency (ESFA) for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. Transfers of £21,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA Grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Government grants

These are funds and grants received from the local authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit but given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

Restricted fixed asset fund

The restricted fixed asset fund was funded predominantly by the funds transferred to the Academy Trust from the Local Authority following the issuing of the right to occupy the main school site. It includes further amounts invested in property improvements, furniture and equipment, plant and machinery, computer equipment and motor vehicles. Also included in the funds is depreciation charged on fixed assets held. Transfers of £21,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets.

Capital grants

This consists of Devolved Formula Capital (DfC) from the Education and Skills Funding Agency. The DfC is to be used for ICT items, improvements to the buildings and other facilities, capital repairs and refurbishments and minor works.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	391	28	(15)	-	-	404
	<u>391</u>	<u>28</u>	<u>(15)</u>	<u>-</u>	<u>-</u>	<u>404</u>
Restricted general funds						
General Annual Grant (GAG)	333	2,364	(1,952)	(33)	-	712
Pupil Premium	-	76	(76)	-	-	-
Teachers' Pay and Pension Grant	-	91	(91)	-	-	-
UIFSM	-	11	(11)	-	-	-
Other DfE/ESFA grants	-	19	(19)	-	-	-
Local Authority grants	-	2,326	(2,326)	-	-	-
Other income	-	7	(7)	-	-	-
Catch-up Premium	-	57	(57)	-	-	-
Other DfE/ESFA COVID-19 funding	-	28	(28)	-	-	-
Pension reserve	(4,949)	-	(578)	-	(1,461)	(6,988)
	<u>(4,616)</u>	<u>4,979</u>	<u>(5,145)</u>	<u>(33)</u>	<u>(1,461)</u>	<u>(6,276)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Restricted fixed asset funds						
Net book value of fixed assets	7,152	-	(207)	48	-	6,993
Capital grants (DFC)	-	15	-	(15)	-	-
	<u>7,152</u>	<u>15</u>	<u>(207)</u>	<u>33</u>	<u>-</u>	<u>6,993</u>
Total Restricted funds	<u>2,536</u>	<u>4,994</u>	<u>(5,352)</u>	<u>-</u>	<u>(1,461)</u>	<u>717</u>
Total funds	<u>2,927</u>	<u>5,022</u>	<u>(5,367)</u>	<u>-</u>	<u>(1,461)</u>	<u>1,121</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	6,863	6,863
Current assets	563	1,844	-	2,407
Current liabilities	(141)	(961)	-	(1,102)
Pension scheme liability	-	(311)	-	(311)
Total 2022	<u>422</u>	<u>572</u>	<u>6,863</u>	<u>7,857</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	6,993	6,993
Current assets	404	863	-	1,267
Current liabilities	-	(151)	-	(151)
Pension scheme liability	-	(6,988)	-	(6,988)
Total 2021	404	(6,276)	6,993	1,121

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

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(932)	(345)
Adjustments for:		
Depreciation (note 15)	200	207
Capital grants from DfE and other capital income (note 3)	(49)	(15)
Defined benefit pension scheme cost less contributions payable (note 24)	869	490
Defined benefit pension scheme finance cost (note 14)	122	88
Decrease in debtors (note 16)	5	2
Increase/(decrease) in creditors (note 17)	951	(155)
Net cash provided by operating activities	1,166	272

21. Cash flows from investing activities

	2022 £000	2021 £000
Purchase of tangible fixed assets (note 15)	(70)	(48)
Capital grants from DfE Group (note 3)	49	15
Net cash used in investing activities	(21)	(33)

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22. Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand	2,375	1,230
Total cash and cash equivalents	2,375	1,230

23. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	1,230	1,145	2,375
	1,230	1,145	2,375

24. Capital commitments

	2022	2021
	£000	£000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	93	-

25. Pension commitments

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

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

Contributions amounting to £80,600 were payable to the schemes at 31 August 2022 (2021: £80,217) and are included within creditors.

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25. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 £269,000 (2021: £253,000).

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

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £606,000 (2021: £577,000), of which employer's contributions totalled £484,000 (2021: £462,000) and employees' contributions totalled £122,000 (2021: £115,000). The agreed contribution rates for future years are 23.1% for employers and 5.5% - 12.5% for employees. The updated future rates are expected imminently following the completion of the Triennial review.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.55	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90
Commutation of pensions to lump sums (Pre-April 2008)	50.00	50.00
Commutation of pensions to lump sums (Post-April 2008)	75.00	75.00

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

	2022	2021
	Years	Years
Retiring today		
Males	21.5	21.7
Females	24.0	24.2
Retiring in 20 years		
Males	22.4	22.6
Females	25.7	25.9

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25. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(219)	(393)
Discount rate -0.1%	219	393
Mortality assumption - 1 year increase	325	572
Mortality assumption - 1 year decrease	(325)	(572)
CPI rate +0.1%	197	347
CPI rate -0.1%	(197)	(347)

Share of scheme assets

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

	2022	2021
	£000	£000
Equities	4,772	4,236
Bonds	2,190	2,118
Property	704	511
Cash	157	438
Total market value of assets	7,823	7,303

The actual return on scheme assets was £125,000 (2021: £1,267,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	2021
	£000	£000
Current service cost	(1,353)	(952)
Interest income	125	98
Interest cost	(247)	(186)
Total amount recognised in the Statement of Financial Activities	(1,475)	(1,040)

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25. Pension commitments (continued)

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

	2022	2021
	£000	£000
At 1 September	14,291	10,474
Current service cost	1,353	952
Interest cost	247	186
Employee contributions	122	115
Actuarial (gains)/losses	(7,804)	2,630
Benefits paid	(75)	(66)
At 31 August	8,134	14,291

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

	2022	2021
	£000	£000
At 1 September	7,303	5,525
Interest income	125	98
Actuarial (losses)/gains	(136)	1,169
Employer contributions	484	462
Employee contributions	122	115
Benefits paid	(75)	(66)
At 31 August	7,823	7,303

The Academy Trust expects to contribute £499,000 to its defined benefit pension scheme in 2023.

26. Operating lease commitments

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

	2022	2021
	£000	£000
Within 1 year	1	1
Between 1 and 5 years	-	1
	1	2

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27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year ended 31 August 2022, other than certain Trustees' remuneration and expenses already disclosed in note 12.

28. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

29. 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.

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2022 the Academy Trust received £2,146 (2021: £3,218) and disbursed £165 (2021: £3,218) from the fund.

