

# Youth Engagement Schools Trust

(A Company Limited by Guarantee)

**Trustees' Report and Consolidated Financial Statements**

**For the year ended 31 August 2023**

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## Reference and Administrative Details

### For the Year Ended 31 August 2023

<b>Members</b>	C Hindley M Howlett J Bisset A Kiddle M Pearson
<b>Trustees</b>	R N Halsall (Chair) N Brindle (Accounting Officer) T Haselwood (Chair of Finance Committee) I J Carden (Resigned 30 March 2023) J B Logan (Vice Chair) L Carden-Doorey C J Whyatt (Resigned 25 September 2023) W Bower-Choyce S Bradshaw (Appointed 30 March 2023) H Davies (Appointed 30 March 2023)
<b>Senior Leadership Team</b>	Nic Brindle (Chief Executive Officer) Chris Heptinstall (Director of Business and Chief Finance Officer) Helen Phillips (Director of Education)
<b>Company name</b>	Youth Engagement Schools Trust
<b>Principal and Registered Office</b>	The Fermain Academy Beswick Street Macclesfield SK11 8JF
<b>Company Registration Number</b>	08827502 (England and Wales)
<b>Independent Auditor</b>	Murray Smith LLP Chartered Accountants Statutory Auditors Darland House 44 Winnington Hill Northwich Cheshire CW8 1AU
<b>Bankers</b>	Lloyds Bank PLC 60/62 Merseyway Shopping Centre Stockport Cheshire SK1 1PL
<b>Solicitors</b>	Brabners Horton House Exchange Flags Liverpool L2 3YL

## **Trustees' Report**

### **For the Year Ended 31 August 2023**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

September 2022 saw the opening of the Trust's third Free School, The Keystone Academy. The school opened in temporary accommodation in north Shrewsbury, whilst the permanent building, a circa £10million new build school is being built. When at full capacity, Keystone will accommodate 120 pupils with Social, Emotional and Mental Health difficulties. The school's capacity in the first year was 50 pupils, with this number forecast to grow to 90 in 2023-24, and 120 in 2024-25.

The Axis Academy, the Trust's second Free School continued into its 3rd year of operation with an influx of new pupils, pushing the school's capacity up to 68, from an initial capacity of 48. The growth in pupil numbers and the staff team also led to expanding and improving the provision, more of which will be shown in the capital improvements summary. 2023 also saw the first official Ofsted inspection for The Axis Academy, in which the school achieved 'Good' in all areas. The school continues to strive for excellence, and at the time of writing (September 2023), the school has been shortlisted for two national awards that celebrate leading practice in SEN and inclusion.

The Trust continued to build on the success of its small Independent Alternative Provision, supporting primary aged pupils across Cheshire East, preventing any permanent exclusions in the authority at primary age. This provision is overseen by Cornerstone Alternative Education Ltd, which is a wholly owned subsidiary of the YES Trust. Although a separate entity and registered independent school, the school is run like an Academy Trust, and they (Cornerstone) receive all the support and services from the Trust that its Academies benefit from. The school voluntarily follows the Academy Trust Handbook and all other Academy Trust requirements, except the individual Academy statutory returns, that are not required.

The Trust has continued working through the pre-opening stages of its new SEN Free School, The Raise Academy in Halton, which is due to open in September 2024. Although the opening of this school has been delayed more than 2 years, the building of the new school is now underway, and is on track for completion for a September 2024 opening. This new school will provide a fantastic new facility for pupils with SEMH in the Halton and St Helens areas.

The Trust's reputation has continued to grow during the year and this culminated with being engaged by the Department for Education to support a school (Key Stage 4 PRU) that fell into Special Measures early in 2023. This immediate intervention work proved successful, and the Trust was then asked to consider taking on the failing school permanently, in addition to the other two PRU/SEN schools on the campus. The academy conversion of these three schools was approved at the West-Midlands Advisory Board in July 2023, and the Trust is working through the process of bringing these three schools into the Trust during the 2023-24 academic year.

## Trustees' Report (continued)

### For the Year Ended 31 August 2023

There is also another SEN school in Lancashire that was approved for conversion and joining the YES Trust in September 2023 (post year end). If successful, these conversions would increase the number of schools in the Trust to 8, with a 9th opening in September 2024.

#### KPIs

The Trust's growth in the 2022-23 financial year can be shown by the figures below, in addition to some high level KPIs.

Indicator	2023	2022
Pupil No (Summer Census)	182	125
Staff No	87	58
Total Income	£5,314,000	£3,132,000

School	Pupils	Staff	Ofsted Judgement	Attendance %
The Axis Academy	60	24	Good	76%
The Fermain Academy	51*	23	Outstanding	78%
The Keystone Academy	46	23	Yet to be inspected	81%
Cornerstone Academy	25*	11	Good	92%
Trust Central Team	N/A	6	N/A	N/A

\*Due to the nature of AP education, the number of pupils on roll varies throughout the year, but both schools remained over subscribed in terms of commissioned places.

#### Capital Investment and Improvements

The 2022-23 financial year, has seen the Trust invest record amounts in improving its buildings and assets, in order to provide the best possible learning environments for pupils and staff. The Trust used a combination of capital grants and revenue reserves to fund this work after building up a sufficient enough level of central reserves to allow schools to re-invest their reserves on strategically identified improvements. In total, the Trust invested £364k (£131k funded from reserves) in fixed asset additions in the year ending 31st Aug 2023. The highlights of this were some significant improvements made to The Fermain Academy's ICT infrastructure and specialist teaching equipment, solar PV projects starting at Axis and Fermain, and a significant amount of brand-new ICT and FF&E at The Keystone Academy, funded through Free School Capital Grant. The Trust will continue to invest in its assets in the 2023-24 academic year. Some key areas of improvements are as follows:

**The Axis Academy** – Solar PV Panel's for school roof, new immersive breakout space, KS2 playground, equipment for animal care and horticulture and new meeting room furniture.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

Building Improvements - £21k

ICT Additions - £13k

FF&E Additions - £29k

**The Fermain Academy** - Solar PV Panel's for school roof, new ICT infrastructure, new school gates, new Music Tech and Hair and Beauty equipment.

Building Improvements - £15k

ICT Additions - £34k

FF&E Additions - £7k

Plant and Machinery - £14k

**The Keystone Academy** - New ICT infrastructure and equipment, new FF&E for new school set up and school vehicle purchase.

ICT Additions - £146k

FF&E Additions - £46k

Vehicle Additions - £28k

## **Structure, Governance and Management**

### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no 08827502) and an exempt charity. The charitable company was incorporated on 30 December 2013 and opened as an academy on 1 September 2015. The charitable company's memorandum and Articles of Association were amended on 7th October 2020 to reflect the change of the Trust from a single, to a multi academy trust. These documents are the primary governing documents of the Academy Trust. The Articles of Association require the members of the charitable company to appoint at least three trustees to the Board of Trustees. The trustees of Youth Engagement Schools Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year 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' Report (continued)**

### **For the Year Ended 31 August 2023**

#### **Trustees' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance through the Department for Education's Risk Pooling Arrangement (RPA) to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover for the year ended 31 August 2023.

#### **Method of Recruitment and Appointment or Election of Trustees**

All members of the Board of Trustees are appointed and/or elected in accordance with the Articles of Association of the Academy Trust.

The Members may appoint trustees through such process as they may determine (by election or appointment), provided the total number of trustees (including the Accounting Officer) who are employees of the Trust shall not exceed one third of the total number of trustees.

During the year under review the Board of Trustees and its committees held a total of 15 meetings (5 x Full Board of Trustees (including 2 Special Trustee Meetings), 3 x Finance, 4 x Pay (including 1 additional meeting), 3 x Education Standards). This is in addition to the main AGM held by Members.

#### **Induction and training of new trustees**

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees are given a tour of the Trust's schools upon request, and all trustees will have the opportunity to meet with staff and students in Trust schools. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

The Trust's Executive Leadership Team ran several online workshops in the Autumn term aimed at trustees and Local school governors, with the aim of upskilling members of each respective board and ensuring all governors/trustees are up to date with the format and content of reports they will likely receive throughout the year.

#### **Organisational structure**

The Board of Trustees is collectively responsible for the overall direction of the Youth Engagement Schools Trust (YES Trust) and its strategic management. This involves determining the guiding principles within which the Academy Trust operates, setting general policy, adopting an annual development plan and budget, monitoring the Trust activities and making major decisions about capital expenditure and senior staff appointments. The Board of Trustees is also responsible for ensuring that the Trust meets all its statutory obligations and through the Chief Executive Officer and Director of Business (CFO) that it complies with financial regulations. The Chief Executive Officer is the Accounting Officer of the Trust.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

The Board of Trustees recognises that it would be impractical to undertake all of the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Executive Leadership Team (ELT), comprising the CEO, Director of Education and Director of Business, and to the Academy Headteachers and their SLT's (Senior Leadership Teams).

#### **Risk management**

The trustees have a duty to identify and review the risks to which the Academy Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trust's Risk Register is updated annually in September (or whenever any significant change occurs) and reviewed regularly by trustees.

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object of the Academy Trust is the operation of its Academies to advance, for the public benefit, education of students.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.

The Academy Trust has agreed within the provisions of the Funding Agreement between the Trustees and Secretary of State the following characteristics of the Academy Trust:

- a) The Academy Trust will offer a balanced and broadly based curriculum;
- b) The Academy Trust will provide education for pupils of different abilities; and
- c) The Academy Trust will provide education for pupils who are mainly drawn from the area in which the Academy is situated.

##### **Public Benefit**

Trustees have referred to the public benefit guidance contained in part 1, section 4 of the Charities Act 2006 and the SORP (items GL 49), to have due regard to the Charity Commission's published general and relevant guidance when they have reviewed the Academy's aims and objectives. This has been used in planning future activities to ensure the primary objective of the Academy is achieved rather than providing a financial return.



## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

#### **Strategic Report**

##### **Strategic Overview**

The 2022-23 year saw the number of staff grow to 87 across the Trust. This allowed the Executive Leadership Team to run two Trust wide INSET days where the focus was very much on the strategic goals of the Trust, and the development and embedding of key focus areas.

The Trust re-aligned and re-launched its core values after close work with senior leaders in all its schools. The Trust's clear moral purpose is 'Transforming Lives'. This is achieved through ensuring three core values run through everything we do; they are:

- Being truly Child Centred
- Building Authentic Relationships
- Being Adaptive and Sensitive to Need

The Trust has continued working closely with Bolton University as part of the Laboratory Schools Project, which again has allowed us to collaborate and share good practice with a variety of school Trusts and leaders who share the goal of translating their moral purpose into strategic action.

The protocols we co-created have provided a platform from which all teachers and support staff can undertake appreciative enquiry in one another's learning environments, with each individual, regardless of level of experience, having a robust understanding of the meaning of each protocol and how to consider its practical application.

Staff now work in triads or quads to discuss practice, research, podcasts, wider reading to ensure that best and next practice is highlighted, celebrated, disseminated and permeates whole school and whole Trust practice.

We, as a Trust, are fairly early on in our journey, but, having embraced the unleashing greatness framework, we are committed to this exciting, challenging improvement agenda which engages and inspires our stakeholders and will allow us to do what we already do well even better and transform lives.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

#### **The Axis Academy**

The Axis Academy had its first Ofsted visit and was deemed to be a Good school. Inspectors stated that: "The Axis Academy is a warm and nurturing place. Pupils are happy and feel safe here... Leaders and staff have high expectations of every pupil. Pupils behave well and try their best in lessons" and "There is a strong culture of vigilance and support in the school. All staff are well trained in safeguarding procedures". The excellent work the school has carried out on embedding its Reading strategy was highly praised as were the authentic relationships created in the school, which is one of our core values. The first cohort of Year 11 pupils sat their GCSEs , with very pleasing outcomes, a 100% pass rate and some stand out individual achievements. All pupils sitting SATs achieved at least their age -related expectations, which is highly praiseworthy considering the amount of education these learners will have missed.

#### **The Fermain Academy**

The Fermain Academy continues to support and inspire some of the most challenging and complex learners across Cheshire East, Cheshire West and Wythenshawe. Places at the Fermain are highly sought after and greatly valued by the partner schools. We have also seen the development of the Skills Centre from idea to fruition. The intention is for the Skills Centre to become a beacon of outstanding practice for learners following a vocational pathway, both Fermain students and students from partner schools. This is a very exciting and much needed provision which will add greater depth and breadth to the curriculum offer for young people.

Students performed well at examination time, with 100% of students achieving 1 or more GCSEs at grades 1-9 and 94% of students achieving 3 or more GCSEs at grades 1-9.

#### **The Cornerstone Academy**

Cornerstone continue to support Cheshire East in terms of zero permanent exclusions since the provision opened. We are, of course, delighted with this and it truly is testament to the strategies and approaches employed at the school. Numbers of pupils are consistently at 20, with ten on each site (Crewe and Sandbach). Each site is led by an Assistant Headteacher, with the Headteacher overseeing the strategic direction of the whole school. Attendance has been consistently around 90%.

#### **The Keystone Academy**

Keystone has completed its first year in the temporary accommodation and will soon be moving into the new building. Numbers have increased in line with plans, with the fifty places planned for the start of year two well on track. The school has established itself well in the Local Authority, working with local Headteachers and an array of other agencies. Staffing has steadily grown in line with pupil numbers, creating a strong team to start the new academic year. The school saw its first cohort of pupils sitting SATs, the outcomes from which were excellent. Feedback from moderation was very praiseworthy. A very successful first year.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

#### **Going Concern**

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

#### **Financial Review**

The Trust's key sources of funding are the General Annual Grant (GAG) from the Education Funding Agency (EFA) and top up funding from the Local Authority and schools commissioning places. Funding from the EFA, Local Authority and schools is shown as restricted funds in the Statement of Financial Activities. The analysis of specific grants received can be seen within note 3 to the financial statements.

During the year to 31 August 2023, the Trust received GAG income of £1,726k including £146k in DfE Start Up Grants and top up funding of £2,666k, which included £587k from the local schools and the Local Authority for the provision of running The Cornerstone Academy.

The Trust received £113k in additional DfE school grants during the period. This included £50k in pupil premium grant – received by The Fermain Academy, The Keystone Academy, and The Axis Academy. The Trust also received Catch Up Grant, PE and Sport Grant, National Tutoring Grant, ECT Funding and Duke of Edinburgh Funding.

There was also DfE ESIF (Emergency School Improvement Fund) of £47k received in the period. The £160k received in Academy conversion grants in August 2023, was deferred to the 2023-24 financial year, due to activities not starting in relation to the conversions until after the financial year end.

The Trust accrued £45k of Free School PDG in respect of The Raise Academy (Halton) which the Trust will be opening in September 2024. Due to delays in the opening of this Free School there was no PDG funding received in the 2022-23 financial year, however, various activities took place in the year, that are attributable to the grant.

Other revenue income including lettings, uniform income, training re-charges, absence insurance income and bank interest totalled £37k for the year.

The Trust received £250k in capital funding during the year, of which £38k was DFC, and £212k was Free Schools FF&E capital funding, which was provided for the purchase of assets at The Axis Academy and The Keystone Academy as part of the Free Schools Capital Funding.

## Trustees' Report (continued)

### For the Year Ended 31 August 2023

During the year to 31 August 2023, total resources expended are £4,856k, excluding depreciation. Depreciation of £264k has been charged for the year against the fixed asset fund. The Trust spent £364k on Fixed Assets during the year ended 31 August 2023.

The excess of income over expenditure for the period (before depreciation and excluding movement in the pension reserve and restricted fixed assets) was £487k.

At 31 August 2023 the net book value of fixed assets was £7,422k and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets will be used exclusively for providing education and the associated support services to the students of the Academy.

## Reserves and Investment Policy

### Purpose

The purpose of the reserve policy for the YES Trust is to ensure the stability of the Trust's organisational operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

### Definition and Goals

#### Restricted Reserves

Restricted reserves are represented by the main income for the Trust which is General Annual Grant (GAG), other grant contributions or donations that are received for a specific project or purpose, and top up funding. These funds are restricted for the use according to the funding agreements or donors instructions. The level of reserves will be determined by trustees annually and can fluctuate depending on operational needs. The Board of Trustees have determined that the Trust should aim to have the following levels of reserves:

Reserves	2021-2022	2022-2023	2023-2024 Forecast	Notes
Minimum Level	£231,000	£353,000	£542,000	Approximately one month's operational outgoings
Optimal Level	£462,000	£707,000	£1,084,000	Approximately two month's operational outgoings
Maximum Level	£693,000	£1,060,000	£1,626,000	Approximately three month's operational outgoings

The rationale behind retaining these levels of reserves are as follows:

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

- To provide sufficient working capital to cover delays between spending and receipt of grants and top up funding.
- To provide a cash buffer and contingency to deal with unexpected emergencies such as urgent maintenance or replacement of expensive assets.
- To allow the schools to retain staffing levels and curriculum delivery should the school experience a drop in numbers and therefore income.
- To provide working capital for the upfront, annual payment of service level agreements and insurance policies.

All reserves are reported and reviewed regularly at management meetings and the Finance, HR and Premises Committee. The level of revenue reserves at the year ending 31.08.2023 is circa £1,003k, which is in between the optimal and maximum levels of reserves the Trust wishes to carry. There are plans in place for capital improvement works should the level of reserves rise further in the next financial year.

The Trust board has approved the investment of £225,000 with Lloyds Bank. The following investments were agreed in July 2023:

£75,000 – 12 month fixed – 3.4%

£75,000 – 6 month fixed – 3.3%

£75,000 – 32 day rolling access – 2.6%

This will be kept under review at the Finance Committee meetings.

#### **Use of Reserves**

##### **1. Identification of appropriate use of reserve funds**

The ELT will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other sources of funds before using reserves and evaluation of the time period that the funds will be required and replenished.

##### **2. Authorisation of use of reserves**

Authorisation to use reserves of any kind will be made by the Finance, HR and Premises Committee, providing the individual academy is still posting an overall in year surplus. Any requests over this amount will require full Trust Board approval.

##### **3. Reporting and monitoring**

The trustees are responsible for ensuring that the funds are maintained and used only as described in this policy. Upon approval for the use of these funds, the Trust will maintain a record of the use of the funds. The Finance, HR and Premises Committee should regularly monitor the progress of the reserves.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

#### **Review of Policy**

This policy will be reviewed by the Finance, HR and Premises Committee every year or sooner if warranted by internal or external events or changes. Changes to the policy will be recommended by the Finance, HR and Premises Committee to the Board of Trustees.

#### **Investment Policy**

The Trust has an investments policy. Positive cash balances are currently held in the bank current account. The utilisation of a deposit account is currently being discussed by the Finance, HR and Premises Committee. As interest rates increase into 2023-24, the Trust will be reconsidering its options for short and medium term investments.

#### **Principal Risks and Uncertainties**

The principal risk for the Trust in the coming year will be capacity with the ELT looking to further expand the Trust in terms of new schools opening and exploring new partnerships and opportunities for growth, whilst ensuring the Trust's existing schools, The Fermain Academy, The Axis Academy and Cornerstone Academy continue to improve and drive standards for AP and SEN education, and The Keystone Academy will be establishing itself and growing in to the local educational landscape in a new geographical area. Leadership capacity and leadership recruitment for Headteachers and wider senior leaders is a key strategic focus areas to help to mitigate these risks.

#### **Plans for Future Periods**

The Keystone Academy will move in to its brand new building after the October 2023 half term, vacating the temporary building it has been operating in since September 2022. 12 new staff will start work in the school in September due to the increase in numbers, with more positions to be recruited for over the course of the 2023-24 year. Over this period the school will look to grow its pupil numbers to 90, in a safe and sustainable manner alongside the appointment of new staff to increase the expertise and capacity already in place at the school.

Recruitment for the initial staff team for The Raise Academy will commence in the Spring Term and the Trust's central team will continue to work with Halton BC and St Helens Council to ensure the cohort of pupils identified to attend the school from September 24, has the best possible transition. There will be between 15 and 20 staff recruited for September 2024.

Following its successful 1st couple of years and faster than expected growth, The Axis Academy is officially expanding from 48 places, to 68 pupils. This will not include any capital works, as the additional pupils can be catered for in our current setting.

## **Trustees' Report (continued)**

### **For the Year Ended 31 August 2023**

The Fermain Academy is increasing its commissioned places in September 2023, at the request of the Local Authority. The school will also have use of a separate building, known as the Skills Centre. This will allow the teaching of vocational subject such as Hair and Beauty, Construction, Design Technology and Textiles in a separate building to the main school.


The Trust is also currently (September 2023) going through due diligence and academisation processes of 4 schools to join the Trust in the 2023-24 academic year. These are all SEN/PRU schools and will add further capacity and expertise to the Trust. Should this be successful, the number of schools in the Trust will be 9, by the start of the 2024-25 academic year, with an estimated turnover of £18million.

#### **Auditor**

The Trustees have confirmed, that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they 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 auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 December 2023 and signed on its behalf by:

DocuSigned by:  
  
F98436A1D08E482...

**R N Halsall**  
**Chair of Trustees**

## Governance Statement

### For the Year Ended 31 August 2023

#### Scope of Responsibility

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

The board of the trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Youth Engagement Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities.

The Trust delegates work to its two main Committees; Finance, HR and Premises (also the Audit Committee), and Standards. The Trust also has a Pay committee who meet a couple of times per year each at least. Trustees reports and minutes are all uploaded and shared on the online governance portal, GVO, and Trustees are encouraged to comment and approve things where appropriate. Trustees also often visit Trust schools and provide visit reports which are shared with other Trustees. The Chair has regular meetings with the CEO and Exec Team members keep Committee Chairs up to date on various actions and updates.

The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
N Brindle (CEO and Accounting Officer)	4	4
T Haselwood	3	5
R N Halsall (Chair)	5	5
I J Carden	3	4
J B Logan (Vice Chair)	5	5
L Carden-Doorey	5	5
C J Whyatt	5	5
W Bower-Choyce	3	5
H Davies	1	1
S Bradshaw	1	1

The Trustees plan to undertake the next internal review during the forthcoming academic year.



## Governance Statement (continued)

### For the Year Ended 31 August 2023

The Finance, HR and Premises Committee is a Committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's financial and operational resources, including proper planning, monitoring and probity. This Committee also acts as and carries out the functions of the 'Audit Committee' as per the requirements of the Academies Trust Handbook. The Finance, HR and Premises Committee meet on a termly basis prior to the main Trust Board and report back to the Board on their delegated responsibilities. This Committee's attendance was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
T. Haselwood	3	3
N Brindle	3	3
C J Whyatt	2	3
R N Halsall	2	3
W Bower-Choyce	1	3
H Davies	1	1
C Heptinstall (Chief Finance Officer – Non-voting member)	3	3

The Education Standards Committee: The Purpose of the Committee; to review and evaluate learning and teaching, student achievement, SEND provision and standards and to oversee the ethos of the Academy Trust with its vision to secure the best possible outcomes for each individual child having regard to that child's personal circumstances. The committee has the following core purposes: To oversee outcomes for pupils in each academy providing challenge and support for academy leaders and officers of the Trust, ensure decisions taken at each Academy regarding teaching and learning are taken in the best interests of pupils, Develop the Yes Trust's ability to lead Academies and improve outcomes for individuals.

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
I Carden	2	2
N Brindle	3	3
B Logan	3	3
L Carden-Doorey	2	3
S Bradshaw	1	1
H Phillips (Director of Education – Non-voting member)	3	3

The Pay Committee: The Purpose of the Committee; is to oversee arrangements for the remuneration of all staff within the Trust; to advise on the Pay Policy, Appraisal Policy and professional development cycle. To ensure good governance at all levels of The YES Academy Trust including effective policy is in place to make sure the Trust is competitive in the employment market through robust benchmarking and self-evaluation.

## **Governance Statement (continued)**

### **For the Year Ended 31 August 2023**

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
B Logan	4	4
Tim Haselwood	3	4
N Brindle	3	3
R N Halsall (Trustee – Non-voting member)	1	1
W Bower-Choyce	2	4
C Heptinstall (Director of Business – Non-voting member)	1	1

#### **Review of Value for Money**

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer also reviews contracts with the Director of Business on a cyclical, planned basis. The main contracts reviewed during the 2022/23 year were as follows:

- Cleaning services
- Refuse removal
- Staff absence insurance
- Health and Safety and Compliance
- External HR consultancy
- Staff benefits and assistance

The following goods and services are procured centrally by the Trust's central finance team, using the topslice that each Academy is charged each month. Using this approach reduces the administrative workload in processing multiple invoices, reduces errors and ensures the Trust is getting the best possible value on contracts through economies of scale:

- ICT support services
- Access Finance and Budgeting software
- Arbor MIS software
- DocuSign licences
- Perspectives PD software
- Every H&S and Compliance software
- Payroll bureau services
- HR and Legal services

## **Governance Statement (continued)**

### **For the Year Ended 31 August 2023**

Audit and Accountancy services

Mobile phone contracts

Cleaning services

The Trust has also opted into Ill Health Liability Insurance for all its schools through Hymans Robertson. This will further protect the Trust against any potential large pay outs in respect of Ill Health Retirement of support staff. This policy is cost neutral as it reduces the employers pension contributions to offset the cost of the policies.

#### **The Purpose of the System of Internal Control**

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

#### **Capacity to Handle Risk**

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

#### **The Risk and Control Framework**

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

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

## **Governance Statement (continued)**

### **For the Year Ended 31 August 2023**

- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and in line with the 2022 Academy Trust Handbook, has appointed separate, external companies to conduct termly internal audits covering a range of financial and operational risk areas. Due to the varying range of internal audit focus, the Trust has been unable to appoint a single audit firm to carry these out, so the Trust commissioned individual audits with specialist companies in a specific area. The Chair of the Finance, HR and Premises Committee liaises regularly with the Director of Business / CFO to discuss the Trust's financial performance in addition to scrutiny being applied via the committee and Board of Trustees and internal and external audit.

The reviewer's role 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 during the 2022/23 year included:

- review of health and safety systems, processes and records
- review and testing of payroll and staff on-boarding procedures
- review of asset register, including checks of newly purchased assets

On a termly basis, the internal audit reports are sent to the board of trustees, through the Finance, HR and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial and operational responsibilities.

#### **Review of Effectiveness**


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

- the work of the external auditor
- 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 and resources committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2023 and signed on its behalf by:

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**R N Halsall**  
**Chair of Trustees**

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**Nic Brindle**  
**Accounting Officer**

## **Statement of Regularity, Propriety and Compliance For the Year Ended 31 August 2023**

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

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

I confirm that 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.

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**Nic Brindle**  
**Accounting Officer**  
**15 December 2023**

## **Statement of Trustees' Responsibilities**

### **For the Year Ended 31 August 2023**

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

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

**Statement of Trustees' Responsibilities (continued)**  
**For the Year Ended 31 August 2023**

Approved by order of the members of the board of trustees on 15 December 2023 and signed on its behalf by:

DocuSigned by:  
  
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**R N Halsall**  
**Chair of Trustees**

## **Independent Auditor’s Report on the Financial Statements to the Members of Youth Engagement Schools Trust**

### **Opinion**

We have audited the financial statements of Youth Engagement Schools Trust for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Academy Trust Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘the Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trust’s 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 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.



## **Independent Auditor's Report on the Financial Statements to the Members of Youth Engagement Schools Trust (continued)**

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, but does not include the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the Academy Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

## **Independent Auditor’s Report on the Financial Statements to the Members of Youth Engagement Schools Trust (continued)**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees’ Responsibilities set out in the trustees’ annual report, the trustees 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 Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Our 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 a Report of the Independent Auditors 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:

The audit procedures designed to identify irregularities included:

- enquiry of management and those charged with governance around actual and potential litigation and claims
- enquiry of Academy Trust staff with responsibilities for compliance matters to identify any instances of non-compliance with laws and regulations
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.


## **Independent Auditor's Report on the Financial Statements to the Members of Youth Engagement Schools Trust (continued)**

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentations or through collusion.

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

### **Use of our report**

This report is made solely to the 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 Members, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

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Michael Benson (Senior Statutory Auditor)  
For and on behalf of Murray Smith LLP  
Chartered Accountants  
Statutory Auditors  
Darland House  
44 Winnington Hill  
Northwich  
Cheshire  
CW8 1AU

**Date 15 December 2023**

## **Independent Reporting Accountant's Assurance Report on Regularity to Youth Engagement Schools Trust and the Education and Skills Funding Agency**

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

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

### **Respective responsibilities of Youth Engagement Schools Trust's accounting officer and the reporting accountant**

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

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

### **Approach**

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

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

## **Independent Reporting Accountant’s Assurance Report on Regularity to Youth Engagement Schools Trust and the Education and Skills Funding Agency (continued)**

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 to our conclusion includes:

- review of arrangements in place over financial management; and
- review of the Trust’s expenditure during the year.

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

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**Murray Smith LLP**

**Date 15 December 2023**

Chartered Accountants and Statutory Auditors  
Darland House  
44 Winnington Hill  
Northwich  
Cheshire CW8 1AU

**Consolidated Statement of Financial Activities for the year ended 31 August 2023**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	1,430	7,196	235,475	244,101	22,554
Charitable activities:						
Funding for the Academy Trust's educational activities	3	-	5,032,513	-	5,032,513	3,087,124
Other trading activities	4	37,218	-	-	37,218	22,963
Investments	5	81	-	-	81	77
<b>Total income</b>		<b>38,729</b>	<b>5,039,709</b>	<b>235,475</b>	<b>5,313,913</b>	<b>3,132,718</b>
<b>Expenditure on:</b>						
Raising funds	6	9,749	-	-	9,749	-
Charitable activities:						
Academy Trust's educational operations	7	-	4,895,106	225,522	5,120,628	3,531,559
Other		-	-	-	-	-
<b>Total expenditure</b>		<b>9,749</b>	<b>4,895,106</b>	<b>225,522</b>	<b>5,130,377</b>	<b>3,531,559</b>
<b>Net income / (expenditure)</b>		<b>28,980</b>	<b>144,603</b>	<b>9,953</b>	<b>183,536</b>	<b>(398,841)</b>
<b>Transfers between funds</b>	16	-	<b>1,819</b>	<b>(1,819)</b>	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	27	-	205,000	-	205,000	958,000
<b>Net movement in funds</b>		<b>28,980</b>	<b>351,422</b>	<b>8,134</b>	<b>388,536</b>	<b>559,159</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		113,083	509,875	7,245,767	7,868,725	7,309,566
<b>Total funds carried forward</b>		<b>142,063</b>	<b>861,297</b>	<b>7,253,901</b>	<b>8,257,261</b>	<b>7,868,725</b>

**Consolidated Balance Sheet as at 31 August 2023**

	Notes	31 August 2023 £	31 August 2022 £
<b>Fixed assets</b>			
Tangible assets	12	<b>7,422,308</b>	<b>7,322,628</b>
<b>Current assets</b>			
Debtors	14	413,276	137,268
Short term investments	15	150,000	-
Cash at bank and in hand		609,204	739,955
		<b>1,172,480</b>	<b>877,223</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	16	(425,527)	(253,126)
		<b>746,953</b>	<b>624,097</b>
<b>Net current assets</b>			
		<b>8,169,261</b>	<b>7,946,725</b>
<b>Total assets less current liabilities</b>			
		<b>8,169,261</b>	<b>7,946,725</b>
Creditors – amounts falling due after more than one year		-	-
<b>Net assets excluding pension asset / liability</b>			
		<b>8,169,261</b>	<b>7,946,725</b>
Defined benefit pension scheme asset / (liability)	27	88,000	(78,000)
<b>Total net assets</b>			
		<b>8,257,261</b>	<b>7,868,725</b>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	17	7,253,901	7,245,767
Restricted income fund	17	773,297	587,875
Pension reserve	17	88,000	(78,000)
<b>Total restricted funds</b>		<b>8,115,198</b>	<b>7,755,642</b>
<b>Unrestricted income funds</b>	17	142,063	113,083
<b>Total funds</b>		<b>8,257,261</b>	<b>7,868,725</b>

The financial statements on pages 28 to 60 were approved by the trustees and authorised for issue on 15 December 2023 and are signed on their behalf by:

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**R N Halsall****Chair of Trustees**

DocuSigned by:



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**N Brindle****Accounting Officer**

**Academy Trust Balance Sheet as at 31 August 2023**

	Notes	31 August 2023 £	31 August 2022 £
<b>Fixed assets</b>			
Tangible assets	12	7,417,624	7,322,628
Investments	13	1	1
		<b>7,417,625</b>	<b>7,322,629</b>
<b>Current assets</b>			
Debtors	14	528,564	130,570
Short term investments	15	150,000	-
Cash at bank and in hand		414,555	739,955
		<b>1,093,119</b>	<b>870,525</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	16	(388,859)	(259,909)
		<b>704,260</b>	<b>610,616</b>
<b>Net current assets</b>		<b>704,260</b>	<b>610,616</b>
<b>Total assets less current liabilities</b>		<b>8,121,885</b>	<b>7,933,245</b>
Creditors – amounts falling due after more than one year		-	-
<b>Net assets excluding pension asset / liability</b>		<b>8,121,885</b>	<b>7,933,245</b>
Defined benefit pension scheme asset / (liability)	27	68,000	(77,000)
<b>Total net assets</b>		<b>8,189,885</b>	<b>7,856,245</b>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund		7,253,901	7,245,767
Restricted income fund		746,543	588,380
Pension reserve		68,000	(77,000)
<b>Total restricted funds</b>		<b>8,068,444</b>	<b>7,757,147</b>
<b>Unrestricted income funds</b>		121,441	99,098
<b>Total funds</b>		<b>8,189,885</b>	<b>7,856,245</b>

The financial statements on pages 28 to 60 were approved by the trustees and authorised for issue on 15 December 2023 and are signed on their behalf by:

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**R N Halsall**  
 Chair of Trustees

DocuSigned by:  
  
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**N Brindle**  
 Accounting Officer



**Consolidated Statement of Cash Flows for the year ended 31 August 2023**

	Note	Year ended 31 August 2023 £	Year ended 31 August 2022 £
<b>Cash flow from operating activities</b>			
Net cash provided by (used in) operating activities	21	147,671	247,361
<b>Cash flows from investing activities</b>	23	(278,422)	(17,969)
<b>Cash flows from financing activities</b>	22	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(130,751)</b>	<b>229,392</b>
<b>Cash and cash equivalents at 1 September 2022</b>		<b>739,955</b>	<b>510,563</b>
<b>Cash and cash equivalents at 31 August 2023</b>	24	<b>609,204</b>	<b>739,955</b>

## **Notes to the accounts**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies**

The Youth Engagement Schools Trust is a charitable company, incorporated in England and Wales. The address of the principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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.

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

#### **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 Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that Youth Engagement Schools 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 adopt the going concern basis of accounting in preparing the financial statements.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

#### **Basis of consolidation**

The consolidated financial statements include the Academy Trust and its Subsidiary, Cornerstone Alternative Education Ltd. Intra-group sales and profits are eliminated fully on consolidation in accordance with FRS 102. All financial statements are made up to 31 August 2023.

#### **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.

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies (continued)**

##### **Grants**

Grants are included in the Consolidated 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 (GAG) is recognised in full in the Consolidated Statement of Financial Activities in the period 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.

##### **Investment Income**

All income from short term deposit accounts is credited to the Consolidated Statement of Financial Activity in the period in which it is earned on a receivable basis.

##### **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 stock 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'.

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies (continued)**

##### **Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)**

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.

#### **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, where applicable.

#### **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

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies (continued)**

Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	– 50 years
Furniture and fixtures	– 5 years
Computer equipment	– 4 years
Plant and machinery	– 7 years
Motor vehicles	– 4 years

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

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

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the statement of financial activities in the period it is incurred unless it increases the future benefits to the Academy Trust, in which case it is capitalised and depreciated on the relevant basis.

#### **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.

#### **Provisions**

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

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies (continued)**

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

#### **Leased Assets**

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

#### **Financial Instruments**

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

#### **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.

#### **Pensions 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 based on quadrennial valuations using a prospective unit credit method. TPS is

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **1. Accounting policies (continued)**

an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### **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 (ESFA).

#### **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.

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 1. Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The Academy Trust has recognised the pension asset calculated by the actuaries on the basis that this will impact the level of contributions in the future.

##### *Critical areas of judgement*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### 2. Donations and capital grants

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Capital grants	-	242,671	242,671	21,944
Donated fixed assets	-	-	-	-
Other donations	1,430	-	1,430	610
<b>Total</b>	<b>1,430</b>	<b>242,671</b>	<b>244,101</b>	<b>22,554</b>



**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**3. Funding for the Academy Trust's educational operations**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	1,725,500	1,725,500	1,000,000
Other DfE/ESFA grants				
Pupil Premium	-	50,475	50,475	23,223
Others	-	521,018	521,018	313,096
Other DfE Group grants	-	-	-	-
<b>Other Government grants</b>				
Local authority grants	-	2,713,660	2,713,660	1,684,991
Other income from the Academy Trust's educational operations	-	21,860	21,860	17,568
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	-	-	48,246
Other DfE/ESFA COVID-19 funding	-	-	-	-
	-	<b>5,032,513</b>	<b>5,032,513</b>	<b>3,087,124</b>

**4. Other trading activities**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Hire of facilities	3,750	-	3,750	1,220
Income from other charitable activities	-	-	-	-
Income from ancillary trading activities	33,468	-	33,468	21,743
<b>Total</b>	<b>37,218</b>	<b>-</b>	<b>37,218</b>	<b>22,963</b>

**5. Investment income**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Short term deposits - interest	81	-	81	77
<b>Total</b>	<b>81</b>	<b>-</b>	<b>81</b>	<b>77</b>

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 6. Expenditure

	Staff Costs £	Premises £	Other £	2023 Total £	2022 Total £
<i>Expenditure on raising funds:</i>					
Direct costs	-	-	9,749	9,749	-
Allocated support costs	-	-	-	-	-
<i>Academy Trust's educational operations:</i>					
Direct costs	1,125,525	-	306,411	1,431,936	1,310,778
Allocated support costs	2,466,150	561,214	661,328	3,688,692	2,220,781
<b>Total</b>	<b>3,591,675</b>	<b>561,214</b>	<b>977,488</b>	<b>5,130,377</b>	<b>3,531,559</b>

Net expenditure for the period includes:

	2023 £	2022 £
Operating lease rentals	42,664	27,055
Depreciation	264,298	217,299
Fees payable to auditor for:		
-audit	11,845	9,700
-other services	1,298	1,260

#### 7. Charitable Activities

	2023 £	2022 £
Direct costs – educational operations	1,431,936	1,310,778
Support costs – educational operations	3,688,692	2,220,781
	<b>5,120,628</b>	<b>3,531,559</b>

#### Analysis of support costs

	2023 Educational Operations £	2022 Educational Operations £
Support staff costs	2,466,150	1,504,784
Depreciation	264,298	217,299
Technology costs	46,614	55,894
Premises costs	561,214	163,818
Legal costs - other	1,368	-
Other support costs	324,315	265,166
Governance costs	24,733	13,820
<b>Total support costs</b>	<b>3,688,692</b>	<b>2,220,781</b>

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 8. Staff

##### a. Staff costs

Staff costs during the period were:

	2023	2022
	£	£
Wages and salaries	2,668,020	1,805,661
Social security costs	266,091	179,183
Pension costs	581,018	680,741
	<b>3,515,129</b>	<b>2,665,585</b>
Agency staff costs	76,546	38,101
Staff restructuring costs	-	-
<b>Total staff costs</b>	<b>3,591,675</b>	<b>2,703,686</b>

##### b. Staff numbers

The average number of persons employed by the Academy Trust during the period was:

	2023	2022
Teachers	35	23
Administration and support	44	30
Management	3	4
	<b>82</b>	<b>57</b>

##### c. Higher paid staff

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

	2023	2022
	No	No
£60,001 to £70,000 p.a.	3	1
£70,001 to £80,000 p.a.	2	-
£80,001 to £90,000 p.a.	-	1
£90,001 to £100,000 p.a.	1	-
£120,001 to £130,000 p.a.	-	1
£130,001 to £140,000 p.a.	1	-

##### d. Key management personnel

Key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 £404,664 (2022: £374,413).

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 9. Central Services

The Academy Trust has provided the following central services to its academies during the year: HR and payroll, financial services, legal services where required and some educational support services.

The Academy Trust charged for these services on the following basis:

- a fair split based on budgeted surplus

The actual amounts charged during the year were as follows:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
The Axis Academy	151,700	244,694
The Fermain Academy	164,800	133,000
The Keystone Academy	135,400	-
Cornerstone Academy	59,000	45,306
	<b>510,900</b>	<b>423,000</b>

#### 10. Related party transactions – Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The Chief Executive Officer only receives remuneration in respect of services provided undertaking the roles of Chief Executive Officer of Youth Engagement Schools Trust, under a contract of employment.

The value of trustees' remuneration and other benefits was as follows:

##### N Brindle (Chief Executive Officer and trustee)

Remuneration	£130,001 – £140,000	(2022) £120,001 - £130,000
Employer's pension contributions paid	£30,001 - £35,000	(2022) £30,001 - £35,000

The CEO entered into a salary sacrifice scheme which involved sacrificing a proportion of his salary for the provision of an electric vehicle, which has an annual cost to the Trust of £30,755. The remuneration disclosed above is the pre-salary sacrifice amount.

During the year ended 31 August 2023, travel and subsistence expenses totalling £262 were reimbursed or paid directly to the trustees (2022: £252).

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 11. Trustees and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover on any one claim and forms part of a commercial combined policy. Because the policy combines a number of different insurances the cost for the Trustees' and Officers' liability cover is not separately identifiable and is included in the total insurance cost.

#### 12. Tangible Fixed Assets

##### Group

	<b>Leasehold Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Total</b>
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2022	7,548,091	424,999	7,973,090
Additions	36,818	327,160	363,978
Disposals	-	-	-
<b>At 31 August 2023</b>	<b>7,584,909</b>	<b>752,159</b>	<b>8,337,068</b>
<b>Depreciation</b>			
At 1 September 2022	399,706	250,756	650,462
Charge for period	150,991	113,307	264,298
Eliminated in respect of disposals	-	-	-
<b>At 31 August 2023</b>	<b>550,697</b>	<b>364,063</b>	<b>914,760</b>
Net book value at 31 August 2022	7,148,385	174,243	7,322,628
<b>Net book value at 31 August 2023</b>	<b>7,034,212</b>	<b>388,096</b>	<b>7,422,308</b>

The Fermain Academy freehold land and buildings are owned by Youth Engagement Schools Trust.

The Axis Academy occupies its land and buildings under the terms of a 125 year lease from Cheshire East Borough Council effective from 4 December 2019. Legal title in the lease was transferred to Youth Engagement Schools Trust on 10 December 2019, the Academy Trust took up occupancy in February 2021. Under the terms of the leases the Academy Trust is fully responsible for the maintenance, insurance and general upkeep of the land and buildings. As a result, the Academy Trust has determined that the most appropriate accounting treatment is to recognise the substance of the transaction rather than the legal form and capitalise the land and building assets in the Academy Trust's accounts.

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**12. Tangible Fixed Assets (continued)**

**Academy Trust**

	<b>Leasehold Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Total</b>
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2022	7,548,091	424,999	7,973,090
Additions	36,818	321,501	358,319
Disposals	-	-	-
<b>At 31 August 2023</b>	<b>7,584,909</b>	<b>746,500</b>	<b>8,331,409</b>
<b>Depreciation</b>			
At 1 September 2022	399,706	250,756	650,462
Charge for period	150,991	112,332	263,323
Eliminated in respect of disposals	-	-	-
<b>At 31 August 2023</b>	<b>550,697</b>	<b>363,088</b>	<b>913,785</b>
Net book value at 31 August 2022	7,148,385	174,243	7,322,628
<b>Net book value at 31 August 2023</b>	<b>7,034,212</b>	<b>383,412</b>	<b>7,417,624</b>

The Fermain Academy freehold land and buildings are owned by Youth Engagement Schools Trust.

The Axis Academy occupies its land and buildings under the terms of a 125 year lease from Cheshire East Borough Council effective from 4 December 2019. Legal title in the lease was transferred to Youth Engagement Schools Trust on 10 December 2019, the Academy Trust took up occupancy in February 2021. Under the terms of the leases the Academy Trust is fully responsible for the maintenance, insurance and general upkeep of the land and buildings. As a result, the Academy Trust has determined that the most appropriate accounting treatment is to recognise the substance of the transaction rather than the legal form and capitalise the land and building assets in the Academy Trust's accounts.

**13. Fixed Asset Investments – Academy Trust**

	<b>Shares in group undertakings</b>
<b>Cost or valuation</b>	<b>£</b>
At 1 September 2022	1
Additions	-
Revaluations	-
<b>At 31 August 2023</b>	<b>1</b>
Net book value at 31 August 2022	1
<b>Net book value at 31 August 2023</b>	<b>1</b>

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 13. Fixed Asset Investments – Academy Trust (continued)

The shares in group undertakings represents the Academy Trust's 100% control of Cornerstone Alternative Education Ltd, which is registered in England and Wales as a company limited by guarantee, and provides an alternative education provision for vulnerable young people living in East Cheshire and surrounding areas.

#### 14. Debtors

Amounts falling due within one year:	Group		Academy Trust	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	138,626	38,254	136,910	35,158
VAT recoverable	117,588	25,734	117,588	25,734
Amounts due from group undertakings	-	-	123,769	-
Prepayments and accrued income	157,062	73,280	150,297	69,678
	<b>413,276</b>	<b>137,268</b>	<b>528,564</b>	<b>130,570</b>

#### 15. Short Term Investments

	Group		Academy Trust	
	2023	2022	2023	2022
	£	£	£	£
Short term deposits	150,000	-	150,000	-
	<b>150,000</b>	<b>-</b>	<b>150,000</b>	<b>-</b>

Deposits are held with banks operating on the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement.

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**16. Creditors: amounts falling due within one year**

	Group		Academy Trust	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	97,748	50,903	95,932	48,914
Other taxation and social security	122,998	112,677	106,116	93,843
Amounts due to group undertakings	-	-	-	35,681
Accruals and deferred income	204,781	89,546	186,811	81,471
	<b>425,527</b>	<b>253,126</b>	<b>388,859</b>	<b>259,909</b>

	Group		Academy Trust	
	2023	2022	2023	2022
	£	£	£	£
Deferred income at 31 August 2022	45,837	110,000	45,837	80,000
Released from previous years	(45,837)	(110,000)	(45,837)	(80,000)
Resources deferred in year	165,420	45,837	165,420	45,837
<b>Deferred income at 31 August 2023</b>	<b>165,420</b>	<b>45,837</b>	<b>165,420</b>	<b>45,837</b>

At the balance sheet date the Academy Trust was holding the following funds received in advance:

	Group		Academy Trust	
	2023	2022	2023	2022
	£	£	£	£
Teacher's pension grant	-	43,135	-	43,135
Devolved capital formula grant	5,420	2,702	5,420	2,702
ESFA conversion grant	160,000	-	160,000	-
	<b>165,420</b>	<b>45,837</b>	<b>165,420</b>	<b>45,837</b>



**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**17. Funds - Group**

	Balance at 1 September 2022	Income	Expenditure	Gains (Losses) and Transfers	Balance at 31 August 2023
	£	£	£	£	£
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	587,875	1,725,500	(1,541,897)	1,819	773,297
Catch-up premium	-	-	-	-	-
Other DfE/ESFA Covid-19 funding	-	-	-	-	-
Other Grants	-	3,292,349	(3,292,349)	-	-
Other income	-	21,860	(21,860)	-	-
Pension Reserve	(78,000)	-	(39,000)	205,000	88,000
	<u>509,875</u>	<u>5,039,709</u>	<u>(4,895,106)</u>	<u>206,819</u>	<u>861,297</u>
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	-	-	-	-	-
DfE Group capital grants	7,228,220	235,475	(225,522)	(1,819)	7,236,354
Private sector capital sponsorship	7,497	-	-	-	7,497
Capital expenditure from GAG/Top-up funding	10,050	-	-	-	10,050
	<u>7,245,767</u>	<u>235,475</u>	<u>(225,522)</u>	<u>(1,819)</u>	<u>7,253,901</u>
<b>Total Restricted Funds</b>	<b>7,755,642</b>	<b>5,275,184</b>	<b>(5,120,628)</b>	<b>205,000</b>	<b>8,115,198</b>
<b>Total Unrestricted Funds</b>	<b>113,083</b>	<b>38,729</b>	<b>(9,749)</b>	<b>-</b>	<b>142,063</b>
<b>Total Funds</b>	<b>7,868,725</b>	<b>5,313,913</b>	<b>(5,130,377)</b>	<b>205,000</b>	<b>8,257,261</b>

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 – includes all income with specified criteria attached to its use and the corresponding expenditure in relation to this income.

Restricted fixed asset funds – includes all income and expenditure related to the purchase of fixed assets.

Unrestricted funds – includes all other income and expenditure which has no specific criteria attached to its use.

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**17. Funds – Group (continued)**

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

	Balance at 1 September 2021	Income	Expenditure	Gains (Losses) and Transfers	Balance at 31 August 2022
	£	£	£	£	£
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	436,023	1,000,000	(848,746)	598	587,875
Catch-up premium	-	48,246	(48,246)	-	-
Other DfE/ESFA Covid-19 funding	-	-	-	-	-
Other Grants	80,000	2,022,180	(2,102,180)	-	-
Other income	-	16,698	(16,698)	-	-
Pension Reserve	(713,000)	-	(323,000)	958,000	(78,000)
	<u>(196,977)</u>	<u>3,087,124</u>	<u>(3,338,870)</u>	<u>958,598</u>	<u>509,875</u>
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	-	-	-	-	-
DfE Group capital grants	7,396,771	21,944	(189,897)	(598)	7,228,220
Private sector capital sponsorship	7,497	-	-	-	7,497
Capital expenditure from GAG/Top-up funding	10,050	-	-	-	10,050
	<u>7,414,318</u>	<u>21,944</u>	<u>(189,897)</u>	<u>(598)</u>	<u>7,245,767</u>
<b>Total Restricted Funds</b>	<b>7,217,341</b>	<b>3,109,068</b>	<b>(3,528,767)</b>	<b>958,000</b>	<b>7,755,642</b>
<b>Total Unrestricted Funds</b>	<b>92,225</b>	<b>23,650</b>	<b>(2,792)</b>	<b>-</b>	<b>113,083</b>
<b>Total Funds</b>	<b><u>7,309,566</u></b>	<b><u>3,132,718</u></b>	<b><u>(3,531,559)</u></b>	<b><u>958,000</u></b>	<b><u>7,868,725</u></b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**17. Funds – Group (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The Axis Academy	<b>274,367</b>	190,882
The Fermain Academy	<b>404,903</b>	391,198
The Keystone Academy	<b>117,878</b>	-
Cornerstone Academy	<b>129,808</b>	95,912
Central Services	<b>(11,596)</b>	22,966
Total before fixed assets and pension reserve	<b>915,360</b>	700,958
Restricted fixed asset fund	<b>7,253,901</b>	7,245,767
Pension reserve	<b>88,000</b>	(78,000)
<b>Total</b>	<b>8,257,261</b>	<b>7,868,725</b>

**Total cost analysis by academy**

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

	<b>Teaching and Educational Support Staff Costs £</b>	<b>Other Support Staff Costs £</b>	<b>Educational Supplies £</b>	<b>Other Costs (excluding depreciation) £</b>	<b>2022/23 Total £</b>	<b>2021/22 Total £</b>
The Axis Academy	386,561	697,607	72,921	225,051	<b>1,382,140</b>	902,023
The Fermain Academy	284,893	463,472	41,735	191,076	<b>981,176</b>	917,918
The Keystone Academy	314,031	512,931	82,706	334,831	<b>1,244,499</b>	-
Cornerstone Academy	129,921	272,540	4,712	93,435	<b>500,608</b>	448,023
Central Services	-	493,718	-	224,938	<b>718,656</b>	723,296
	<b>1,115,406</b>	<b>2,440,268</b>	<b>202,074</b>	<b>1,069,331</b>	<b>4,827,079</b>	<b>2,991,260</b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**18. Analysis of Net Assets between Funds - Group**

Fund balances at 31 August 2023 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	177,377	7,244,931	<b>7,422,308</b>
Current assets	142,063	1,016,027	14,390	<b>1,172,480</b>
Current liabilities	-	(420,107)	(5,420)	<b>(425,527)</b>
Non-current liabilities	-	-	-	-
Pension scheme liabilities	-	88,000	-	<b>88,000</b>
<b>Total net assets</b>	<b>142,063</b>	<b>861,297</b>	<b>7,253,901</b>	<b>8,257,261</b>

Comparative information in respect of the previous period as at 31 August 2022 is as follows:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	84,978	7,237,650	<b>7,322,628</b>
Current assets	113,083	753,321	10,819	<b>877,223</b>
Current liabilities	-	(250,424)	(2,702)	<b>(253,126)</b>
Non-current liabilities	-	-	-	-
Pension scheme liabilities	-	(78,000)	-	<b>(78,000)</b>
<b>Total net assets</b>	<b>113,083</b>	<b>509,875</b>	<b>7,245,767</b>	<b>7,868,725</b>

**19. Capital and other commitments**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Commitments contracted for, but not provided for in the financial statements	<u>235,813</u>	<u>309,392</u>

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 20. Long-term commitments, including operating leases

##### Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	6,633	6,633
Amounts due between one and five years	15,011	22,818
Amounts due after five years	-	-
	<b>21,644</b>	<b>29,451</b>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the period	183,536	(398,841)
Adjusted for:		
Depreciation (note 12)	264,298	217,299
Capital grants from DfE and other capital grants	(235,475)	(21,944)
Interest paid	-	-
Interest receivable (note 5)	(81)	(77)
Defined benefit scheme cost less contributions payable (note 27)	36,000	309,000
Defined pension scheme finance cost (note 27)	3,000	14,000
(Increase) / decrease in debtors	(276,008)	100,320
Increase / (decrease) in creditors	172,401	27,604
<b>Net cash provided by operating activities</b>	<b>147,671</b>	<b>247,361</b>

#### 22. Cash flows from financing activities

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Interest paid	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**23. Cash flows from investing activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(363,978)	(39,990)
Capital grants from DfE/ESFA	235,475	21,944
Increase in deposits held at bank	(150,000)	-
Interest received	81	77
<b>Net cash provided by / (used in) investing activities</b>	<b>(278,422)</b>	<b>(17,969)</b>

**24. Analysis of cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	609,204	739,955
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>609,204</b>	<b>739,955</b>

**25. Analysis of changes in net debt**

	<b>At 1 September 2022</b>	<b>Cash flows £</b>	<b>At 31 August 2023</b>
	<b>£</b>		<b>£</b>
Cash	739,955	(130,751)	609,204
Cash equivalents	-	-	-
	<b>739,955</b>	<b>(130,751)</b>	<b>609,204</b>
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
<b>Total</b>	<b>739,955</b>	<b>(130,751)</b>	<b>609,204</b>

**26. 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.

## **Notes to the accounts (continued)**

### **For the Year Ended 31 August 2023**

#### **27. 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 the Cheshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £43,818 were payable to the schemes at 31 August 2023 (2022: £50,115) and are included within creditors.

#### **Teachers' Pension Scheme**

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

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

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 27. Pension and similar obligations (continued)

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £350,365 (2022 £341,725).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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

#### Local Government Pension Scheme - Group

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £248k (2022 £172k), of which employer's contributions totalled £184k (2022 £132k) and employees' contributions totalled £64k (2022 £40k). The agreed contribution rates for future years are 18.2% for employers and between 5.5% and 12.5% for employees.

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

#### Principal actuarial assumptions

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
Rate of increase in salaries	3.78%	3.75%
Future pensions increases	2.93%	3.05%
Discount rate for scheme liabilities	5.23%	4.25%



## Notes to the accounts (continued)

### For the Year Ended 31 August 2023

#### 27. Pension and similar obligations (continued)

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

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
<i>Retiring today</i>		
Males	21.2 years	21.2 years
Females	24.0 years	23.8 years
<i>Retiring in 20 years</i>		
Males	22.3 years	22.1 years
Females	25.4 years	25.5 years

#### Sensitivity Analysis

	<b>2023 £000</b>	<b>2022 £000</b>
Discount rate: + 0.1%	(23)	(26)
Discount rate: - 0.1%	23	26
Mortality assumption: 1 year increase	24	26
Mortality assumption: 1 year decrease	(24)	(26)
CPI rate: + 0.1%	23	26
CPI rate: - 0.1%	(23)	(26)

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

	<b>2023 £000</b>	<b>2022 £000</b>
Equities	370	273
Bonds	198	178
Property	74	72
Cash and other liquid assets	<u>69</u>	<u>33</u>
<b>Total fair value of assets</b>	<b><u>710</u></b>	<b><u>556</u></b>

The actual return on the scheme assets was (£92k) (2022: (£38k)).

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**27. Pension and similar obligations (continued)**

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	710	556
Present value of plan liabilities	<u>(622)</u>	<u>(634)</u>
<b>Net pensions (liability)/asset</b>	<b><u>88</u></b>	<b><u>(78)</u></b>

**Amount recognised in the net income/(expenditure) in the Statement of Financial Activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(218)	(448)
Interest income	28	9
Interest cost	(31)	(23)
Benefit changes, gain / (loss) on curtailment and gain / (loss) on settlement	-	7
Admin expenses	<u>(2)</u>	<u>-</u>
<b>Total amount recognised in the Net income/(expenditure) in the SOFA</b>	<b><u>(223)</u></b>	<b><u>(455)</u></b>

**Amount recognised in Other recognised gains/(losses) in the Statement of Financial Activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Obligation actuarial gain/(loss)	325	1,004
Asset actuarial gain/(loss)	<u>(120)</u>	<u>(46)</u>
<b>Total amount recognised in Other recognised gains/(losses) in the SOFA</b>	<b><u>205</u></b>	<b><u>958</u></b>

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2022</b>	<b>634</b>	<b>1,135</b>
Current service cost	218	448
Effect of settlements	-	(8)
Interest cost	31	23
Employee contributions	64	40
Effect of business combination and disposals	-	-
Actuarial (gain) / loss	(325)	(1,004)
Benefits paid	<u>-</u>	<u>-</u>
<b>At 31 August 2023</b>	<b><u>622</u></b>	<b><u>634</u></b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**27. Pension and similar obligations (continued)**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2022</b>	<b>556</b>	<b>422</b>
Interest income	28	9
Effect of settlements	-	(1)
Effect of business combination and disposals	-	-
Actuarial gain / (loss)	(120)	(46)
Employer contributions	184	132
Employee contributions	64	40
Admin expenses	(2)	-
<b>At 31 August 2023</b>	<b><u>710</u></b>	<b><u>556</u></b>

**Local Government Pension Scheme – Academy Trust**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £218k (2022 £130k), of which employer's contributions totalled £159k (2022 £96k) and employees' contributions totalled £59k (2022 £34k). The agreed contribution rates for future years are 18.2% for employers and between 5.5% and 12.5% for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2023</b>	<b>2022</b>
Rate of increase in salaries	3.85%	3.75%
Future pensions increases	2.93%	3.05%
Discount rate for scheme liabilities	5.25%	4.25%

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

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**27. Pension and similar obligations (continued)**

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
<i>Retiring today</i>		
Males	21.4 years	21.2 years
Females	24.0 years	23.8 years
<i>Retiring in 20 years</i>		
Males	22.7 years	22.1 years
Females	25.4 years	25.5 years

**Sensitivity Analysis**

	<b>2023 £000</b>	<b>2022 £000</b>
Discount rate: + 0.1%	(21)	(26)
Discount rate: - 0.1%	21	26
Mortality assumption: 1 year increase	21	26
Mortality assumption: 1 year decrease	(21)	(26)
CPI rate: + 0.1%	21	26
CPI rate: - 0.1%	(21)	(26)

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

	<b>2023 £000</b>	<b>2022 £000</b>
Equities	325	273
Bonds	157	178
Property	54	72
Cash and other liquid assets	<u>87</u>	<u>33</u>
<b>Total fair value of assets</b>	<b><u>623</u></b>	<b><u>556</u></b>

The actual return on the scheme assets was (£86k) (2022: (£38k)).

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	<b>2023 £000</b>	<b>2022 £000</b>
Fair value of plan assets	623	556
Present value of plan liabilities	<u>(555)</u>	<u>(634)</u>
<b>Net pensions (liability)/asset</b>	<b><u>68</u></b>	<b><u>(78)</u></b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**27. Pension and similar obligations (continued)**

**Amount recognised in the net income/(expenditure) in the Statement of Financial Activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current service cost	(198)	(448)
Interest income	25	9
Interest cost	(28)	(23)
Effect of business combination and disposals	-	-
Benefit changes, gain / (loss) on curtailment and gain / (loss) on settlement	-	7
Admin expenses	<u>(2)</u>	<u>-</u>
<b>Total amount recognised in the Net income/(expenditure) in the SOFA</b>	<b><u>(203)</u></b>	<b><u>(455)</u></b>

**Amount recognised in Other recognised gains/(losses) in the Statement of Financial Activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Obligation actuarial gain/(loss)	298	1,004
Asset actuarial gain/(loss)	<u>(109)</u>	<u>(46)</u>
<b>Total amount recognised in Other recognised gains/(losses) in the SOFA</b>	<b><u>189</u></b>	<b><u>958</u></b>

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2022</b>	<b>568</b>	<b>1,135</b>
Current service cost	198	448
Effect of settlements	-	(8)
Interest cost	28	23
Employee contributions	59	40
Effect of business combination and disposals	-	-
Actuarial (gain) / loss	(298)	(1,004)
Benefits paid	<u>-</u>	<u>-</u>
<b>At 31 August 2023</b>	<b><u>555</u></b>	<b><u>634</u></b>

**Notes to the accounts (continued)**  
**For the Year Ended 31 August 2023**

**27. Pension and similar obligations (continued)**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2022</b>	<b>491</b>	<b>422</b>
Interest income	25	9
Effect of settlements	-	(1)
Effect of business combination and disposals	-	-
Actuarial gain / (loss)	(109)	(46)
Employer contributions	159	132
Employee contributions	59	40
Admin expenses	<u>(2)</u>	<u>-</u>
<b>At 31 August 2023</b>	<b><u>623</u></b>	<b><u>556</u></b>

**28. Related Party Transactions**

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**29. Individual Statement of Financial Activities**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.