

BIRKETT HOUSE SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2023

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

Company Secretary

Chris White

Senior Management Team

| | |
|------------------------|----------------|
| Head Teacher | Chris White |
| Deputy Head Teacher | Cath Brooks |
| Deputy Head Teacher | Jenny Barker |
| Assistant Head Teacher | Alex Higginson |
| Assistant Head Teacher | Kiona Tapley |
| Business Manager | Gaynor Hall |
| Family Support Worker | Karl Baker |

Company Name

Birkett House School

Principal and Registered Office

Birkett House School
Station Road,
Wigston
Leicestershire
LE18 2DT

Company Registration Number

08231964 (England & Wales)

Independent Auditor

MHA
Building 4
Foundation Park
Roxborough Way
Maidenhead
SL6 3UD

Bankers

National Westminster Bank Plc
5 The Parade
Oadby
LEICS
LE2 5BB

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

Solicitors

John Walker
Solicitor & Mediator
14 Forsells End
Houghton on the Hill
Leicestershire
LE7 9HQ

Birkett House School
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TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Charitable Company for the year 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report and Strategic 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 201 (Net Capacity Survey June 2023) and had a roll of 244 in the School census on January 2023.

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 to 3.

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 £14.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed 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.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 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.

The Chair of Trustees provides new Trustees with the latest Trustee training and development programmes. The new Trustee is provided with 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.

Board Effectiveness

In January 2023 the Board of Trustees carried out a self-evaluation of its effectiveness. There were a number of areas which the Board considered it did well. These included:

- a diverse make up of the Board, which used the wide range of backgrounds to support the School in all of its functions. Recent appointments have made this stronger;
- effective Trustee monitoring which has been strengthened since lockdown; and
- detailed operational information on which effective decision making is made.

Other areas were highlighted as required attention. These included:

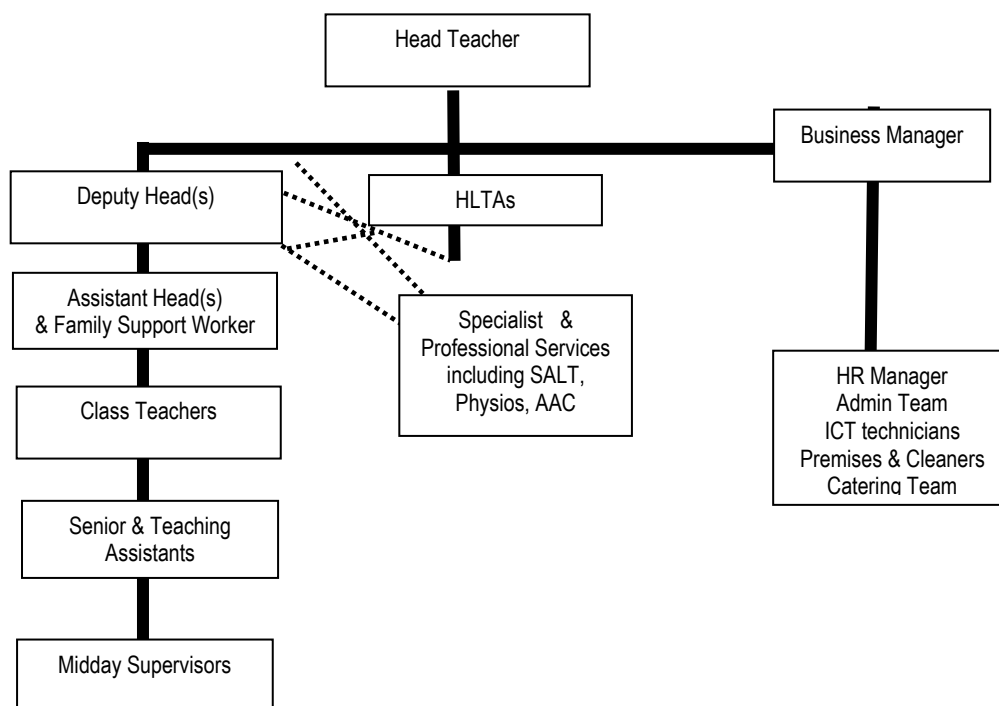
- relationships with parents and the wider community;
- establishing further governor presence at school after lockdown; and
- ensuring the new School Development Plan is effectively monitored and has Trustee input.

An action has been developed to address these issues and is currently being implemented.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Organisational Structure



Working closely with the Head Teacher the Board of Trustees is responsible for approving the Trusts 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 Pay Committee which is a subset of the Audit & Risk 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 |
|----------------------------------------------------------------------------------|--------------------------------------|
|----------------------------------------------------------------------------------|--------------------------------------|

1

152

A Member of support staff completed Union Rep training on behalf of the School – five paid days. No School time or funds were spent during the year on trade union facilities time.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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 always set a good example to pupils and other. 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

Through positive experiences:

- we will develop as fully as possible our abilities and interests and be proud of ourselves and our achievements;
- we will work in partnership preparing for life in and beyond School where we are able to contribute to our own futures and take our place in society;
- we will develop the skills we will need for a successful future;
- we will respect ourselves and others in an environment where we are confident, secure and happy; and
- we will develop the skills we need to meet real-life challenges.

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.

In order to drive standards via clearly set and costed objectives the School Improvement Plan (SIP) was rewritten to align with local, regional and national priorities for 2023 – 26. Working with colleagues Trustees Workstream accountability is distributed across the leadership with the Head Teacher and Chair of Trustees having ultimate oversight. The Workstreams are:

- the delivery of collaborative approach to ensure a constant and sustainable delivery of School improvement; and
- we will ensure our curriculum offer is consistently improving in order to meet the needs of our diverse population of learners.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

We will review our educational offer in line with the changing profile of our learners enacting evidence led change. 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 previous reporting year Ofsted inspected the School and the judgement was good. Over the last reporting year the School has worked towards addressing the key areas of improvement that were identified in 2022.

Key Performance Indicators

Ofsted Inspection Outcomes are being worked towards via the School improvement plan and monitored via the Quality Committee. The Academy Trust's Ofsted rating remains as 'Good'.

The Academy Trust remains popular and oversubscribed within the local community and across Leicestershire. Net capacity assessment, June 2023, indicates available space for pupils as 201 with the school having 242 pupils on roll.

The Academy Trust has a waiting list for places managed by the Local Authority. Pupil attendance is 87% in line with the special School average of 86.5%. Unauthorised absence is 1.7% which is significantly below the special School average of 3.3%.

Qualification and pupil performance data for the year is reflected in section 'Achievements and Performance', below.

The Academy Trust continues to deliver a balanced financial position.

Other performance measures are identified as part of the School improvement plan, which is regularly reviewed at Full Board of Trustees meetings and by the Committees.

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TRUSTEES REPORT (continued)
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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. Students were baselined on a system that matches our curriculum. This enables us to better see progress across subject areas and also track more effectively, the progress of our most complex learners;
- Education and Health Care Plan Outcomes are addressed through Individual Education Plans and the focus on holistic learning is embedded. We have now also revised our recording and reporting software to ensure IEP outcomes can be tracked over time across a students entire journey through School;
- 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;
- the curriculum has been rewritten considering a clear philosophy and long-term maps that better demonstrate expected progression; and
- the maths curriculum has been re-written to ensure clear learning objectives and progress points over time.

Teaching promotes outstanding learning for pupils

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

Feedback from lesson observations also evidences that over time learning has increased as per feedback from lesson observation– a move forward from earlier observations when being teaching was outstanding – not learning:

- 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 heads;
- 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.

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TRUSTEES REPORT (continued)
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To promote good behaviour and attendance

The School considers that the impact of 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. Refresher training is now routinely offered;
- EDR trainers are in School and networked with colleagues for moderation;
- 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.

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;
- to formalise succession planning through a planned programme of middle leaders' development and whole School staff restructure; and
- the employment of a Family Support Worker / DSL as a member of the Leadership Team has taken much of the burden of safeguarding management away from other members of the SLT. This has allowed SLT to focus on educational outcomes and the quality of education.

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; and
- Electronic survey system which allows for greater analysis and faster distribution is in place.

Public Benefit

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

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and Performance

Analysis of results 2022/2023 based on comparisons V expectations. The School uses a system called Solar which records data effectively for those students in Key Stages 1,2,3 & 4.

| Subject | Below Expected (%) | Expected (%) | Above Expected (%) |
|--------------------|---------------------------|---------------------|---------------------------|
| Art | 13 | 31 | 56 |
| Computing | 14 | 34 | 52 |
| D&T | 17 | 33 | 50 |
| Geography | 17 | 33 | 50 |
| History | 17 | 35 | 48 |
| Literacy / Comm | 10 | 25 | 65 |
| Literacy / Reading | 11 | 35 | 54 |
| Literacy / Writing | 13 | 28 | 59 |
| Music | 25 | 29 | 46 |
| Maths / Number | 9 | 23 | 68 |
| Maths / Shape | 8 | 19 | 63 |
| Maths / U&A | 20 | 21 | 59 |
| PE | 14 | 19 | 67 |
| RE | 11 | 24 | 65 |
| Science / Bio | 26 | 25 | 49 |
| Science / Chem | 27 | 35 | 38 |
| Science / Enquiry | 13 | 25 | 62 |
| Science / Physics | 15 | 37 | 48 |
| PSHCE | 24 | 38 | 38 |

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Pupils, on entry to the school, are assigned a curriculum pathway depending on their prior attainment and working levels. The pathways are defined as Blue - for our more complex learners, Green - for young people with severe learning needs and Yellow - our most able who may work towards learning at one of our mainstream sites. As a general statement for most students (80%) reach their expected levels or above. The new BH steps assessment tool reflects better our curriculum for the yellow and green pathway students. Students on the Blue Pathway have their progress mapped and demonstrated in a more holistic way using a balance between IEP outcomes and core key skills that umbrella across all curriculum areas. The baseline for target setting was completed at the start of Autumn 2022 term, which could have led to under assessment which has over the year become accelerated progress.

- 100% of pupils made some progress;
- comparisons of progress for those pupils in receipt of pupil premium shows there is very little difference in attainment and where the difference is negative it is attributed to a lack of broader experience rather than subject specific learning;
- 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;
- in our off-site provisions at Little Hill, Thistly Meadow and Thomas Estley students make most Academic progress potentially due to more specialist teaching approaches and environments;
- 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. These have included the following achievements.

Key Stage 4 – Year 11 Qualifications (Entry Level 1, 2 & 3)

| | <u>English</u> <u>E2</u> | <u>English E3/2</u> | <u>Maths</u> <u>E2</u> | <u>Humanities</u> <u>E2</u> | <u>Science</u> <u>E2</u> | <u>ICT</u> <u>E2</u> |
|--------------------|-----------------------------|---------------------|---------------------------|--------------------------------|-----------------------------|-------------------------|
| Number of students | 7 | 3 | 10 | 10 | 10 | 10 |

| <u>Student</u> | <u>Developing Communication</u> | <u>Maths</u> | <u>Being Healthy</u> | <u>Developing ICT</u> |
|----------------|---------------------------------|--------------|----------------------|-----------------------|
| 1 student | E1 | E1 | E1 | E1 |

Key Stage 5 Qualifications

| <u>Number of Students</u> | <u>English</u> | <u>Maths</u> | <u>PSD</u> | <u>Healthy Living</u> | <u>Independent Living</u> |
|---------------------------|----------------|--------------|------------|-----------------------|---------------------------|
| 4 | E2 | E2 | E2 | E2 | E2 |

| <u>Number of Students</u> | <u>Developing Communication</u> | <u>Maths</u> | <u>Being Healthy</u> | <u>Health and Safety</u> |
|---------------------------|---------------------------------|--------------|----------------------|--------------------------|
| 2 | E1 | E1 | E1 | E1 |

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

All except one of 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Birkett House School has now completed six years on their new site. Throughout the School year we lost several personnel 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 Audit & Risk Committee review the Schools risk register on a termly basis which allows better planning and resourcing.

Additional funds from the DfE for Free School Meal during holiday periods has remained in place. Due to the number of tablets/notebooks provided by the government during the pandemic period, the School was able to ensure students at key stages 3, 4 & 5 had personal use of a unit whilst in School but this level of investment will not continue in the future.

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. The School also ensured the new Family Support Worker received external supervision from Esteem MAT to review & share best practice and manage any stress or anxiety conditions that could be associated with the job. The School continued to buy in an external School Improvement Partner to ensure seniors leaders remained focused on School improvement.

Reserves Policy

At 31 August 2023 the total funds comprised:

| | |
|-------------------------------|-------------------|
| Unrestricted | £464,000 |
| Restricted: Fixed asset funds | £6,764,000 |
| GAG | <u>£821,000</u> |
| | <u>£8,049,000</u> |

A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. 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.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

Investment Policy

The Trusts Board has 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 Audit & Risk committee considers the reserves/investment policy each Autumn term. With the increases to bank interest it is worth exploring low risk investments the School can carry out with its reserves account. Discussion with the Schools bank offered a number of options Trustees can look into to secure some income to the School during the following twelve months.

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, 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.

Consideration of those risks impacting on trustees' responsibilities to ensure the trust's estate is safe, well maintained and complies with relevant regulations.

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 with proposed 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 Audit & Risk Committee three time 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, etc. All contributions are given on a purely voluntary basis with no minimum amount being set or expected.

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TRUSTEES REPORT (continued)
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During the year ending 31 August 2023 the School actively took part in the following fundraising events:

National Charity Events

| | |
|------------------------------------------------|-----------|
| - Mellow Yellow Young Minds, Mental Health Day | - £84.31 |
| - Place to be | - £47.20 |
| - Children in Need | - £232.40 |
| - Comic Relief | - £125.25 |
| - Alzheimer's Society | - £49.81 |

We did remain mindful that running charity events in a time of high living costs can be difficult for some families and therefore we were careful to ensure, more than ever, that these were purely voluntary events.

As an Academy Trust we do not use professional fundraisers or any commercial participators to fundraise on our behalf. However the school does receive donations of resources purchased by Friends of Birkett House (FOBH) a parent / carer group.

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

In the short to medium term plans for the Academy Trust's future are identified through the School improvement plan which includes clear objectives and potential financial costs. This is regularly reviewed by the Board of Trustees. Long term future developments for the Academy Trust would be considered in consultation with the Local Authority to look at increased capacity at a local or regional level.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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TRUSTEES REPORT (continued)
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AUDITOR

Following a rebranding exercise on 15 May 2023 the trading name of the Academy Trust's independent Auditor changed from MHA MacIntyre Hudson to MHA.

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 **19 December**.....2023 and signed on the Board's behalf by:

.....
Tim Pearce
Chair of Trustees

Date: **19 December**.....2023

**Birkett House School
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Board of Trustees and their associated committees. These were all provided as virtual meetings using Microsoft Teams and attendance was good.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

| No | Trustee | | Full Govs | Quality | Audit & Risk | Meetings attended | Total Possible |
|-----------|--------------------------|-----------------------------------------------------------------------------|----------------------|----------------|---------------------------------|------------------------------|---------------------------|
| 1 | Tim Pearce | Chair & Chair of Audit & Risk (formerly resources committee) | 4 | 4 | 4 | 12 | 12 |
| 2 | Chris White | Head Teacher & Accounting Officer | 4 | 4 | 4 | 12 | 12 |
| 3 | Linda Bickley | Vice Chair & Chair of Quality Committee | 3 | 4 | | 7 | 8 |
| 4 | Kath Starmer | Vice Chair. Attends both sub committees | 2 | 4 | 2 | 8 | 12 |
| 5 | James Royley | Audit & Risk | 1 | | 1 | 2 | 6 |
| 6 | David Ruffett | Audit & Risk | 2 | | 2 | 4 | 4 |
| 7 | Hannah Lockett- Bates | Quality | 2 | | | | 8 |
| 8 | Maureen Lambert | Quality | 1 | 4 | | | 6 |
| 9 | Alex Higginson | Audit & Risk | 3 | | 3 | 6 | 6 |
| 10 | Emily Robertshaw | Quality | 2 | 2 | | | 4 |
| 11 | Elaine Hackett | Audit & Risk | 2 | | 1 | 3 | 6 |
| 12 | Ume Ahmed | Quality | 2 | 2 | | 4 | 8 |
| 13 | Kate Kopaczal | Audit & Risk | 2 | | 3 | 5 | 6 |
| 14 | Richard Copson | Audit & Risk | 1 | | | 1 | 1 |

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

- The Chair of Trustees is Tim Pearce, Quality committee is chaired by Linda Bickley, Audit & Risk Committee is chaired by Tim Pearce;
- Four Trustees left during the academic year and School enrolled four newcomers;
- The Audit & Risk 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;
- the whole years committee dates were shared with the Trustees via email; and
- the Board carries out governor visits during the School year which provide auditable.

Conflicts of interest

There is currently no evidence on SLT or Trustee pecuniary interest forms that require action in relation to conflict of interest.

Meetings

The Full Board of Trustees and its two sub committees meet four times per year. Meetings are scheduled in a timely fashion in order that sub committee minutes are shared with the Full Board to ensure information is well disseminated. Monthly management reports are shared with the full Board so Trustees have regular updates on the financial position in the School.

Governance reviews:

The School has an internal audit annually that looks at all and any aspects of School life. This is provided as a complete management report for Trustees and recommendations of best practice are provided in the conclusions.

REVIEW OF VALUE FOR MONEY

As the Accounting Officer the Head Teacher 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 as well as estates safety and management achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trusts 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 continued to be 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.
-

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 financial year and up to the date of approval of the Annual Report and financial statements. A live risk list is presented to the Audit & Risk Committee for interrogation at every meeting.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has decided:

- to buy-in an internal audit service from Ian Wood, a former School Business Manager with Forest Way Special School with a back ground in banking audit and extensive knowledge of how the budget works in a special School.

Further to this, Trustees have a comprehensive list of monitoring carried out across they year covering a wide variety of aspects to the School year.

**Birkett House School
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

The internal reviewers role includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems. In particular, the checks carried out in the current period included:

- reviewing the risk register;
- annual programme of internal scrutiny & audit;
- looking at internal controls, funding agreement and Articles of Association; and
- ensuring methods are in line with AFH requirements.

The Academy Trusts 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 Audit & Risk 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and this financial year carried out the following monitoring reports:

- monitoring ESFA grants spend in PE & Pupil Premium;
- safeguarding;
- medication Practice/Procedures;
- Behaviour Watch (software);
- behaviour monitoring;
- Governor report on SMT;
- OCR Life & Living;
- Phonics Tracker;
- yellow pathway learning opportunities; and
- careers curriculum.

Birkett House School
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

Approved by order of the members of the Board of Trustees on 19 December.....2023 and signed on its behalf by:

.....
Tim 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 2023**

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 all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2022, including responsibilities for estates safety and management.

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

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

Matter one - Cybercrime

During the year, the Academy Trust failed to consistently comply with Section 6.16 of the Academies Trust Handbook in following the controls that had been put in place to counter the risk of cybercrime, in respect of change of bank details and bank payments to suppliers. The Academy Trust made three payments (to two contractors) to incorrect supplier bank accounts, following requests for changes to bank account details. These payments totalled £33,348, of which £23,065 has currently been recovered. The finance team had failed to follow the controls in place to verbally confirm bank details and supplier account details prior to any changes to payees. All changes to supplier details are now confirmed via telephone call.

Matter two – Fraud and theft

During the year, the Academy Trust failed to comply with Section 6.12 of the Academies Trust Handbook in notifying ESFA, as soon as possible, of instances of fraud in the financial year. The Academy Trust notified the ESFA of the matter detailed above 6 weeks after the fraudulent transactions were discovered.

Chris White

Accounting Officer

19/12/2023

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make 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:

.....
Tim Pearce
Chair of Trustees

Date: 19 December 2023

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 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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 Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (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 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 Statement of Trustees' Responsibilities set out on page 24, 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.

Bianca Silva BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA

Maidenhead, United Kingdom

Date: 20 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

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 dated 26 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birkett House School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter one - Cybercrime

During the year, the Academy Trust failed to consistently comply with Section 6.16 of the Academies Trust Handbook in following the controls that had been put in place to counter the risk of cybercrime, in respect of change of bank details and bank payments to suppliers. The Academy Trust made three payments (to two contractors) to incorrect supplier bank accounts, following requests for changes to bank account details. These payments totalled £33,348, of which £23,065 has currently been recovered. The finance team had failed to follow the controls in place to verbally confirm bank details and supplier account details prior to any changes to payees. All changes to supplier details are now confirmed via telephone call.

Matter two - Fraud and theft

During the year, the Academy Trust failed to comply with Section 6.12 of the Academies Trust Handbook in notifying ESFA, as soon as possible, of instances of fraud in the financial year. The Academy Trust notified the ESFA of the matter detailed above 6 weeks after the fraudulent transactions were discovered.

Reporting Accountant

MHA

Maidenhead, United Kingdom

Date: 20 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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

| | | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|----------------------------------------------------|------|---------------------------------------|-------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------|
| | Note | | | | | |
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | - | 47 | 47 | 52 |
| Other trading activities | 4 | 38 | 1 | - | 39 | 34 |
| Investments | 5 | 21 | - | - | 21 | 1 |
| Charitable activities: | | | | | | |
| Academy Trust educational operations | 6 | - | 5,481 | - | 5,481 | 5,237 |
| Total income | | 59 | 5,482 | 47 | 5,588 | 5,324 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 17 | - | - | 17 | 18 |
| Charitable activities: | | | | | | |
| Academy Trust educational operations | 8 | - | 5,579 | 202 | 5,781 | 6,238 |
| Total expenditure | | 17 | 5,579 | 202 | 5,798 | 6,256 |
| Net income/ (expenditure) | | 42 | (97) | (155) | (210) | (932) |
| Transfers between funds | 18 | - | (56) | 56 | - | - |
| Other recognised gains: | | | | | | |
| Actuarial gains on defined benefit pension schemes | 25 | - | 402 | - | 402 | 7,668 |
| Net movement in funds | | 42 | 249 | (99) | 192 | 6,736 |

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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

| | | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 | Total funds 2022 £000 |
|------------------------------------|-------------|-------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------|------------------------------------------|------------------------------------------|
| | Note | | | | | |
| Reconciliation of funds: | | | | | | |
| | 18 | | | | | |
| Total funds brought forward | | 422 | 572 | 6,863 | 7,857 | 1,121 |
| Net movement in funds | | 42 | 249 | (99) | 192 | 6,736 |
| Total funds carried forward | | 464 | 821 | 6,764 | 8,049 | 7,857 |

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

The notes on pages 36 to 64 form part of these financial statements.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8231964

BALANCE SHEET
AS AT 31 AUGUST 2023

| | Note | 2023 £000 | 2022 £000 |
|------------------------------------------------|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 6,764 | 6,863 |
| | | <u>6,764</u> | <u>6,863</u> |
| Current assets | | | |
| Debtors | 16 | 32 | 32 |
| Cash at bank and in hand | 22 | 2,447 | 2,375 |
| | | <u>2,479</u> | <u>2,407</u> |
| Creditors: amounts falling due within one year | 17 | (1,194) | (1,102) |
| Net current assets | | <u>1,285</u> | <u>1,305</u> |
| Net assets excluding pension liability | | <u>8,049</u> | <u>8,168</u> |
| Defined benefit pension scheme liability | 25 | - | (311) |
| Total net assets | | <u><u>8,049</u></u> | <u><u>7,857</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 6,764 | 6,863 |
| Restricted income funds | 18 | 821 | 883 |
| | | <u>7,585</u> | <u>7,746</u> |
| Restricted funds excluding pension asset | 18 | 7,585 | 7,746 |
| Pension reserve | 18 | - | (311) |
| Total restricted funds | 18 | <u>7,585</u> | <u>7,435</u> |
| Unrestricted income funds | 18 | 464 | 422 |
| Total funds | | <u><u>8,049</u></u> | <u><u>7,857</u></u> |

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8231964

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 31 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Tim Pearce
Chair of Trustees

.....
Chris White
Accounting Officer

Date: 19/12/23

The notes on pages 36 to 64 form part of these financial statements.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | 2023 £000 | 2022 £000 |
|---------------------------------------------------------|-------------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 107 | 1,165 |
| Cash flows from investing activities | 21 | (35) | (20) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 72 | 1,145 |
| Cash and cash equivalents at the beginning of the year | 22 | 2,375 | 1,230 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 22 | 2,447 | 2,375 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 36 to 64 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 2023

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 2022 to 2023 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 2. 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.

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.

BIRKETT HOUSE SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

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.

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

| | |
|-------------------------|----------------------------------------|
| 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.

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.

BIRKETT HOUSE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

1. Accounting policies (continued)

1.10 Pensions (continued)

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.

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 2023

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

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 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 |
|----------------|-------------------------------------------------|---------------------------------------------------------------|------------------------------------------|
| Capital grants | - | 47 | 47 |

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

3. Donations and capital grants (continued)

| | 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 |

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

4. Other trading activities

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Total funds 2023 £000 |
|-------------------|---------------------------------------|-------------------------------------|--------------------------------|
| Lettings | 10 | - | 10 |
| Other income | 11 | 1 | 12 |
| Catering income | 17 | - | 17 |
| Total 2023 | 38 | 1 | 39 |

| | 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 | 32 | 2 | 34 |

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

5. Investment income

| | Unrestricted funds 2023 £000 | Total funds 2023 £000 |
|-------------------|-------------------------------------------------|------------------------------------------|
| Investment income | 21 | 21 |

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

6. Funding for the Academy Trust's charitable activities

| | Restricted funds 2023 £000 | Total funds 2023 £000 |
|---------------------------------------------------------------------|-----------------------------------------------|------------------------------------------|
| Educational Operations | | |
| DfE/ESFA grants | | |
| General Annual Grant (GAG) | 2,473 | 2,473 |
| Other DfE/ESFA grants | | |
| Pupil Premium | 91 | 91 |
| UIFSM | 19 | 19 |
| Other | 136 | 136 |
| | 2,719 | 2,719 |
| Other Government grants | | |
| Local Authority Grants | 2,751 | 2,751 |
| | 2,751 | 2,751 |
| Other income from the Academy Trust's educational operations | 11 | 11 |
| Total 2023 | 5,481 | 5,481 |

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

6. Funding for the Academy Trust's charitable activities (continued)

| | 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 |
| | <u>2,529</u> | <u>2,529</u> |
| Other Government grants | | |
| Local Authority Grants | 2,700 | 2,700 |
| | <u>2,700</u> | <u>2,700</u> |
| Other income from the Academy Trust's educational operations | 8 | 8 |
| | <u>8</u> | <u>8</u> |
| Total 2022 | <u><u>5,237</u></u> | <u><u>5,237</u></u> |

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

7. Expenditure on raising funds

| | Unrestricted funds 2023 £000 | Total funds 2023 £000 |
|-----------------------------|---------------------------------------|--------------------------------|
| Catering staff wages | 5 | 5 |
| Catering national insurance | 2 | 2 |
| Catering pension costs | 10 | 10 |
| | <u>17</u> | <u>17</u> |
| Total 2023 | <u><u>17</u></u> | <u><u>17</u></u> |

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

7. Expenditure on raising funds (continued)

| | Unrestricted funds 2022 £000 | Total funds 2022 £000 |
|-----------------------------|---------------------------------------|--------------------------------|
| Catering staff wages | 6 | 6 |
| Catering national insurance | 2 | 2 |
| Catering pension costs | 10 | 10 |
| Total 2022 | <u>18</u> | <u>18</u> |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £000 | Support costs 2023 £000 | Total funds 2023 £000 |
|------------------------|------------------------------------------------------|----------------------------------|--------------------------------|
| Educational Operations | <u>4,688</u> | <u>1,093</u> | <u>5,781</u> |

| | Activities undertaken directly 2022 £000 | Support costs 2022 £000 | Total funds 2022 £000 |
|------------------------|------------------------------------------------------|----------------------------------|--------------------------------|
| Educational Operations | <u>5,124</u> | <u>1,114</u> | <u>6,238</u> |

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2023 £000 | Total funds 2022 £000 |
|---------------------------|------------------------------------------|------------------------------------------|
| Direct staff costs | 4,442 | 4,868 |
| Direct depreciation | 202 | 200 |
| Examination fees | 2 | 1 |
| School trips and visits | 8 | 7 |
| Other direct costs | 19 | 26 |
| Direct learning resources | 15 | 22 |
| | <u>4,688</u> | <u>5,124</u> |

Analysis of support costs

| | Total funds 2023 £000 | Total funds 2022 £000 |
|---------------------------------|------------------------------------------|------------------------------------------|
| Pension finance costs (note 14) | 15 | 122 |
| Support staff costs | 486 | 494 |
| Support technology costs | 9 | 24 |
| Support premises costs | 302 | 259 |
| Legal costs – other | 1 | - |
| Other support costs | 259 | 199 |
| Governance costs | 21 | 16 |
| | <u>1,093</u> | <u>1,114</u> |

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

9. Expenditure

| | Staff Costs 2023 £000 | Premises 2023 £000 | Other 2023 £000 | Total 2023 £000 |
|------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Expenditure on raising voluntary income: | | | | |
| Direct costs | 17 | - | - | 17 |
| Educational Operations: | | | | |
| Direct costs | 4,442 | 140 | 106 | 4,688 |
| Allocated support costs | 501 | 346 | 246 | 1,093 |
| Total 2023 | 4,960 | 486 | 352 | 5,798 |

| | Staff Costs 2022 £000 | Premises 2022 £000 | Other 2022 £000 | Total 2022 £000 |
|------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| Expenditure on raising voluntary income: | | | | |
| Direct costs | 18 | - | - | 18 |
| 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 |

10. Net income/(expenditure)

Net expenditure for the year includes:

| | 2023 £000 | 2022 £000 |
|---------------------------------------|----------------------|----------------------|
| Operating lease rentals | 2 | 1 |
| Depreciation of tangible fixed assets | 202 | 200 |
| Fees paid to auditors for: | | |
| - audit | 15 | 12 |
| - other services | 4 | 4 |

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2023 | 2022 |
|--------------------------------|--------------|-------|
| | £000 | £000 |
| Wages and salaries | 3,778 | 3,466 |
| Social security costs | 280 | 254 |
| Pension costs | 887 | 1,657 |
| | 4,945 | 5,377 |
| Staff restructuring costs | - | 3 |
| Pension finance cost (note 14) | 15 | 122 |
| | 4,960 | 5,502 |

Staff restructuring costs comprise:

| | 2023 | 2022 |
|--------------------|-------------|------|
| | £000 | £000 |
| Severance payments | - | 3 |
| | - | 3 |

b. Severance payments

The Academy Trust paid no severance payments in the year (2022: 1), disclosed in the following bands:

| | 2023 | 2022 |
|--------------|-------------|------|
| | No. | No. |
| £0 - £25,000 | - | 1 |

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £Nil (2022: £3,313). Individually, the payment was £Nil (2022: £3,313).

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

11. Staff (continued)

d. Staff numbers

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

| | 2023 No. | 2022 No. |
|----------------------------|---------------------------|-------------|
| Teaching | 24 | 27 |
| Administration and support | 178 | 175 |
| Management | 7 | 6 |
| | <u>209</u> | <u>208</u> |

e. Higher paid staff

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

| | 2023 No. | 2022 No. |
|-------------------------------|---------------------------|-------------|
| In the band £60,001 - £70,000 | 2 | 1 |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £80,001 - £90,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

The above employees participate in the Teachers' Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2023, pension contributions for these members of staff amounted to £64,384 (2022: £34,858).

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 2. The total amount of Key Management Personnel benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £487,169 (2022: £488,213).

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

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:

| | | 2023 | 2022 |
|----------------------------------------------------------|----------------------------|----------------|---------|
| | | £000 | £000 |
| Chris White, Head Teacher | Remuneration | 85 - 90 | 75 - 80 |
| | Pension contributions paid | 20 - 25 | 15 - 20 |
| Sophie Thompson, Staff Trustee (Resigned 20 August 2022) | Remuneration | - | 10 - 15 |
| | Pension contributions paid | - | 0 - 5 |
| Alex Higginson, Staff Trustee | Remuneration | 50 - 55 | - |
| | Pension contributions paid | 10 - 15 | - |

During the year ended 31 August 2023, no Trustee expenses were reimbursed or paid directly for expenses they have incurred (2022: £NIL).

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 2023 was £14 (2022: £14). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

| | 2023 | 2022 |
|------------------------------------------|--------------|-------|
| | £000 | £000 |
| Expected return on pension scheme assets | 345 | 125 |
| Interest on pension scheme liabilities | (360) | (247) |
| | (15) | (122) |

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

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 2022 | 7,436 | 468 | 34 | 150 | 191 | 8,279 |
| Additions | - | 80 | - | 23 | - | 103 |
| At 31 August 2023 | 7,436 | 548 | 34 | 173 | 191 | 8,382 |
| Depreciation | | | | | | |
| At 1 September 2022 | 879 | 207 | 32 | 117 | 181 | 1,416 |
| Charge for the year | 140 | 47 | 1 | 13 | 1 | 202 |
| At 31 August 2023 | 1,019 | 254 | 33 | 130 | 182 | 1,618 |
| Net book value | | | | | | |
| At 31 August 2023 | 6,417 | 294 | 1 | 43 | 9 | 6,764 |
| At 31 August 2022 | 6,557 | 261 | 2 | 33 | 10 | 6,863 |

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 (2022: £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 (2022: £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
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

| | 2023 £000 | 2022 £000 |
|--------------------------------|----------------------------|--------------|
| VAT recoverable | 8 | 12 |
| Prepayments and accrued income | 24 | 20 |
| | <u>32</u> | <u>32</u> |

17. Creditors: Amounts falling due within one year

| | 2023 £000 | 2022 £000 |
|------------------------------------|----------------------------|--------------|
| Other taxation and social security | 57 | 47 |
| Other creditors | 88 | 81 |
| Accruals and deferred income | 1,049 | 974 |
| | <u>1,194</u> | <u>1,102</u> |

| | 2023 £000 | 2022 £000 |
|------------------------------------------|----------------------------|--------------|
| Deferred income at 1 September 2022 | 843 | 7 |
| Resources deferred during the year | 924 | 843 |
| Amounts released from previous periods | (843) | (7) |
| Deferred income at 31 August 2023 | <u>924</u> | <u>843</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 2023/2024 Academic year.

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

18. Statement of funds

| | Balance at 1 September 2022 £000 | Income £000 | Expenditure £000 | Transfers in/(out) £000 | Gains/ (losses) £000 | Balance at 31 August 2023 £000 |
|-------------------------------------|-------------------------------------------|----------------|---------------------|-------------------------------|----------------------------|-----------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 422 | 59 | (17) | - | - | 464 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 836 | 2,473 | (2,432) | (56) | - | 821 |
| Pupil Premium | 20 | 91 | (111) | - | - | - |
| UIFSM | - | 19 | (19) | - | - | - |
| Other DfE/ESFA grants | 27 | 136 | (163) | - | - | - |
| Local Authority grants | - | 2,751 | (2,751) | - | - | - |
| Other income | - | 12 | (12) | - | - | - |
| Donations | - | - | - | - | - | - |
| Pension reserve | (311) | - | (91) | - | 402 | - |
| | 572 | 5,482 | (5,579) | (56) | 402 | 821 |

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

18. Statement of funds (continued)

**Restricted fixed
asset funds**

| | | | | | | |
|--------------------------------------------------------------------|--------------|--------------|----------------|-------------|------------|--------------|
| Net book value of fixed assets | 6,863 | - | (202) | 103 | - | 6,764 |
| Capital grants (DFC) | - | 17 | - | (17) | - | - |
| Capital grants (Additional Energy Improvement Funding) | - | 30 | - | (30) | - | - |
| | 6,863 | 47 | (202) | 56 | - | 6,764 |
| Total Restricted funds | 7,435 | 5,529 | (5,781) | - | 402 | 7,585 |
| Total funds | 7,857 | 5,588 | (5,798) | - | 402 | 8,049 |

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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 2023. Transfers of £56,000 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 currently in surplus, the surplus is not recognised in the accounts as this is not considered recoverable.

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 £56,000 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
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

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

| | 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 |
| 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> |

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

18. Statement of funds (continued)

**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) | - | - |
| | 6,993 | 49 | (200) | 21 | - | 6,863 |
| Total Restricted funds | 717 | 5,288 | (6,238) | - | 7,668 | 7,435 |
| Total funds | 1,121 | 5,324 | (6,256) | - | 7,668 | 7,857 |

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £000 | Restricted funds 2023 £000 | Restricted fixed asset funds 2023 £000 | Total funds 2023 £000 |
|-------------------------------|-------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------|------------------------------------------|
| Tangible fixed assets | - | - | 6,764 | 6,764 |
| Current assets | 464 | 2,015 | - | 2,479 |
| Creditors due within one year | - | (1,194) | - | (1,194) |
| Total 2023 | 464 | 821 | 6,764 | 8,049 |

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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 |
| Creditors due within one year | (141) | (961) | - | (1,102) |
| Pension scheme liability | - | (311) | - | (311) |
| Total 2022 | 422 | 572 | 6,863 | 7,857 |

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

| | 2023 £000 | 2022 £000 |
|--------------------------------------------------------------------------|----------------------|--------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (210) | (932) |
| Adjustments for: | | |
| Depreciation (note 15) | 202 | 200 |
| Capital grants from DfE and other capital income (note 3) | (47) | (49) |
| Interest receivable (note 5) | (21) | (1) |
| Defined benefit pension scheme cost less contributions payable (note 25) | 76 | 869 |
| Defined benefit pension scheme finance cost (note 14) | 15 | 122 |
| Decrease in debtors (note 16) | - | 5 |
| (Decrease)/increase in creditors (note 17) | 92 | 951 |
| Net cash provided by operating activities | 107 | 1,165 |

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

21. Cash flows from investing activities

| | 2023 | 2022 |
|------------------------------------------------|--------------|------|
| | £000 | £000 |
| Dividends, interest and rents from investments | 21 | 1 |
| Purchase of tangible fixed assets (note 15) | (103) | (70) |
| Capital grants from DfE Group (note 3) | 47 | 49 |
| Net cash used in investing activities | (35) | (20) |

22. Analysis of cash and cash equivalents

| | 2023 | 2022 |
|----------------------------------------|--------------|-------|
| | £000 | £000 |
| Cash in hand and at bank | 2,447 | 2,375 |
| Total cash and cash equivalents | 2,447 | 2,375 |

23. Analysis of changes in net debt

| | At 1 September 2022 £000 | Cash flows £000 | At 31 August 2023 £000 |
|--------------------------|---------------------------------------------|----------------------------|---------------------------------------|
| Cash at bank and in hand | 2,375 | 72 | 2,447 |
| | 2,375 | 72 | 2,447 |

24. Capital commitments

| | 2023 | 2022 |
|----------------------------------------------------------------------|-------------|------|
| | £000 | £000 |
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | 93 | 93 |

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

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 £87,826 were payable to the schemes at 31 August 2023 (2022: £80,600) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024. The latest valuation was released on 27 October 2023. Employer contribution rates will increase by 5% from 23.6% to 28.6% with effect from 1 April 2024.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £229,000 (2022: £269,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £707,000 (2022: £606,000), of which employer's contributions totalled £562,000 (2022: £484,000) and employees' contributions totalled £145,000 (2022: £122,000). The agreed contribution rates for future years are 23.1% per cent for employers and 5.5% - 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

| | 2023 | 2022 |
|--------------------------------------------------------|--------------|-------|
| | % | % |
| Rate of increase in salaries | 3.45 | 3.55 |
| Rate of increase for pensions in payment/inflation | 2.95 | 3.05 |
| Discount rate for scheme liabilities | 5.20 | 4.25 |
| Inflation assumption (CPI) | 2.95 | 3.05 |
| 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:

| | 2023 | 2022 |
|----------------------|-------------|-------|
| | Years | Years |
| Retiring today | | |
| Males | 20.1 | 21.5 |
| Females | 23.8 | 24.0 |
| Retiring in 20 years | | |
| Males | 20.3 | 22.4 |
| Females | 25.1 | 25.7 |

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

25. Pension commitments (continued)

Sensitivity analysis

| | 2023 | 2022 |
|----------------------------------------|--------------|-------|
| | £000 | £000 |
| Discount rate +0.1% | (193) | (219) |
| Discount rate -0.1% | 193 | 219 |
| Mortality assumption - 1 year increase | 306 | 325 |
| Mortality assumption - 1 year decrease | (306) | (325) |
| CPI rate +0.1% | 176 | 197 |
| CPI rate -0.1% | (176) | (197) |

Share of scheme assets

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

| | At 31 August 2023 | At 31 August 2022 |
|-------------------------------------|------------------------------|----------------------|
| | £000 | £000 |
| Equities | 4,874 | 4,772 |
| Bonds | 2,908 | 2,190 |
| Property | 599 | 704 |
| Cash | 171 | 157 |
| Total market value of assets | 8,552 | 7,823 |

The actual return on scheme assets was £345,000 (2022: £125,000).

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

| | 2023 | 2022 |
|-------------------------------------------------------------------------|--------------|---------|
| | £000 | £000 |
| Current service cost | (638) | (1,353) |
| Interest income | 345 | 125 |
| Interest cost | (360) | (247) |
| Total amount recognised in the Statement of Financial Activities | (653) | (1,475) |

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

25. Pension commitments (continued)

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

| | 2023 | 2022 |
|------------------------|----------------|---------|
| | £000 | £000 |
| At 1 September | 8,134 | 14,291 |
| Current service cost | 638 | 1,353 |
| Interest cost | 360 | 247 |
| Employee contributions | 145 | 122 |
| Actuarial gains | (1,539) | (7,804) |
| Benefits paid | (84) | (75) |
| At 31 August | 7,654 | 8,134 |

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

| | 2023 | 2022 |
|------------------------|----------------|-------|
| | £000 | £000 |
| At 1 September | 7,823 | 7,303 |
| Interest income | 345 | 125 |
| Actuarial losses | (1,137) | (136) |
| Employer contributions | 562 | 484 |
| Employee contributions | 145 | 122 |
| Benefits paid | (84) | (75) |
| At 31 August | 7,654 | 7,823 |

The Academy Trust expects to contribute £587,000 to its defined benefit pension scheme in 2024.

The actuarial reports in terms of the LGPS pension schemes suggest a surplus of assets over liabilities of £898,000. In accordance with FRS102, a pension scheme asset is only recognised to the extent that it is recoverable. As the Academy Trust cannot demonstrate that this asset is recoverable via a cash payment or reduction in future premiums it has not been recognised in the primary statements. A £nil position has been reflected.

26. Operating lease commitments

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

| | 2023 | 2022 |
|-----------------------|-------------|------|
| | £000 | £000 |
| Not later than 1 year | - | 1 |

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NOTES TO THE FINANCIAL STATEMENTS
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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 2023, 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 they is a member, or within one year after they ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they 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 2023 the Academy Trust received £3,272 (2022: £2,146) and disbursed £3,272 (2022: £165) from the fund.