Broadway Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2022

Company Registration Number
08534233 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Broadway Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2022

Contents

Reference and Administrative Details

Members	Mr J Bryan Mr J Cahill (Vice Chair) Dr L Gies Mr G Horden Honorary Alderman A Rudge LLB (Chair) Mr R Skelton (Accounting Officer)
Trustees	Mr T Ali (appointed 14.2.22) Mr D Belcher (appointed 17.3.22) Mr J Bryan (re-appointed 10.06.22) Mr J Cahill (Vice Chair) Dr L Gies Ms G Hembeh (appointed 14.2.22) Mr G Horden Ms Z Hussain Mr H Khattak (Staff Trustee) Mr J Moule Honorary Alderman A Rudge LLB (Chair) Mr R Skelton (Accounting Officer) Mr B Stone Revd V Walter (appointed 17.3.22)
Senior management team	
• Headteacher & CEO	Mr R Skelton
• Deputy Headteacher	Mr S Carroll
• Deputy Headteacher	Mr G Stewart
• Assistant Headteacher	Mr S Ahmed
• Assistant Headteacher	Mrs N Bailey-Nicholls
• Assistant Headteacher	Mrs C Cordon
• Assistant Headteacher	Mrs J Godsil (Acting)
• Assistant Headteacher	Mrs L Hesson (Acting)
• Assistant Headteacher	Mr J Mound
• Assistant Headteacher	Ms A Smith
• Assistant Headteacher	Mr A Taylor
• Assistant Headteacher	Ms S Yunus
• Assistant Headteacher	Mr R Zafar
• Director of HR	Mrs S Bidwell
Company name	Broadway Academy Trust
Principal and registered office	The Broadway Birmingham B20 3DP
Company registration number	08534233
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR

Reference and Administrative Details (continued)

Bankers	Lloyds Bank 2nd Floor, 125 Colmore Row Birmingham, B2 4BU
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham, B2 4BU

Trustees' report for the year ended 31 August 2022

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

The academy trust operates an academy for pupils aged 11 to 19 serving a catchment area in Birmingham. It has a pupil capacity of 1,250 and had a roll of 1,211 in the Autumn school census October 2022.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Broadway Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Broadway Academy Trust.

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

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

In accordance with normal commercial practice the academy 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.

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Vacancies for parent trustees are placed in the weekly newsletter inviting nominations which parents vote on.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust and appointed by the Governing Body.

Vacancies for staff trustees are placed in the staff bulletin inviting nominations.

Policies and Procedures Adopted for the Induction and Training of Trustees

When appointing Trustees key consideration is given to the personal and professional skills they will bring to the Governing Board. An annual skills audit is carried out and Trustees are appointed according to the skills gaps identified from the audit. The Academy is committed to ensuring that all Trustees are provided with the information and support required to fulfil their role as a governor. Trustees are appointed to a 4-year term of office and represent all aspects of school life, including parents, staff, and the local community.

The Academy subscribes to the National Trustees Association and all Trustees, new and existing are invited and encouraged to attend induction training and other specific training in line with their needs as identified in the skills audit and the Deep Committee on which they serve. All Trustees are also invited to attend in-house training sessions delivered by other external sources at least once a year, covering a broad range of issues and topics.

Broadway Governing Board is a diverse board which is proactive in ensuring a broad cross section of society is represented.

Trustees are encouraged to actively participate in the life of the Academy and there is a Trustees' visits plan in place for Trustees to visit the school and hold regular meetings with the teachers linked to the Deep Committee on which Trustees sit. Trustees contribute to the Deep Committee action plan and targets, reporting back on their visits to the school at each Committee.

All Trustees annually review and approve a Trustees Code of Conduct, which promotes effective working practices that are mutually supportive and respectful of roles and responsibilities. Trustees agree to abide by the seven principles of public life

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Deep Leadership
- Deep Experience/Deep Support
- Deep Academics
- HR & Salaries
- Deep Services, Finance, Audit & Premises

The Full Board meets at least three times during each academic year and each of the committees meet at least three times each year, with additional meetings if required. To comply with the Academies Handbook the Full Board has Finance on the agenda for every meeting, so Finance is discussed at a Trustees meeting six times per annum.

In addition, Trustees volunteer to serve on staff or pupil disciplinary cases and appeals and exclusions.

The written terms of reference of the committees include the monitoring, preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The Board is responsible for the overall strategic vision and development of the Academy, which includes approving the School Improvement Plan, approving, and monitoring the annual budget and three-year financial plan and setting and approving policies. The Board is also responsible for agreeing any major decisions about the Academy plans and vision and is involved in senior staff appointments.

The structure of the senior leadership team is the head teacher, two deputy head teachers, ten assistant head teachers and the Director of HR. The Deep Leadership group is responsible for the reviewing and authorising expenditure within the agreed budgets and the decisions made in relation to recruiting and appointing staff. A trustee will be on the interview panel for the appointment of Senior Leadership Roles.

Arrangements for setting pay and remuneration of key management personnel

Trustees are unpaid but can claim travel and appropriate expenses in line with the Trustees Expenses Policy.

Senior staff are appraised against performance driven teaching and learning, leadership, and whole school objectives. These are reviewed at an HR and Salaries Committee by Trustees.

The Headteachers performance review is conducted by the HR & Salaries Committee and an external consultant, the School Improvement Partner.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
4	3.6

Trade union facility time (continued)

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1% - 50%	4
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	£ 7,594
Total pay bill	£ 6,776,436
Facility time as percentage of total pay bill	0.003%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2.32%

Related parties and other Connected Charities and Organisations

Broadway Academy has professional and working links with a broad range of organisations, including the following:

- Top Barn Trust, Worcestershire
- Radley College, Abingdon
- Atlantic College, South Wales
- Duke of Edinburgh Award Scheme
- West Midlands Police
- Sharing Panels
- Handsworth Association of Schools
- SACRE
- TISCA
- COFE
- Pupil & Family Support Organisations
- BETEL
- Alternative Curriculum Providers
- Titan Partnership
- City of Birmingham Rockets Basketball Club
- Aston Manor Cricket Club
- Erdington Judo Club
- University of Birmingham
- University of Worcester
- University of Aston

These links and relationships support the overarching ethos of the Academy and the aims of its charitable activities.

Objectives and activities

Objects and aims
The strategic goal of Broadway Academy is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

Objectives, strategies, and activities

The main objectives for the year are:

- Exceptional student attendance is the overarching Academy priority. To deliver an (3Es) Exceptional Educational Experience for all students. To support staff to further refine and continue to deliver an exceptional curriculum experience (which includes a rich and varied extra-curricular programme with a particular emphasis on outdoor education at Island Pool (and the Broadway working Farm) in each subject area. To become a Centre of Excellence for Sports and Choral Music. This is grounded in the Broadway values developed throughout the curriculum; the development of character and outdoor education; with a focus on the community (3Cs), across all key stages and for all students.

- Maintain improvement of curriculum implementation - Leaders will continue to aim to support teachers to deliver excellent lessons, each day, with an emphasis on Teach Like a Champion (Doug Lemov) and Barak Rosenshine principles to include Knowledge, Recall, Application (KRA) and academic resilience. Home learning continues to be a key priority across the Academy as a core activity. We aim for all students to continue to receive an Exceptional Educational Experience (3Es) with a continued focus on literacy. The outcomes of this will result in excellent results for all students especially SEN, Pupil Premium, Boys and More Able students. We will ensure there is a consistency of high-quality work in all students' books.

- We will maintain an optimistic and hopeful culture in the school. To continue to develop the leadership capacity and the wellbeing of all staff across the Academy through the delivery of high-quality training and coaching by Line Managers and a tailored programme of CPD which is supported by Performance Management.

- To continue to support all staff to manage students' behaviour, through appropriate training and CPD, to ensure that behaviour continues to be exceptional in lessons. To empower students to go beyond compliance, to take further responsibility for their own behaviour in all areas of Academy life. To build on the exceptional safeguarding response to gangs, drugs and youth violence and ensure safeguarding goes beyond compliance across all areas of the Academy. To ensure that all nine aspects of the Equality Act are embedded across all aspects of the Academy.

The Academy also continues to promote and embed the eight values in all students and staff:

- Integrity
- Respect
- Optimism
- Responsibility
- Appreciation
- Aspiration
- Generosity
- Inclusivity

The strategies adopted for achieving these objectives are:

- School Improvement Plan and SEF reviewed by Trustees three times a year.

Significant activities linked to the trust's charitable activities have been:

- Development of leadership capacity through the delivery of high quality CPD and coaching for both teaching and support staff supported by Performance Management.
- Development of Island Pool, the Academy's Outdoor Education Centre in Worcestershire
- School managed community centre offering the local and wider community and community groups affordable facilities and activities.
- Ongoing partnership and work with West Midlands Police
- Partnership with Radley College
- Link with PISA

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Broadway Academy is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training, and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

KS4 – 2022

- Overall Progress 8 was 0.0 in 2022 (above national)
- The English element of Progress 8 in 2022 was 0.06 (above national)
- The mathematics element of Progress 8 in 2022 was -0.12
- The EBacc element of Progress 8 in 2022 was -0.45
- The open element of Progress 8 (0.5) was significantly above national and in the highest 20% in 2022
- The subjects of the EBacc form a strong academic foundation for the key stage 4 curriculum. The EBacc entry rate for the school in 2022 was 15%

- Languages value added (2.0) was significantly **above** national and in the **highest** 20% in 2022
- The percentage achieving grade 4+ in languages (94%) was significantly **above** national and in the **highest** 20% in 2022
- The average point score for health & social care (6.3) was in the **highest** 20% and the proportion of entries was at or above the national average

KS5 – 2022

- There is no value-added data measure available for 2022 due to COVID-19
- The average point score per entry for A level in 2022 was 33.22 (C+)
- The average point score per entry for vocational in 2022 was 37.39 (Distinction+)
- The percentage of students achieving at least AAB in 3 A levels in 2022 was 18.20%
- The average point score per entry for the best 3 A levels in 2022 was 34.14 (C+)

Attendance

Pre Covid For the academic year **2018/19** we achieved **96.6% attendance and 5.1% PA figure**. The national average is 94.5% and PA figure 13.7%.

For the academic year 2021/22 our attendance **was 94.3% and PA figure was 14.37%.**
Due to COVID 19 no national attendance figures was shared due to the negative implications Covid has had on school attendance despite the numerous challenges we still finished well above national school attendance figure for secondary schools which was 90.2%.

We have achieved the above due to a great team effort and shows how far the team has come during the last few years with the correct protocol and systems that have been implemented that are robust.

The aim being early identification, intervention, and prevention and to reduce barriers to learning for all our students and this has allowed us to become a benchmark for school attendance locally and nationally.

We aim to give the right help at the right time for all our learners and work very closely as a team to get the maximum daily attendance figures and if necessary, work closely with external agencies when needed for our most vulnerable learners.

- Direct costs as a percentage of total costs were 67% (2021 : 67%)
- Support costs as a percentage of total costs were 33% (2021: 33%)
- Total payroll costs as a percentage of recurring income were 85% (2021: 83%)

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

The financial results of Broadway Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Academy Trust Handbook published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

Trustees' report for the year ended 31 August 2022 (continued)

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2022 total resources expended were £10,090,434 and the deficit of income over expenditure was £1,105,376. which included depreciation of £523,391.

Reserves Policy

The trustees continually monitor the reserves of the charitable company and have developed processes to identify the effects of in-year decisions on future year's reserves. This process encompasses the nature of income and expenditure streams (and the need to match commitments with income) and nature of reserves.

It is the board of trustees' general policy to ensure an appropriate risk-based level of unrestricted reserves are held. This balances financial sustainability with the need to invest strategically for growth and improvement to further the academy's educational purpose. Based on benchmarking, the trustees have set a target range for unrestricted reserves of between 5-8% of GAG income, with a floor limit equivalent to one month's salaries.

The academy had total funds at 31 August 2022 of £15,693,888 which included deficit of £68,401 restricted funds not available for general purposes of the academy trust, £858,550 of free reserves defined as unrestricted funds available for general purposes and £17,244,937 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £926,951.

In addition, the deficit on the restricted pension fund of £2,478,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary. This will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years.

Budgeted salary expenditure for 2022/23 is £7,013,279 and hence the minimum target is £584,440. Unrestricted reserves at 31st August 2022 therefore represent £342,511 of headroom over agreed minimum level.

Investment Policy

Any surplus funds are invested with Lloyds Bank plc in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include potential changes in legislation and regulations, levels of future funding and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focused on non-financial risks arising from fire, health, and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Broadway Academy Trust
(A Company Limited by Guarantee)

Fundraising

Fundraising activities involving parental contributions within the Academy are limited as we are mindful of the local community it serves. The Academy does not engage the services of professional fundraisers or companies to carry out fundraising on our behalf.

Plans for Future Periods

- The Academy has recently undergone a Section 8 Ofsted inspection and are currently awaiting the report. A strategic plan will be in place following publication of the full official Ofsted report.
- A Chief Financial Officer (CFO) is to be appointed by January 2023.
- The Academy will continue to explore commercial activities as a means of income generation and the setting up of a separate trading entity.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ....14.12..2022.......... and signed on the board's behalf by:

....

Honorary Alderman A Rudge LLB
Chair of Trustees

Governance statement for the year ended 31 August 2022

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Broadway Academy 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 Principal, 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 Broadway Academy 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 three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Ali (**parent appointed 14.2.2022)**	0	2
M D Belcher **(member appointed 17.3.2022)**	3	3
Mr J Bryan	3	3
Mr J **Cahill (Vice Chair)**	3	3
Dr L Gies	3	3
Ms G Hembeh **(parent appointed 14.2.2022)**	3	3
Mr G Horden	3	3
Ms Z Hussain	3	3
Mr H Khattak **(staff trustee)**	3	3
Mr J Moule	3	3
Honorary Alderman A Rudge **(Chair of Board)**	3	3
Mr R Skelton **(Accounting Officer)**	3	3
Mr B Stone	3	3
Revd V Walter **(community appointed 17.3.2022)**	2	2

The full board and committees are presented with a wide range of reports and statistical data across all areas of management including Ofsted, performance, assessment, attendance, behaviour and financial.

The board is highly effective with a broad range of skills; they hold the Headteacher/CEO and Leadership Team to account. This strength has been enhanced during the year with the appointment of trustees with appropriate skills and strengths they bring to the full board and the committees they serve.

Conflicts of interest
All trustees complete a declaration of business and personal interests form at the beginning of the academic year. These are recorded on a register published on the Academy website. Updates to declarations of business interests is a standing agenda item at all full board and committee meetings.

Meetings
The full board met three time during the year and maintained oversight through the five committees. Each of these committees meet three times a year and report back to the full board.

Governance statement for the year ended 31 August 2022 (continued)

Governance review

The board undertakes internal review and self-evaluation throughout the year and subsequently has ensured that trustees appointed have the appropriate skills required. The Safeguarding Lead has undertaken additional safeguarding training.

The trust intends to conduct its next self-evaluation/external review over the next two academic years.

The **Deep Services Finance, Audit & Premises Committee** is a sub-committee of the main board of trustees. Its purpose is to, in line with the Academies Handbook:

- Ensuring regularity and propriety in the use of the Trust's funds, and achievement of economy, efficiency, and effectiveness – the three elements of value for money.
- Monitoring the Trust's financial sustainability and challenging the Accounting Officer's assessment of its ability to operate as a going concern.
- Providing scrutiny over the Trust's diversification and commercialisation initiatives and partnerships.
- Advising the Full Governing Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements.
- Directing a programme of independent internal scrutiny and considering the results and quality of external audit.
- Monitoring compliance with Premises Health and Safety and Accessibility laws and considering the investment requirements for development and maintenance.

Trustee	**Meetings attended**	**Out of a possible**
Mr B Stone **(Chair of Committee)**	3	3
Dr L Gies	2	3
Mr R Skelton **(Headteacher/Accounting Officer)**	3	3
Mr J Cahill **(Vice Chair of Board)**	1	3
Mr R Harper **(Staff Trustee)**	1	3

Review of value for money

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

The key focus of the Academy is on raising attainment and aspirations for all students both through curriculum and extra-curricular provision with a particular emphasis on outdoor education and building character.

The staffing structure supports both the academic curriculum, enrichment opportunities, well-being, and pastoral care of all students.

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

- Targeted support and intervention for students through the curriculum and after school and weekend classes to support academic achievement and catch-up priorities.
- Targeted and whole school pastoral, emotional and well-being support for students through an effective pastoral team, supported further with external agencies and organisations.
- Further investment and development of the academy's outdoor education site, with a view to expanding the outdoor education provision and curriculum offer for all students.
- Planning to explore further business opportunities and potential to generate additional income through our current community centre offer and operations.
- Review of contracts and educational resource costs are ongoing but reducing costs in these areas is presenting a challenge in the current economic climate.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives. It then evaluates the likelihood of those risks being realised, the impact should they be realised, and determines how to manage them efficiently, effectively, and economically. The system of internal control has been in place in Broadway Academy Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives. It then evaluates the likelihood of those risks being realised, the impact should they be realised, and determines how to manage them efficiently, effectively, and economically. The system of internal control has been in place in Broadway Academy Trust for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 Deep Services Finance, Audit & Premises committee of reports which indicate financial performance against the forecasts, risks, and opportunities, 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.
- appropriate identification and management of risks.

The academy is contracted for two independent financial reviews per year twice during the year, carried out by a third-party independent reviewer. Trustees' set the scope for these reviews through the Deep Services Finance, Audit and Premises Committee. The areas covered are, where applicable, focussed on areas of specific risk identified through the risk management process. The trustees are also able to recommend the commission of additional reviews, by alternative specialist providers, if required.

The role of the internal reviewer includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- safeguarding and control of assets
- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

Broadway Academy Trust
(A Company Limited by Guarantee)

Governance statement for the year ended 31 August 2022 (continued)

- accounting systems
- contracts
- management information and reporting

The internal reviewer provides a report outlining the areas reviewed, key findings and recommendations to support the committee in considering and assessing actions. The Deep Services Finance, Audit and Premises Committee tracks progress against recommendations made to ensure that remedial actions are appropriately implemented.

The internal reviewer provides a report outlining the areas reviewed, key findings and recommendations to support the committee in considering and assessing actions. The Deep Services Finance, Audit and Premises Committee tracks progress against recommendations made to ensure that remedial actions are appropriately implemented.

The internal reviewer has delivered their schedule of work as planned.

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee *(reword as appropriate)* and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ....14.12.2022........and signed on its behalf by:

....

Honorary Alderman A Rudge LLB
Chair of Trustees

....

Mr R J Skelton
Accounting Officer

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance for the period ended 31 August 2022

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

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

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

.... **Mr R J Skelton – Accounting Officer**

Date : ....14.12.2022........

Statement of Trustees' responsibilities for the period ended 31 August 2022

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

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

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

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

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

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

Approved by order of the members of the board of trustees on ....14.12.2022......... and signed on its behalf by:

.... **Honorary Alderman A Rudge LLB – Chair of Trustees**

Independent Auditor's Report on the Financial Statements to the Members of Broadway Academy Trust

Opinion

We have audited the financial statements of Broadway Academy Trust (a Company Limited by Guarantee) for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

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

Basis for opinion

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

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 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.

Independent Auditor's Report on the Financial Statements to the Members of Broadway Academy Trust (continued)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 matter 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page ...], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the academy's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Auditor's responsibilities for the audit of the financial statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

14 December 2022

Broadway Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Broadway Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 July 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Broadway Academy Trust Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Broadway Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2013 and the Academies Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Independent Reporting Accountant's Assurance Report on Regularity to Broadway Academy Trust Academy and the Education and Skills Funding Agency (continued)

Conclusion

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

Feltons

David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

14 December 2022

Broadway Academy Trust
(A Company Limited by Guarantee)

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

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2021/22 £	Total 2020/21 £
Income from :							
Donations and capital grants	2	-	-	-	27,799	27,799	78,912
Charitable activities :	3						
Funding for the academy trust's educational operations		104,637	-	8,687,418	-	8,792,055	8,524,491
Other trading activities	4	164,560	-	-	-	164,560	33,597
Investments	5	644	-	-	-	644	116
Total		269,841	-	8,687,418	27,799	8,985,058	8,637,116
Expenditure on :							
Raising funds		-	-	-	-	-	-
Charitable activities:							
Academy trust educational operations	6, 7	122,614	544,000	8,900,429	523,391	10,090,434	9,200,333
Total		122,614	544,000	8,900,429	523,391	10,090,434	9,200,333
Net income/(expenditure) before transfers		147,227	(544,000)	(213,011)	(495,592)	(1,105,376)	(563,217)
Transfers between funds	14	-	-	(59,106)	59,106	-	-
Net income/(expenditure) after transfers		147,227	(544,000)	(272,117)	(436,486)	(1,105,376)	(563,217)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 23	-	5,089,000	-	-	5,089,000	(728,000)
Net movement in funds		147,227	4,545,000	(272,117)	(436,486)	3,983,624	(1,291,217)
Reconciliation of funds							
Total funds brought forward	14	711,323	(7,023,000)	340,518	17,681,423	11,710,264	13,001,481
Total funds carried forward		858,550	(2,478,000)	68,401	17,244,937	15,693,888	11,710,264

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

Broadway Academy Trust
(A Company Limited by Guarantee)

Company number : 08534233
Balance sheet as at 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		17,236,926		17,681,423
Current assets					
Debtors	12	236,635		235,446	
Cash at bank and in hand		3,356,589		1,574,721	
		3,593,224		1,810,167	
Liabilities					
Creditors: amounts falling due within one year	13	2,658,262		758,326	
Net current assets			934,962		1,051,841
Total assets less current liabilities			18,171,888		18,733,264
Defined benefit pension scheme liability	22		(2,478,000)		(7,023,000)
Total net assets			15,693,888		11,710,264
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	17,244,937		17,681,423	
Restricted income fund	14	68,401		340,518	
Pension reserve	14	(2,478,000)		(7,023,000)	
Total restricted funds			14,835,338		10,998,941
Unrestricted income funds	14		858,550		711,323
Total funds			15,693,888		11,710,264

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on ....14.12.2022 and are signed on their behalf by:

.... **Honorary Alderman A Rudge LLB - Chair of Trustees**

Broadway Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2022

	Notes	2021/22 £	2020/21 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	1,832,319	432,041
Cash flows from investing activities	18	(50,451)	(58,990)
Change in cash and cash equivalents in the reporting period		1,781,868	373,051
Cash and cash equivalents at 1 September 2021		1,574,721	1,201,670
Cash and cash equivalents at 31 August 2022	19	3,356,589	1,574,721

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

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

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

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

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Donated goods, facilities and services**
  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Donated fixed assets**
  Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Long leasehold buildings	- straight line over 50 years
Furniture and equipment	- 10% straight line
Computer hardware	- 20% straight line

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

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

1.6 Debtors

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

1.7 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.

1. Accounting policies (continued)

1.9 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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.

1.12 Pension benefits

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

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

1. Accounting policies (continued)

1.12 Pension benefits (continued)

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

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

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 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 Education and Skills Funding Agency or Department for Education.

1.14 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	-	25,299	25,299	25,192
Donated fixed assets	-	-	2,500	2,500	53,720
	-	-	27,799	27,799	78,912
2021 total	-	-	78,912	78,912	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	7,756,980	-	7,756,980	7,324,576
Other DfE Group grants					
Pupil premium	-	590,022	-	590,022	568,132
Teachers pay	-	11,091	-	11,091	83,204
Teachers pension	-	31,340	-	31,340	235,113
Others	-	273,514	-	273,514	22,500
	-	8,662,947	-	8,662,947	8,233,525
Other government grants					
Local authority grants	-	24,471	-	24,471	33,839
Other government funding	-	-	-	-	30,334
	-	24,471	-	24,471	64,173
Other income from the academy trust's educational operations	104,637	-	-	104,637	156
Covid-19 additional funding (DfE/ESFA)					
Recovery/Catch-up premium	-	-	-	-	83,720
Other DfE/ESFA Covid-19 funding	-	-	-	-	110,135
Covid-19 additional funding (non DfE/ESFA)					
Coronavirus Job Retention Scheme	-	-	-	-	32,782
	104,637	24,471	-	129,108	290,966
	104,637	8,687,418	-	8,792,055	8,524,491
2021 total	156	8,524,335	-	8,524,491	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Community Centre income	164,560	-	164,560	15,685
Miscellaneous	-	-	-	17,912
	164,560	-	164,560	33,597
2021 total	119,459	-	119,459	

5. Investment income

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Short term deposits	644	-	644	116
2021 total	116	-	116	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2021/22 Total £	2020/21 Total £
Academy's educational operations					
Direct costs	5,840,106	374,808	526,706	6,741,620	6,164,681
Allocated support costs	1,764,886	811,207	772,721	3,348,814	3,035,652
	7,604,992	1,186,015	1,299,427	10,090,434	9,200,333
2021 total	7,181,396	999,638	1,019,299	9,200,333	

Net income/(expenditure) for the period includes :

		2021/22 £	2020/21 £
Operating leases	- plant and machinery	22,677	22,596
Depreciation		523,391	511,992
Fees payable to auditor	- audit	-	9,250
	- other services	-	300

	Total £	Individual items Amount £	Reason/ nature
Included within expenditure are the following transactions :			
Ex-gratia payments	49,550	49,550	Settlement

The legal authority sought to make ex-gratia payments being delegated authority or approval from the Education and Skills Funding Agency, in accordance with the Academy Trust Handbook 2021.

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2021/22 Total £	2020/21 Total £
Educational operations					
Direct costs					
Educational operations	12	-	6,741,608	6,741,620	6,164,681
Support costs					
Educational operations	122,602	544,000	2,682,212	3,348,814	3,035,652
	122,614	544,000	9,423,820	10,090,434	9,200,333
2021 total	40,940	361,000	8,798,393	9,200,333	

	Educational operations £	2021/22 Total £	2020/21 Total £
Analysis of support costs			
Support staff costs	1,764,886	1,764,886	1,788,648
Depreciation	148,583	148,583	217,111
Technology costs	148,436	148,436	127,886
Premises costs	656,924	656,924	479,584
Legal services - other	47,414	47,414	-
Other support costs	582,144	582,144	412,787
Governance costs	427	427	9,636
Total support costs	3,348,814	3,348,814	3,035,652
2021 total	3,035,652	3,035,652	

8. Staff

a) Staff costs

Staff costs during the period were:

	2021/22 £	2020/21 £
Wages and salaries	5,117,314	4,956,282
Social security costs	561,271	508,410
Pension costs	1,709,826	1,487,376
	7,388,411	6,952,068
Agency staff costs	167,031	229,328
Staff restructuring costs	49,550	-
	7,604,992	7,181,396

8. Staff (continued)

a) Staff costs (continued)

Staff restructuring costs comprise :		
Severance payments	49,550	-
	49,550	-

b) Severance payments

The academy trust paid 1 severance payments in the year, disclosed in the following bands:

	2021/22 Number	2020/21 Number
£25,001 - £50,000	1	-

c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £49,550 (2021: £nil). Individually, the payments were: £49,550.

d) Staff numbers

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

	2021/22 Number	2020/21 Number
Teachers	73	73
Administration and support	76	71
Management	14	14
	163	158

e) Higher paid staff

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

	2021/22 Number	2020/21 Number
£60,001 - £70,000	5	5
£70,001 - £80,000	2	2
£120,001 - £130,000	1	1

f) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,297,098. (2021: £1,282,249).

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 :

R Skelton (principal and trustee)	
Remuneration	£125,000 - £130,000 (2021 : £120,000 - £125,000)
Employer's pension contributions paid	£25,000 - £30,000 (2021 : £25,000 - £30,000)
J Mound (staff trustee - resigned 13/3/21)	
Remuneration	£nil (2021 : £35,000 - £40,000)
Employer's pension contributions paid	£nil (2021 : £nil - £5,000)
R Harper (staff trustee)	
Remuneration	£20,000 - £25,000 (2021 : £20,000 - £25,000)
Employer's pension contributions paid	£nil - £5,000 (2021 : £nil - £5,000)
H Khattak (staff trustee)	
Remuneration	£55,000 - £60,000 (2021 : £50,000 - £55,000)
Employer's pension contributions paid	£nil - £5,000 (2021 : £nil - £5,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,257 (2021 : £78) were reimbursed or paid directly to 2 (2021 : 1) trustees.

Other related party transactions involving the trustees are set out in note 23

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £199 (2021 : £199). The cost of this insurance is included in the total insurance cost.

Notes to the financial statements for the year ended 31 August 2022 (continued)

11. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2021	20,802,740	433,067	302,688	21,538,495
Additions	-	32,164	46,730	78,894
At 31 August 2022	20,802,740	465,231	349,418	21,617,389
Depreciation				
At 1 September 2021	3,397,782	320,116	139,174	3,857,072
Charge for the year	416,055	46,528	60,808	523,391
At 31 August 2022	3,813,837	366,644	199,982	4,380,463
Net book values				
At 31 August 2022	16,988,903	98,587	149,436	17,236,926
At 31 August 2021	17,404,958	112,951	163,514	17,681,423

12. Debtors

	2022 £	2021 £
Debtors from operations	5,000	15,233
VAT recoverable	19,145	8,506
Prepayments and accrued income	212,490	211,707
	236,635	235,446

13. Creditors

	2022 £	2021 £
Amounts falling due within one year :		
Creditors from operations	231,810	-
Accruals and deferred income	167,696	219,708
Other creditors	2,258,756	538,618
	2,658,262	758,326

Included in other creditors are amounts of £2,258,756 due to Birmingham City Council for payroll costs which they have not drawn down and the trust held sufficient funds for the payment of these creditors. These are being paid off after the year end.

14. Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	340,518	7,756,980	(7,969,991)	(59,106)	68,401
Pupil premium	-	590,022	(590,022)	-	-
Other grants	-	340,416	(340,416)	-	-
	340,518	8,687,418	(8,900,429)	(59,106)	68,401
Restricted fixed asset funds					
Transfer on conversion	17,404,958	-	(447,271)	-	16,957,687
DfE Group capital grants	78,857	25,299	(70,277)	-	33,879
Capital expenditure from GAG	102,038	-	(3,017)	59,106	158,127
BSF contract	52,594	-	(1,555)	-	51,039
Donations	42,976	2,500	(1,271)	-	44,205
	17,681,423	27,799	(523,391)	59,106	17,244,937
Pension reserve	(7,023,000)	-	(544,000)	5,089,000	(2,478,000)
Total restricted funds	10,998,941	8,715,217	(9,967,820)	5,089,000	14,835,338
Unrestricted funds					
Other income	711,323	269,841	(122,614)	-	858,550
Total unrestricted funds	711,323	269,841	(122,614)	-	858,550
Total funds	11,710,264	8,985,058	(10,090,434)	5,089,000	15,693,888

The academy trust is not subject to GAG carried forward limits.

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

Restricted general funds
These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Unrestricted funds
These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds
These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

14. Funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	161,690	7,324,576	(7,086,642)	(59,106)	340,518
Pupil premium	-	568,132	(568,132)	-	-
Catch-up premium	-	83,720	(83,720)	-	-
Other DfE/ESFA Covid-19 funding	-	110,135	(110,135)	-	-
Coronavirus Job Retention Scheme grant	-	32,782	(32,782)	-	-
Other grants	-	404,990	(404,990)	-	-
	161,690	8,524,335	(8,286,401)	(59,106)	340,518
Restricted fixed asset funds					
Transfer on conversion	17,821,013	-	(416,055)	-	17,404,958
DfE Group capital grants	66,424	25,192	(12,759)	-	78,857
Capital expenditure from GAG	54,150	-	(11,218)	59,106	102,038
BSF contract	113,810	-	(61,216)	.	52,594
Donations	-	53,720	(10,744)	-	42,976
	18,055,397	78,912	(511,992)	59,106	17,681,423
Pension reserve	(5,934,000)	-	(361,000)	(728,000)	(7,023,000)
Total restricted funds	12,283,087	8,603,247	(9,159,393)	(728,000)	10,998,941
Unrestricted funds					
Other income	718,394	33,869	(40,940)	-	711,323
Total unrestricted funds	718,394	33,869	(40,940)	-	711,323
Total funds	13,001,481	8,637,116	(9,200,333)	(728,000)	11,710,264

Notes to the financial statements for the year ended 31 August 2022 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	17,236,926	17,236,926
Current assets	858,550	-	2,734,674	-	3,593,224
Current liabilities	-	-	(2,658,262)	-	(2,658,262)
	858,550	-	76,412	17,236,926	18,171,888
Pension scheme liability	-	(2,478,000)	-	-	(2,478,000)
Total net assets	858,550	(2,478,000)	76,412	17,236,926	15,693,888

Comparative information in respect of the preceding period is as follows :	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	17,681,423	17,681,423
Current assets	711,323	-	1,098,844	-	1,810,167
Current liabilities	-	-	(758,326)	-	(758,326)
	711,323	-	340,518	17,681,423	18,733,264
Pension scheme liability	-	(7,023,000)	-	-	(7,023,000)
Total net assets	711,323	(7,023,000)	340,518	17,681,423	11,710,264

16. Commitments under operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:	Total 2022 £	Total 2021 £
Amounts due within one year	52,930	44,389
Amounts due between one and five years	49,058	79,212
	101,988	123,601

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

	2021/22 Total £	2020/21 Total £
Net income/(expenditure) for reporting period (as per the SoFA)	(1,105,376)	(563,217)
Adjusted for :		
Depreciation (note 11)	523,391	511,992
Capital grants from DfE and other capital income	(27,799)	(78,912)
Interest receivable (note 5)	(644)	(116)
Defined benefit pension scheme cost less contributions payable (note 23)	424,000	270,000
Defined benefit pension scheme finance cost/(income) (note 23)	120,000	91,000
Decrease / (increase) in debtors	(1,189)	45,993
Increase / (decrease) in creditors	1,899,936	155,301
Net cash provided by / (used in) operating activities	1,832,319	432,041

18. Cash flows from investing activities

	2021/22 Total £	2020/21 Total £
Interest received	644	116
Purchase of tangible fixed assets	(78,894)	(84,298)
Capital grants from DfE Group	25,299	25,192
Capital grants from others	2,500	-
Net cash provided by / (used in) investing activities	(50,451)	(58,990)

19. Analysis of cash and cash equivalents

	At 31 August 2022 £	At 31 August 2021 £
Cash at bank and in hand	3,356,589	1,574,721
	3,356,589	1,574,721

20. Analysis of changes in net debt

	At 31 August 2021 £	Cash flows £	Other non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,574,721	1,781,868	-	3,356,589
	1,574,721	1,781,868	-	3,356,589

21. Members' liability

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

22. Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in 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 four 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

22. Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the year amounted to £681,269 (2021 : £662,164).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £475,533 (2021 : £556,000), of which employer's contributions totalled £316,377 (2021 : £466,000) and employees' contributions totalled £93,614 (2021 : £90,000). The agreed contribution rates for future years are 21.7% for employers and between 5.5% and 10.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 26 years.

Principal actuarial assumptions	**At 31 August 2022**	**At 31 August 2021**
Rate of increase in salaries	4.05%	3.90%
Rate of increase for pensions in payment / inflation	3.05%	2.90%
Discount rate for scheme liabilities	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis	**At 31 August 2022 £'000s**	**At 31 August 2021 £'000s**
Discount rate +0.1%	(156)	(279)
Discount rate -0.1%	156	286
Mortality assumption 1 year increase	276	486
Mortality assumption 1 year decrease	(276)	(465)
CPI rate +0.1%	127	240
CPI rate -0.1%	(127)	(233)

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

	At 31 August 2022	**At 31 August 2021**
Retiring today		
Males	21.3	21.6
Females	23.6	24.0
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2022 £	31 August 2021 £
Equities	2,959,400	2,443,000
Gilts	-	331,000
Corporate bonds	927,500	-
Other bonds	-	245,000
Property	353,400	282,000
Cash and other liquid assets	176,700	148,000
Other	-	561,000
Total market value of assets	4,417,000	4,010,000

The actual/actual negative (delete as appropriate) return on scheme assets was £176,000 (2021 : £563,000).

	2021/22 £	2020/21 £
Amount recognised in the statement of financial activities		
Current service cost	906,000	736,000
Interest income	(70,000)	(51,000)
Interest cost	190,000	142,000
Total amount recognised in the SoFA	1,026,000	827,000

Changes in the present value of defined benefit obligations were as follows :	2021/22 £	2020/21 £
At 1 September 2021	11,033,000	8,864,000
Current service cost	906,000	736,000
Interest cost	190,000	142,000
Employee contributions	95,000	90,000
Actuarial gains/(losses) - financial assumptions	(5,242,000)	1,515,000
Actuarial gains/(losses) - demographic assumptions	(37,000)	(135,000)
Actuarial gains/(losses) - experience gains/losses	14,000	(140,000)
Benefits paid	(64,000)	(39,000)
At 31 August 2022	6,895,000	11,033,000

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2021/22	2020/21
	£	£
At 1 September 2021	4,010,000	2,930,000
Interest income	70,000	51,000
Actuarial gains/(losses)	(176,000)	-
Return on assets less interest	-	512,000
Employer contributions	482,000	466,000
Employee contributions	95,000	90,000
Benefits paid net of transfers in	(64,000)	(39,000)
At 31 August 2022	4,417,000	4,010,000
Net pension scheme liability	(2,478,000)	(7,023,000)

23. 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.

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

24. Contingent Liabilities

Following the recent decision in the Harpur Trust vs Brazel case. The trust is considering the potential liability in respect of this. At this time it is not possible to quantify the liability, if any, and no provision has been made in these accounts.