

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023
FOR
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

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FOR THE YEAR ENDED 31 AUGUST 2023

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QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

MEMBERS:

J Coulter
D R Harwood
D Gollins
P Lock
P J Lee

TRUSTEES

D M Anderson Headteacher and Accounting Officer *
T E Rose Co Vice-Chair
S D Rowlands
N A Amfo *
L A Brunger
A J Church *
S J Davison (resigned 27.11.22) *
S R Elderkin
T A Harris
S C Holmes
T A Jack
I Rawlings Co Vice-Chair *
A D Shepherd
R A Spicer Chair *
Y G Wills
M K Ellis (appointed 8.12.22) *

* members of the finance and personnel committee

COMPANY SECRETARY

S M C O'Flaherty

SENIOR MANAGEMENT TEAM:

S Davison (Finance Manager) (appointed 28.11.22)
M A Thornhill (Assistant Head Teacher) (appointed 1.9.22)
E Mudhar-Fung (Finance Manager) (resigned 27.11.22)
M Leake (Assistant Head Teacher)
P Larter (Assistant Head Teacher)
A McIlroy (Deputy Head Teacher)
S M C O'Flaherty (Operations Manager)
D M Anderson (Head Teacher)

REGISTERED OFFICE

Queen Elizabeth's Grammar School
Abbey Place
Faversham
ME13 7BQ

REGISTERED COMPANY NUMBER 07558466 (England and Wales)

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

AUDITORS

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

SOLICITORS

Brachers LLP, Somerfield House, 59
London Road, Maidstone, ME16 8JH

BANKERS

Lloyds Bank PLC, 49 High Street,
Canterbury, CT1 2SE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for students aged 11-18 serving a catchment centred around Faversham, Kent. It has a student capacity of 1,030 and had a roll of 1,064 in the school census in October 2023.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the trust, per our Articles of Association, is 'to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the school and offering a broad and balanced curriculum.

Queen Elizabeth's Grammar School is a popular, outstanding and innovative school which aims to provide an education for life for all students within a caring, supportive community. We offer an enjoyable, successful and enriching experience aimed to stimulate and engage each and every student..

The need for students to receive a good education has never been as important as it is today. As new careers and technologies emerge and the competition for jobs increases, there are few jobs for life and students in the 21st century need flexibility, self-discipline, confidence and above all, excellent academic qualifications.

Working towards high standards is central to the school ethos, which expects every student to do their very best, to achieve well in their academic studies and to participate fully in extra-curricular activities.

Upon leaving Queen Elizabeth's Grammar School our students are responsible citizens who have the confidence and flexibility to make a positive contribution to a global society.

Our Ethos:

- To provide high quality teaching across a wide range of academic disciplines, allowing for student choice and specialisation
- To develop supportive, responsible and productive relationships both within the school and across the community
- To provide excellent extra-curricular opportunities for all students, encouraging them to participate in a wide range of activities within and beyond the classroom
- To instil a sense of enjoyment and fun in all our learners

Queen Elizabeth's Grammar School is a learning community which aims to prepare our students for their lives in an ever-changing world. We expect students to think critically and creatively, coupled with a strong sense of community and responsibility. Upon leaving Queen Elizabeth's Grammar School, our students should be responsible citizens who have the confidence to make a positive contribution to a society where everyone matters.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES AND ACTIVITIES

Significant activities

There were three strands to the 2022-23 School Improvement Plan; The Curriculum Experience, The Student Experience and Leadership and Management;

The Curriculum Experience (Quality of Education):

Engagement with the SSAT 'Embedding Formative Assessment programme to maintain a focus on developing teaching and learning.

Evaluate the quality of provision in Faculty areas and the Sixth Form to enable the identification of areas for further development.

Continue to develop and expand the careers programme.

Introduce the VESPA programme as a mentoring tool to further develop aspiration and ambition.

Maintain a focus on improving outcomes and progress scores at GCSE and A' Level.

To develop the school's approach to literacy

Evaluate the school's provision for training and awareness in equality and diversity and create a development plan to further enhance this area.

Student Experience:

Maintain our drive to provide the most effective, supportive pastoral care, with a particular focus on the most disadvantaged students.

Continue to refine the sixth form experience, with the ambition of providing additional personal development opportunities.

Assess the engagement with the extra curricular offer in the school, look at strategies to engage the most reluctant.

Leadership and Management:

To continue to plan for the expansion of the school as it moves from 5 to 6 forms of entry, including the management of the extensive building programme.

To continue to develop the school's links with the wider community.

To continue to refine the staff development programme.

Public Benefit

The Board confirms that it has complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Board considers how planned activities will contribute to the aims and objectives they have set. The principle public benefit of the Trust is the advancement of education within the local community. We also undertake a number of charitable fund-raising activities throughout the year, which the school actively encourages the students to participate in.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

Queen Elizabeth's Grammar School was established in 1576 and became a co-educational school on the current site in 1967. In its tenth year as an Academy, the school has continued to succeed in terms of the student experience, academic performance and popularity. The total number of students has risen from 870 in 2011 to 1,029 at the start of the 2022 academic year. Each year group from Year 7 to 11 is full and waiting lists are in operation. There are 264 students in the sixth form. For the start of the 2022 academic year, Queen Elizabeth's was once again one of the more oversubscribed schools in East Kent, with over 500 applicants for the 150 available places in Year 7, 190 of which were first choice applications.

Queen Elizabeth's Grammar School was inspected in 2022 when it was judged Good or Outstanding in every category by Ofsted with an Overall effectiveness of Good.

At Queen Elizabeth we are pleased to report that the examination results awarded in 2023 exceeded expectations. Examination results improved at both GCSE and A' Level, despite the downgrading which forced the national data set to follow the pre-pandemic profile in the 2019 examinations. Many schools saw a significant drop in grades, however at Queen Elizabeth's grades rose. There are no official league tables this year, certainly this would have been impossible for year 13 students who did not sit GCSE examinations when they were in year 11. A simple progress measure has been published for the GCSE cohort, which saw a pleasing improvement of 0.2.

Grades in all GCSE subjects were issued on the 1-9 scale with 9 being the highest grade, awarded to a small number of students nationally.

All students in year 11 achieved 5 good GCSE passes at grades 9-4 and results compare well with previous years. 19% of all results were 8-9 grades and 36% 7-9, the equivalent of A grades under the old grading system.

We are also pleased to report that Sixth Form students have also performed well at A Level with an overall 99% pass rate.

A pleasing 10% of all exam entries resulted in the award of the top A* grade and 29% of all results were A grades. 56% of all grades were at A* to B and 83% of grades were A* to C. The ALPS report confirms that students are performing well in terms of progress, with Queen Elizabeth's in the top 10% of schools in the country for progress.

The vast majority of students were successful in securing the university place, apprenticeship or further training place of their choice. We enjoyed a great deal of success with applications to competitive university courses and a high proportion (47%) of our students secured places to study at Russell group universities.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

Staff costs as a percentage of total income less capital funding

	2023	2022 (revised)
	%	%
Teaching and educational support staff	59.65	65.10
Other academy support staff	<u>20.34</u>	<u>16.29</u>
Total staff	79.99	81.39

Staff costs as a percentage of GAG income

	2023	2022
	%	%
Teaching and educational support staff	68.03	75.98
Other academy support staff	<u>23.30</u>	<u>19.02</u>
Total staff	91.33	95.00

Financial review

Financial position

On conversion on 1st April 2011, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

The combined General Restricted Fund and Unrestricted Fund show an operating deficit, excluding defined benefit pension reserve and fixed asset funds, of £(104,348) (2022: surplus of £346,265).

Reserves at 31 August 2023 excluding fixed asset and pension reserves were £709,174 (2022: £1,033,717).

Principal funding sources

Most of the Trust's income is obtained from the Department for Education, via the Education and Skills Funding Agency, in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes, i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the statement of financial activities.

Investment policy and objectives

There are no material investments held by Queen Elizabeth's Grammar School Trust Faversham. The school is fortunate however to be in possession of its Charter which dates from the early years of Queen Elizabeth I's reign.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Financial review

Reserves policy

Trustees review the reserve levels of Queen Elizabeth's Grammar School Trust Faversham annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board of Trustees consider that free reserves of £450,000 should be sufficient to ensure the Trust can react to its changing environment without impacting the delivery of its educational objects. Free reserves are currently £615,977 (2022: £957,563.)

The Trust's current level of unrestricted free reserves is £615,977 (2022: £957,563). General restricted reserves, excluding pension liabilities, stand at £93,197 (2022: £76,154) meaning there are total available reserves of £709,174 (2022: £1,033,717). The current restricted fixed asset fund is £12,635,925 (2022: £11,983,203) with the vast majority of the total representing the value of land, buildings and other assets.

The trust is retaining capital funds as it has a number of planned capital projects. Unspent capital monies held in the capital fund £24,391 (2022: £2,362,030). The net book value of fixed assets as at 31 August 2023 is £12,611,534 (2022: £9,621,172).

The trustees plan to spend £400,000 to install new Science Laboratories and Tennis Courts after the New Classroom Block has been completed. The excess of free reserves over the £450,000 will be used for this.

Assuming there are enough funds, the trustees are also hoping to build a new extension to the Tech Block to enhance the Design and Technology display areas. These will improve the students' experience and teaching as the projects will enhance the school environment.

Total restricted general funds of £93,197 (2022: £243,846) is made up of unspent Pupil Premium funding £51,496 (2022: £32,814), some smaller grants of £8,043, Catch up funding £33,658 (2022: £39,685) and the pension deficit of £Nil (2022: £320,000). The level of pension contributions has been taken into account when preparing the Trust's budgets for the year ending 31 August 2024.

Going concern

Despite the much higher energy costs and additional pay increases and with a budget deficit of **£199k** in 2023/24, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Fundraising

After a couple of years of lockdown disruptions, we are happy that this year was almost a return to normalcy. Students, parents and staff managed amazingly to fundraise over £6k for the year.

	Total
BBC Children in Need	£2,355.97
Red Cross Ukraine Crisis	£2,239.79
Sands	£196.25
Year 11 Kent Air Ambulance	£247.34
Year 11 ECHO	£247.35
Young Minds	£67.18
Catching Lives	£855.36

Total 6,209.24

The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Principal risks and uncertainties

The principle risk to Queen Elizabeth's Grammar School Trust Faversham is the maintenance of student numbers as funding is directly related to the number of students on roll. The number on roll is calculated in October of each year and forms the basis by which the funding to be received the following September is calculated.

The Covid-19 pandemic continues to afflict many staff causing additional supply cover cost. Just as we thought the economy was returning to normal, the Russian military action on Ukraine caused global economic instability with unprecedented high energy costs. On top of all this, due to internal political upheavals, inflation shot up to over 10%. With all these unwarranted pressures, all schools face deficit balances and rely on the government for supplementary support.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The school takes a very comprehensive approach to managing risk. The leadership group and governors of the school have created and closely monitor the Risk Register, which identifies risks across the school operation and details how these risks are mitigated on a day-to-day and year year basis across the school. Actions which arise from the risk register, are closely followed up and actions implemented as a priority when identified.

The Audit and Risk Committee meets three times a year formally to assess, manage and review the school's approach to managing risk. The Risk Register is also looked at on at least 12 hour occasions a year by the leadership group and two of the Governor sub committees. This helps keep the risk register up-to-date and keeps the management risk of risk proportional.

The key financial risk in the current academic year relates to the main building project. This project is contracted on a design and build basis with a fixed contract sum. However, in the world of construction at the moment we are concerned about the possibility of cost increases due to inflationary pressures. Additionally, the school is reliant upon Ken County Council for drawing down the finances for the building work, and as we are all aware, some local authorities nationally are facing difficult financial circumstances.

Plans for future periods

Queen Elizabeth's Grammar School is a forward looking, successful and dynamic school with high aspirations for every member of the school community. Looking ahead, the key priorities for the future of the school are:

- To continue to develop the quality of teaching, learning and assessment in order to maximise student attainment, with a particular focus on improving outcomes at Key Stage 4
- To further develop our culture of high aspiration, ensuring that every student has the best opportunities to achieve their personal career ambitions, with a focus of encouraging participation in additional activities outside the classroom.
- For the school to develop beyond its boundaries, by working closely with other schools and taking a leading role in creating additional high-quality provision across the community
- To meet increased demand for school places, the academy is building additional classrooms and facilities to increase the numbers of students by 30 each year.
- To develop the school alumni association, to encourage greater participation from former members of the community, including supporting school initiatives
- To continue to develop and improve the school's facilities by improving the quality of learning environments, enabling broader opportunities for all students and the wider community.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Queen Elizabeth's Grammar School Trust Faversham are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Queen Elizabeth's Grammar School Trust Faversham.

Details of the Trustees who served throughout 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 are ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance, purchased at Queen Elizabeth's Grammar School Trust Faversham's expense, to cover the liability which by virtue of any rule of law would otherwise attach to the Academy's Trustees in respect to any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy. The cover under this insurance will not extend to any claim arising from any act or omission which trustees knew to be a breach of trust or breach of duty which was committed by them in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity within Queen Elizabeth's Grammar School Trust Faversham.

Method of Recruitment and Appointment or Election of Trustees

Queen Elizabeth's Grammar School Trust Faversham shall recruit, elect or appoint the following Trustees as detailed within its Articles of Association (Article number 46):

- Up to 5 Members, one of whom must be a Foundation Trustee
- Up to 20 Trustees may be appointed by the Members appointed under Article 50 which will include:
 - Any Staff Trustees, if appointed under Article 50A
 - Any Academy Trustees appointed under Article 51 or Article 52
 - The Head Teacher
 - A minimum of 2 Parent Trustees appointed under Articles 53-56
 - Any Additional Trustees, if appointed under Articles 61, 61A or 67A
 - Any Further Trustees, if appointed under Article 62 or 67A

Up to 2 Trustees, if appointed by the Secretary of State in accordance with the terms of any relevant Funding Agreements following the provisions of a notice by the Company to terminate the relevant Funding Agreement.

The Trustees regularly undertake a skills audit to ascertain whether when advertising to recruit a new Trustee a specific skill set would be desirable. These will then be detailed in any advertisement as a preference, although this would not deter the appointment of an individual if they were deemed to be the preferred candidate and willing to undertake the relevant training.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Queen Elizabeth's Grammar School Trust Faversham has a leadership structure which currently consists of 5 members; the board of Trustees which consists of 16 trustees alongside the Senior Leadership Team which includes 6 members of staff in addition to the Head Teacher who is included with the trustees; the Head Teacher attends meetings of all 3 groups.

The purpose of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Head Teacher is the Accounting Officer.

The members are responsible for agreeing the constitution of the Board of Trustees; appointing the school's Accountants and Auditors and, with the chair of Trustees, signing off the financial statements of the company. The board of Trustees are responsible inter alia for the setting of general policy, approving and monitoring the annual school improvement plan; approving and monitoring the annual budget and financial plan, approving the statutory accounts required by the Department for Education; setting, approving and monitoring the curriculum; receiving and responding to Ofsted Inspection Reports; approving and monitoring staff appointments and staff terminations; monitoring the use and maintenance of premises including the use of Capital Expenditure and making major decisions about the direction of the Trust.

The Senior Leadership Group (SLG) consists of the Head Teacher, the Deputy Head Teacher, three Assistant Head Teachers, Head of Finance and the Operations Manager. The Head Teacher delegates responsibility through the SLG. Each member of the team is responsible for a number of curriculum areas via the Faculty Structure, alongside pastoral care, special educational needs, child protection and other extra-curricular matters. The Operations Manager has responsibility for non-academic matters including premises, personnel, health and safety, support staff and administration. The Finance Manager has responsibility for all areas relating to revenue and expenditure.

The Senior Leadership Group is responsible for drafting, presenting to Trustees and subsequent implementation of improvement plans, policies and procedures approved by the Trustees and reporting back to them on their progress.

The Head Teacher, Faculty Leaders, Managers and Finance Manger are responsible for the authorisation of spending within agreed budgets. Spending control is devolved to budget holders, which must be authorised in line with the Finance Policy. The Head Teacher approves the budget allocations annually prior to their recommendation to Trustees.

The Head Teacher is responsible for the appointment of staff and adjustments to staff contracts. However, the termination of staff contracts is a matter for Trustee approval. All staffing matters are reported to trustees through the finance and Personnel and Full board meetings.

Policies and Procedures Adopted for the Induction and Training of new trustees

The training and induction provided for new trustees includes one to one meetings with the following people: the Trustee responsible for training; the Trustee responsible for providing induction training to new Trustees; the Head Teacher and the Operations Manager.

New Trustees also have the opportunity to visit the school for a day in order to meet staff and students. The Governor Services Team at The Education People provides external bespoke training, alongside regular updates on practice, legislation and guidance. In addition, the trustees have access to on-line training at the NGA Learning Link.

All Trustees are provided with copies of policies, procedures, minutes, accountants, budgets, plans and other documents through GovernorHub, which keeps them informed. Trustee Training is managed, monitored and reported upon throughout the year by the Training and Development Trustee.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Arrangements for setting pay and remuneration of key management personnel

All pay awards are set in conjunction with the School's Pay Policy which is reviewed on an annual basis.

Pay awards for all staff and members of the Senior Leadership Group are determined by the Board of Trustees via the Pay Committee. The Head Teacher's annual review is carried out by a group of experienced Trustees (including the Chair), with the assistance of an external independent consultant.

Benchmarking in relation to senior leadership pay bands is carried out every two years and takes into account the pay bands for similar positions not only in Kent (information collated by the Kent Grammar School Association) but also in comparison to national pay.

Trade Union Facility Time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2023.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£
Total cost of facility time	Nil
Total pay bill	5,130,170

Percentage of the total pay bill spent on facility time calculated as:

$$(\text{total cost of facility time} \div \text{total pay bill}) \times 100 \quad 0\%$$

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100 \quad 0\%$$

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

Related Parties and other Connected Charities and Organisations

As part of the Articles of Association and Master Funding Agreement when becoming an Academy, Queen Elizabeth's Grammar School Trust Faversham signed an agreement with St Mary's of Charity Primary School to allow them shared use of the school playing fields.

The school works closely with parents and has a well-established Parent/Teacher/Friends Association which operates in order to raise funds for resources and other requirements the school may have.

The school operates as a charity in its own right and has a foundation in its name (Queen Elizabeth's School Faversham), which has been set up to benefit students whose families are in financial hardship.

The Trustees are aware of the ESFA's guidance in relation to related party transactions and conflicts of interest. This is evidenced by the Trustees and senior leadership team completing a related party form and declarations of interest on GovernorHub and notifying the company secretary of any changes during the year. At meetings, declarations are made before the commencement of the agenda for any new related parties which should be drawn to light. The trust also has a robust procurement system in place over purchasing, with the use of supplier lists and segregation of duties to prevent management override and potential related party transactions occurring without disclosure internally and to the ESFA.

FUNDS HELD AS CUSTODIAN FOR OTHERS

During the period from 1 September 2022 to 31 August 2023 Queen Elizabeth's Grammar School Trust Faversham did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

AUDITORS

In so far as the Trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11 December 2023 and signed on the board's behalf by:

RA Spicer

.....
R A Spicer - Trustee

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

Scope of Responsibility

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

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

The Board of Trustees has delegated the day to day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 Queen Elizabeth's Grammar School Trust Faversham 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 Report of the Trustees and in the Statement of Trustees' Responsibilities. The full Board of Trustees formally met on six scheduled occasions during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Spicer, Chair	6	6
T Rose, Co Vice-Chair	6	6
S Davison (Resigned 27/11/2022)	1	1
M Ellis (Appointed 08/12/2022)	5	5
D Anderson, Head Teacher & Accounting Officer	5	6
T Jack	6	6
S Holmes	5	6
I Rawlings, Co Vice-Chair	6	6
S Elderkin	5	6
N Amfo	4	6
S Rowlands	5	6
A Shepherd	6	6
Y Wills	5	6
T Harris	6	6
A Church	5	6

There were 1 resignation and 1 appointment in the academic year 2022/23.

The full Board meets regularly, six times a year. There are sometimes extraordinary meetings. In addition, there are 4 meetings of the Finance & Personnel Committee and 3 each of the committees; Audit and Risk, Curriculum, Community and Premises and Health & Safety.

The Trustees scrutinise the work of the school regularly and provide a strong level of challenge to the Senior Leadership Team (SLT). They know the school well; a programme of Trustee links with each area of the school provides a structure for frequent visits.

The Board of Trustee completes the NGA annual self-review which is coordinated by the Training and Development Trustee. All Trustees complete the NGA Skills Audit to ensure that there is a broad range of skills on the Board of Trustees. A review of Governance was carried out in January 2020. There was a separate review of how a MAT would operate.

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The SLT report to each of the Trustee committees in relation to their area of focus. The reports and the data provided are reviewed at each meeting. The data provided in the reports is verified as part of the programme of visits undertaken by Trustees.

The Finance & Personnel Committee is a sub-committee of the main Board of Trustees. Membership comprises of at least 6 Trustees to include the Head Teacher, Chair and Co-Vice Chair. The committee is quorate with 3 of its members present including the Head Teacher or his nominated deputy. Its purpose is to oversee all matters with a financial impact (which includes Human Resources) and to ensure the efficient, economical and effective management of the Trust's resources and expenditure, including funds, capital assets, resources and staff. The Finance & Personnel Committee then reports to the full Governing Body.

The table below refers to the attendance of the Finance & Personnel Committee during the year.

Trustee	Meetings attended	Out of a possible
M Ellis Chair (Appointed 03/03/2023)	2	2
R Spicer	4	5
D Anderson, Head Teacher & Accounting Officer	5	5
S Davison, (Resigned 27/11/2022)	2	2
I Rawlings	4	5
N Amfo	3	5
A Church	5	5

The Audit and Risk Committee met three times during the year .

The Trustees are aware of the ESFA's guidance in relation to related party transactions and conflicts of interest. This is evidenced by the Trustees and senior leadership team completing a related party form and declarations of interest on GovernorHub and notifying the company secretary of any changes during the year. At meetings, declarations are made before the commencement of the agenda for any new related parties which should be drawn to light. The trust also has a robust procurement system in place over purchasing, with the use of supplier lists and segregation of duties to prevent management override and potential related party transactions occurring without disclosure internally and to the ESFA.

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money in various ways as detailed below. Throughout the school there is a culture of obtaining good value for money. Each department works tirelessly to help the school save money without affecting student outcomes.

In this last academic year, three tenders were awarded. The Grounds Maintenance contract was extended to Gould Landscaping Ltd. The second tender was the external auditors, McCabe Ford Williams. This contract was also an extension of the previous one. The other tender was to a new payroll provider. The new provider is TUPAY (Teeside University Payroll).

This year the school began a continuous rolling program of refurbishment in the older parts of the school. This is to bring them in line with the recent newer buildings. Each of the refurbishment projects are sent to tender and also priced internally. Some of these projects are completed using the Premises personnel as doing the works internally is often better value for money and finished to a higher standard. Funds have also been set aside to increase environmental projects to reduce our carbon footprint and also the cost of the resources. Our Solar installation has seen a 25% return on cost of the panels in less than a year.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 Queen Elizabeth's Grammar School Trust Faversham 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 monthly financial reports which are regularly reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance & Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and from September 2020 appointed UHY Hacker Young as their internal auditor. In particular the checks carried out in the current period included:

- Testing of payroll and HR systems;
- Review of previous internal scrutiny report and the external audit management letter

Twice per year, the auditor provides reports to the Board of Trustees, through the Finance & Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Board of Trustees confirms that the review by the external auditor has been fully delivered in line with the ESFA's requirements and all recommendations have been implemented.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the results of the external auditor's additional checks;
- 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 Personnel Committee (includes audit) and ensures that continuous review and improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2023 and signed on its behalf by:

RA Spicer

.....
R A Spicer - Trustee

David Anderson

.....
D M Anderson - Accounting Officer

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Queen Elizabeth's Grammar School Trust Faversham 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 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.

David Anderson

.....
D M Anderson - Accounting Officer

Date 11 December 2023

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

The Trustees (who act as Governors for the activities of Queen Elizabeth's Grammar School Trust Faversham and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual 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 the incoming resources and application of resources, including the income and expenditure, for the 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 (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2023 and signed on its behalf by:

RA Spicer

.....
R A Spicer - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

Opinion

We have audited the financial statements of Queen Elizabeth's Grammar School Trust Faversham (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the 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 academy trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 report of the trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, UK tax legislation and Academy trust handbook;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator where relevant.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

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

Use of our report

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

L

Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 11 December 2023

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM
AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 November 2022 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 Queen Elizabeth's Grammar School Trust Faversham during the period 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 Queen Elizabeth's Grammar School Trust Faversham and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queen Elizabeth's Grammar School Trust Faversham and the 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 Queen Elizabeth's Grammar School Trust Faversham and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Queen Elizabeth's Grammar School Trust Faversham's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM
AND THE EDUCATION AND SKILLS FUNDING AGENCY

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the work and reports of the internal reviewer during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academy trust handbook , including the distribution of management accounts and quantity of meetings.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Queen Elizabeth's Grammar School Trust Faversham and the Secretary of State and the Academy trust handbook ;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

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.

L

McCabe Ford Williams
Chartered Accountants
Reporting Accountant
Building 1063
Cornforth Drive
Kent Science Park
Sittingbourne
Kent
ME9 8PX

Date: 11 December 2023

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

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

					31.8.23	31.8.22
	Notes	Unrestricted fund £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	4,788	13,610	732,279	750,677	3,086,656
Charitable activities						
Funding for the academy's educational operations	3	327,586	5,999,833	-	6,327,419	5,915,203
Other trading activities	4	10,646	-	-	10,646	16,035
Investment income	5	2,647	-	-	2,647	684
Total		<u>345,667</u>	<u>6,013,443</u>	<u>732,279</u>	<u>7,091,389</u>	<u>9,018,578</u>
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	7	371,842	6,118,616	299,752	6,790,210	6,652,826
Total		<u>371,842</u>	<u>6,118,616</u>	<u>299,752</u>	<u>6,790,210</u>	<u>6,652,826</u>
NET INCOME/(EXPENDITURE)		(26,175)	(105,173)	432,527	301,179	2,365,752
Transfers between funds	18	(315,411)	95,216	220,195	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes		-	347,000	-	347,000	2,753,000
Net movement in funds		(341,586)	337,043	652,722	648,179	5,118,752
RECONCILIATION OF FUNDS						
Total funds brought forward		957,563	(243,846)	11,983,203	12,696,920	7,578,168
TOTAL FUNDS CARRIED FORWARD		<u>615,977</u>	<u>93,197</u>	<u>12,635,925</u>	<u>13,345,099</u>	<u>12,696,920</u>

The notes form part of these financial statements

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM (REGISTERED NUMBER: 07558466)

BALANCE SHEET
31 AUGUST 2023

	Notes	31.8.23 £	31.8.22 £
FIXED ASSETS			
Tangible assets	12	12,611,534	9,621,172
CURRENT ASSETS			
Stocks	13	70,153	-
Debtors	14	310,568	2,704,607
Cash at bank		<u>1,168,628</u>	<u>1,673,232</u>
		1,549,349	4,377,839
CREDITORS			
Amounts falling due within one year	15	(815,784)	(982,091)
		<u>733,565</u>	<u>3,395,748</u>
NET CURRENT ASSETS			
		13,345,099	13,016,920
TOTAL ASSETS LESS CURRENT LIABILITIES			
PENSION LIABILITY	19	-	(320,000)
		<u>13,345,099</u>	<u>12,696,920</u>
NET ASSETS			

The notes form part of these financial statements

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM (REGISTERED NUMBER: 07558466)

BALANCE SHEET - continued
31 AUGUST 2023

FUNDS	18		
Restricted funds:			
Fixed asset funds		12,635,925	11,983,203
Restricted income funds		<u>93,197</u>	<u>(243,846)</u>
		<u>12,729,122</u>	<u>11,739,357</u>
Unrestricted funds:			
General fund		<u>615,977</u>	<u>957,563</u>
TOTAL FUNDS		<u><u>13,345,099</u></u>	<u><u>12,696,920</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2023 and were signed on its behalf by:

RA Spicer

.....
R A Spicer - Trustee

David Anderson

.....
D M Anderson - Trustee

QUEEN ELIZABETH'S GRAMMAR SCHOOL TRUST
FAVERSHAM

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>2,742,990</u>	<u>477,495</u>
Net cash provided by operating activities		<u>2,742,990</u>	<u>477,495</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,315,939)	(1,100,616)
Capital grants from DfE/EFA		65,698	1,118,195
Interest received		<u>2,647</u>	<u>684</u>
Net cash (used in)/provided by investing activities		<u>(3,247,594)</u>	<u>18,263</u>
Change in cash and cash equivalents in the reporting period			
		(504,604)	495,758
Cash and cash equivalents at the beginning of the reporting period		<u>1,673,232</u>	<u>1,177,474</u>
Cash and cash equivalents at the end of the reporting period		<u>1,168,628</u>	<u>1,673,232</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31.8.23	31.8.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	301,179	2,365,752
Adjustments for:		
Depreciation charges	299,752	271,608
Capital grants from DfE/ESFA	(65,698)	(1,118,195)
Loss on disposal of fixed assets	25,830	263,267
Interest received	(2,647)	(684)
Defined benefit pension admin expenses	2,000	2,000
Defined benefit pension finance cost	9,000	43,000
Increase in stocks	(70,153)	-
Decrease/(increase) in debtors	2,394,038	(2,253,000)
(Decrease)/increase in creditors	(166,311)	547,747
Difference between pension charge and cash contributions	<u>16,000</u>	<u>356,000</u>
Net cash provided by operations	<u><u>2,742,990</u></u>	<u><u>477,495</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	<u>1,673,232</u>	<u>(504,604)</u>	<u>1,168,628</u>
	<u>1,673,232</u>	<u>(504,604)</u>	<u>1,168,628</u>
Total	<u><u>1,673,232</u></u>	<u><u>(504,604)</u></u>	<u><u>1,168,628</u></u>

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

1. ACCOUNTING POLICIES

General information

Queen Elizabeth's Grammar School Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Abbey Place, Faversham, ME13 7BQ. The principal activity of the academy trust is to provide primary education for pupils that satisfies the requirements of the Education Act 2002.

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The 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 19, 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 net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight line basis of 50 years, and it is assumed that the asset has no residual value. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

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

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

The valuation of disposals in regards to the old Sports Hall has been determined based on the assumption that the cost of the item was a third of the area on the donated cost brought in to the trust on conversion.

Critical areas of judgement

The Trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance 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 it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 22.

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.

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

1. ACCOUNTING POLICIES - continued

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'.

The value of donated services provided to the academy trust is recognised at fair value in the period in which the donated services are receivable as income from donations, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated fixed assets

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities

These are costs incurred on the academy 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.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 estimated useful life, as follows:

Freehold property	2% - straight line over 50 years
Leasehold property	2% - straight line over 50 years
Fixtures & fittings	10% - straight line over 10 years
Motor vehicles	10% - straight line over 10 years
Computer equipment	33% - straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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 as detailed in note 14. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

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

1. ACCOUNTING POLICIES - continued

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 and Kent County Council.

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.

Leased assets

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

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

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

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

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

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

1. ACCOUNTING POLICIES - continued

Provisions

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

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

2. DONATIONS AND CAPITAL GRANTS

	31.8.23	31.8.22
	£	£
Donations	18,399	131,294
Grants	732,278	2,920,361
Donated fixed assets	-	35,001
	<u>750,677</u>	<u>3,086,656</u>

Grants received, included in the above, are as follows:

	31.8.23	31.8.22
	£	£
Devolved capital	66,115	22,647
CIF Funding	(417)	1,095,548
Other Revenue Grants	-	35,166
KCC Capital Grant	658,049	1,767,000
Other Capital Grants	8,531	-
	<u>732,278</u>	<u>2,920,361</u>

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

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
DfE/ESFA grants				
General Annual Grant(GAG)	-	4,285,816	4,285,816	4,093,741
Other DfE/EFSA grants	-	306,962	306,962	269,395
Teachers Pension	-	53,228	53,228	52,533
Academies Programme Funding	-	1,283,805	1,283,805	1,101,150
	<u>-</u>	<u>5,929,811</u>	<u>5,929,811</u>	<u>5,516,819</u>
Other Government grants				
Local Authority Grants	-	35,724	35,724	62,663
Other Revenue Grants	2,248	-	2,248	8,173
	<u>2,248</u>	<u>35,724</u>	<u>37,972</u>	<u>70,836</u>
Other income from the academy trust's educational operations	<u>325,338</u>	<u>34,298</u>	<u>359,636</u>	<u>327,548</u>
	<u>327,586</u>	<u>5,999,833</u>	<u>6,327,419</u>	<u>5,915,203</u>

4. OTHER TRADING ACTIVITIES

	31.8.23 £	31.8.22 £
Hire of facilities	<u>10,646</u>	<u>16,035</u>

5. INVESTMENT INCOME

	31.8.23 £	31.8.22 £
Deposit account interest	<u>2,647</u>	<u>684</u>

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

6. EXPENDITURE

	Non-pay expenditure			31.8.23	31.8.22
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	3,836,953	-	671,805	4,508,758	4,547,659
Allocated support costs	<u>1,293,217</u>	<u>632,063</u>	<u>356,172</u>	<u>2,281,452</u>	<u>2,105,167</u>
	<u>5,130,170</u>	<u>632,063</u>	<u>1,027,977</u>	<u>6,790,210</u>	<u>6,652,826</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.23	31.8.22
	£	£
Auditors' remuneration	15,400	8,080
Auditors' remn - non-audit	2,515	1,750
Internal audit services	1,104	4,268
Depreciation - owned assets	299,749	271,608
Other operating leases	-	10,147
Deficit on disposal of fixed assets	<u>25,830</u>	<u>263,267</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.23 Total funds	31.8.22 Total funds
	£	£	£	£
Direct costs	332,767	4,175,991	4,508,758	4,547,659
Support costs	<u>39,074</u>	<u>2,242,378</u>	<u>2,281,452</u>	<u>2,105,167</u>
	<u>371,841</u>	<u>6,418,369</u>	<u>6,790,210</u>	<u>6,652,826</u>

	31.8.23 Total	31.8.22 Total
	£	£
Analysis of support costs		
Support staff costs	1,293,217	999,492
Depreciation	86,218	315,472
Technology costs	101,447	40,345
Premises costs	632,063	488,373
Other support costs	149,488	247,387
Governance costs	<u>19,019</u>	<u>14,098</u>
Total support costs	<u>2,281,452</u>	<u>2,105,167</u>

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

8. STAFF COSTS

	31.8.23	31.8.22
	£	£
Wages and salaries	3,842,123	3,533,860
Social security costs	374,462	310,650
Operating costs of defined benefit pension schemes	859,118	1,087,640
Apprenticeship levy	<u>4,119</u>	<u>2,780</u>
	5,079,822	4,934,930
Supply teacher costs	43,576	93,462
Compensation payments	6,772	-
Supply support staff costs	<u>-</u>	<u>14,680</u>
	<u><u>5,130,170</u></u>	<u><u>5,043,072</u></u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,772 (2022: £Nil).

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.23	31.8.22
Teachers	59	57
Administration and support	65	64
Management	<u>6</u>	<u>7</u>
	<u><u>130</u></u>	<u><u>128</u></u>

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

	31.8.23	31.8.22
£60,001 - £70,000	1	3
£70,001 - £80,000	3	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>
	<u><u>6</u></u>	<u><u>5</u></u>

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

8. STAFF COSTS - continued

Key management personnel

The key management personnel of the academy trust comprise the Trustees and 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 £817,431 (2022: £778,408).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment.

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

D M Anderson (Head Teacher and Trustee):

Remuneration £120,001 - £125,000 (2022: £125,001 - £130,000)

Employer's pension contributions paid £25,001 - £30,000 (2022: £25,001 - £30,000)

T A Harris (Staff Trustee):

Remuneration £25,001 - £30,000 (2022: £20,000 - £25,000)

Employer's pension contributions paid £5,001 - £10,000 (2022: £5,000 - £10,000)

L A Brunger (Staff Trustee):

Remuneration £40,001 - £45,000 (2022: £30,001 - £35,000)

Employer's pension contributions paid £10,001 - £15,000 (2022: £5,001 - £10,000)

During the year ended 31 August 2023, no expenses were reimbursed or paid directly to trustees (2022: £NIL).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was included within the total insurance cost.

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	131,294	-	2,955,362	3,086,656
Charitable activities				
Funding for the academy's educational operations	305,254	5,609,949	-	5,915,203
Other trading activities	16,035	-	-	16,035
Investment income	684	-	-	684
Total	<u>453,267</u>	<u>5,609,949</u>	<u>2,955,362</u>	<u>9,018,578</u>
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	240,332	5,877,619	534,875	6,652,826
Total	<u>240,332</u>	<u>5,877,619</u>	<u>534,875</u>	<u>6,652,826</u>
NET INCOME/(EXPENDITURE)	212,935	(267,670)	2,420,487	2,365,752
Transfers between funds	(46,410)	(101,452)	147,862	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit schemes	-	<u>2,753,000</u>	-	<u>2,753,000</u>
Net movement in funds	166,525	2,383,878	2,568,349	5,118,752
RECONCILIATION OF FUNDS				
Total funds brought forward	791,038	(2,627,724)	9,414,854	7,578,168
TOTAL FUNDS CARRIED FORWARD	<u><u>957,563</u></u>	<u><u>(243,846)</u></u>	<u><u>11,983,203</u></u>	<u><u>12,696,920</u></u>

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST				
At 1 September 2022	2,286,752	8,505,849	2,695	211,256
Additions	8,558	135,458	7,033	66,771
Disposals	-	(27,000)	-	-
Reclassification	(17,515)	3,294,462	-	17,516
At 31 August 2023	<u>2,277,795</u>	<u>11,908,769</u>	<u>9,728</u>	<u>295,543</u>
DEPRECIATION				
At 1 September 2022	308,224	1,807,668	120	80,906
Charge for year	45,260	194,102	855	24,697
Eliminated on disposal	-	(1,170)	-	-
At 31 August 2023	<u>353,484</u>	<u>2,000,600</u>	<u>975</u>	<u>105,603</u>
NET BOOK VALUE				
At 31 August 2023	<u>1,924,311</u>	<u>9,908,169</u>	<u>8,753</u>	<u>189,940</u>
At 31 August 2022	<u>1,978,528</u>	<u>6,698,181</u>	<u>2,575</u>	<u>130,350</u>
	Motor vehicles £	Computer equipment £	Assets under construction £	Totals £
COST				
At 1 September 2022	34,106	303,276	733,401	12,077,335
Additions	3,191	29,841	3,065,087	3,315,939
Disposals	-	-	-	(27,000)
Reclassification	-	-	(3,294,461)	2
At 31 August 2023	<u>37,297</u>	<u>333,117</u>	<u>504,027</u>	<u>15,366,276</u>
DEPRECIATION				
At 1 September 2022	20,523	238,722	-	2,456,163
Charge for year	4,567	30,268	-	299,749
Eliminated on disposal	-	-	-	(1,170)
At 31 August 2023	<u>25,090</u>	<u>268,990</u>	<u>-</u>	<u>2,754,742</u>
NET BOOK VALUE				
At 31 August 2023	<u>12,207</u>	<u>64,127</u>	<u>504,027</u>	<u>12,611,534</u>
At 31 August 2022	<u>13,583</u>	<u>64,554</u>	<u>733,401</u>	<u>9,621,172</u>

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

12. TANGIBLE FIXED ASSETS - continued

Included in cost or valuation of land and buildings is freehold land of £132,400 (2022 - £132,400) which is not depreciated.

Assets under construction consists of the ongoing building costs of the teaching block that were not completed by the year end of 31 August 2023.

13. STOCKS

	31.8.23	31.8.22
	£	£
Stocks	<u>70,153</u>	<u>-</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade debtors	452	937
Other debtors	17,583	17,736
VAT	161,142	99,868
Prepayments and accrued income	<u>131,391</u>	<u>2,586,066</u>
	<u>310,568</u>	<u>2,704,607</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	364,289	441,696
Social security and other taxes	97,643	85,868
Other creditors	143,591	26,358
Accruals and deferred income	<u>210,261</u>	<u>428,169</u>
	<u>815,784</u>	<u>982,091</u>
	31.08.23	31.08.22
Deferred Income at 1 September	83,164	215,940
Resources deferred in the period	123,475	83,164
Amounts released from previous periods	<u>(83,164)</u>	<u>(215,940)</u>
Deferred income at 31 August	<u>123,475</u>	<u>83,164</u>

Deferred income at 31 August 2023 represents £123,475 (2022: £83,164) of school trip income collected before the year end and paid over to agents after the year end.

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

16. 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 are ceased to be a member.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			31.8.23
	Unrestricted	Restricted	Restricted
	fund	General	Fixed
	£	funds	Asset
		£	funds
Fixed assets	-	-	12,611,534
Current assets	746,173	749,982	53,194
Current liabilities	(130,196)	(656,785)	(28,803)
Pension liability	-	-	-
	<u>615,977</u>	<u>93,197</u>	<u>12,635,925</u>
			<u>13,345,099</u>

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

			31.8.22
	Unrestricted	Restricted	Restricted
	fund	General	Fixed
	£	funds	Asset
		£	funds
Fixed assets	-	-	9,621,172
Current assets	1,065,654	641,244	2,670,941
Current liabilities	(108,091)	(565,090)	(308,910)
Pension liability	-	(320,000)	-
	<u>957,563</u>	<u>(243,846)</u>	<u>11,983,203</u>
			<u>12,696,920</u>

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

18. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Restricted general funds				
General Annual Grant (GAG)	-	196,052	(196,052)	-
Other DfE/ESFA grants	32,814	(272,584)	291,268	51,498
Other restricted funds	3,655	4,388	-	8,043
Pension reserve	(320,000)	320,000	-	-
Catch up premium	39,685	(6,029)	-	33,656
	<u>(243,846)</u>	<u>241,827</u>	<u>95,216</u>	<u>93,197</u>
Restricted fixed asset funds				
Other capital grants & donations	54,992	8,531	(60,259)	3,264
DfE/ESFA capital grants	856,097	65,698	(900,666)	21,129
Assets held for depreciation	9,621,173	(299,751)	3,290,110	12,611,532
KCC Capital Fund	1,450,941	658,049	(2,108,990)	-
	<u>11,983,203</u>	<u>432,527</u>	<u>220,195</u>	<u>12,635,925</u>
Total restricted funds	<u>11,739,357</u>	<u>674,354</u>	<u>315,411</u>	<u>12,729,122</u>
Unrestricted fund				
General fund	957,563	(26,175)	(315,411)	615,977
TOTAL FUNDS	<u>12,696,920</u>	<u>648,179</u>	<u>-</u>	<u>13,345,099</u>

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

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	4,282,683	(4,086,631)	-	196,052
Other DfE/ESFA grants	(908,752)	636,168	-	(272,584)
Other government grants	30,888	(30,888)	-	-
Other restricted funds	36,253	(31,865)	-	4,388
Pension reserve	-	(27,000)	347,000	320,000
Catch up premium	4,761	(10,790)	-	(6,029)
Academies Programme Funding	<u>2,567,610</u>	<u>(2,567,610)</u>	-	-
	<u>6,013,443</u>	<u>(6,118,616)</u>	<u>347,000</u>	<u>241,827</u>
Restricted fixed asset funds				
Other capital grants & donations	8,531	-	-	8,531
DfE/ESFA capital grants	65,698	-	-	65,698
Assets held for depreciation	1	(299,752)	-	(299,751)
KCC Capital Fund	<u>658,049</u>	<u>-</u>	<u>-</u>	<u>658,049</u>
	<u>732,279</u>	<u>(299,752)</u>	<u>-</u>	<u>432,527</u>
	<u>6,745,722</u>	<u>(6,418,368)</u>	<u>347,000</u>	<u>674,354</u>
Total restricted funds				
Unrestricted fund				
General fund	345,667	(371,842)	-	(26,175)
	<u>7,091,389</u>	<u>(6,790,210)</u>	<u>347,000</u>	<u>648,179</u>
TOTAL FUNDS				

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

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Restricted general funds				
General Annual Grant (GAG)	-	101,452	(101,452)	-
Other DfE/ESFA grants	-	32,814	-	32,814
Other restricted funds	-	3,655	-	3,655
Pension reserve	(2,672,000)	2,352,000	-	(320,000)
Catch up premium	44,276	(4,591)	-	39,685
	<u>(2,627,724)</u>	<u>2,485,330</u>	<u>(101,452)</u>	<u>(243,846)</u>
Restricted fixed asset funds				
Other capital grants & donations	-	70,167	(15,175)	54,992
DfE/ESFA capital grants	359,423	1,118,195	(621,521)	856,097
Assets held for depreciation	9,055,431	(534,875)	1,100,617	9,621,173
KCC Capital Fund	-	1,767,000	(316,059)	1,450,941
	<u>9,414,854</u>	<u>2,420,487</u>	<u>147,862</u>	<u>11,983,203</u>
Total restricted funds	<u>6,787,130</u>	<u>4,905,817</u>	<u>46,410</u>	<u>11,739,357</u>
Unrestricted fund				
General fund	791,038	212,935	(46,410)	957,563
TOTAL FUNDS	<u>7,578,168</u>	<u>5,118,752</u>	<u>-</u>	<u>12,696,920</u>

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

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	4,093,741	(3,992,289)	-	101,452
Other DfE/ESFA grants	321,928	(289,114)	-	32,814
Other government grants	89,080	(89,080)	-	-
Other restricted funds	4,050	(395)	-	3,655
Pension reserve	-	(401,000)	2,753,000	2,352,000
Catch up premium	-	(4,591)	-	(4,591)
Academies Programme Funding	<u>1,101,150</u>	<u>(1,101,150)</u>	-	-
	<u>5,609,949</u>	<u>(5,877,619)</u>	<u>2,753,000</u>	<u>2,485,330</u>
Restricted fixed asset funds				
Other capital grants & donations	70,167	-	-	70,167
DfE/ESFA capital grants	1,118,195	-	-	1,118,195
Assets held for depreciation	-	(534,875)	-	(534,875)
KCC Capital Fund	<u>1,767,000</u>	-	-	<u>1,767,000</u>
	<u>2,955,362</u>	<u>(534,875)</u>	-	<u>2,420,487</u>
Total restricted funds	<u>8,565,311</u>	<u>(6,412,494)</u>	<u>2,753,000</u>	<u>4,905,817</u>
Unrestricted fund				
General fund	<u>453,267</u>	<u>(240,332)</u>	-	<u>212,935</u>
TOTAL FUNDS	<u>9,018,578</u>	<u>(6,652,826)</u>	<u>2,753,000</u>	<u>5,118,752</u>

The restricted fixed asset funds have been revised to show clearly the split between assets purchased and capital grants unspent as at the year end.

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the academy trust. Under the funding agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other restricted general funds

Funding is provided by government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

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

18. MOVEMENT IN FUNDS - continued

Restricted fixed asset funds

Funding is provided by way of government grants, private grants and donations or capital expenditure from the GAG or unrestricted funds in order to acquire specified fixed assets for use by the academy trust in achieving its educational objectives.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Transfers between funds

A transfer of £315,411 was made from unrestricted funds to the restricted general fund to cover the in year deficit and to the restricted fixed asset fund to cover the purchase of fixed assets during the period under review that were not funded by capital grants.

19. 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 Kent County Council. 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 to the period ended 31 March 2022.

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

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 academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 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 27 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

- 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.
- no changes in individual employee contributions until at least 1 April 2025

This valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £618,525

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

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 £303,776 (2022 - £258,630), of which employer's contributions totalled £229,795 (2022 - £201,258). and employees' contributions totalled £73,981 (2022 - £57,372). The agreed contribution rates for future years are 22.50 per cent for employers and 5.50 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

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

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Current service cost	246,000	559,000
Net interest from net defined benefit asset/liability	9,000	43,000
Past service cost	-	-
Administration expenses	-	2,000
	<u>255,000</u>	<u>604,000</u>
Actual return on plan assets	<u>130,000</u>	<u>46,000</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening defined benefit obligation	3,317,000	5,502,000
Current service cost	246,000	559,000
Contributions by scheme participants	65,000	58,000
Interest cost	141,000	91,000
Benefits paid	(60,000)	(56,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(56,000)	(115,000)
Actuarial (gains)/losses from changes in financial assumptions	(926,000)	(3,068,000)
Experience loss/(gain) on obligation	673,000	346,000
	<u>3,400,000</u>	<u>3,317,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23	31.8.22
	£	£
Opening fair value of scheme assets	2,997,000	2,830,000
Contributions by employer	230,000	203,000
Contributions by scheme participants	65,000	58,000
Expected return	132,000	48,000
Administration expenses	(2,000)	(2,000)
Benefits paid	(60,000)	(56,000)
Remeasurements:		
Return on plan assets (excluding interest income)	(155,000)	(84,000)
Assets other remeasurement	388,000	-
	<u>3,595,000</u>	<u>2,997,000</u>

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.23 £	31.8.22 £
Actuarial (gains)/losses from changes in demographic assumptions	56,000	115,000
Actuarial (gains)/losses from changes in financial assumptions	926,000	3,068,000
Experience loss/(gain) on obligation	(673,000)	(346,000)
Return on plan assets (excluding interest income)	(155,000)	(84,000)
Assets other remeasurement	388,000	-
Asset ceiling	<u>(195,000)</u>	<u>-</u>
	<u>347,000</u>	<u>2,753,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.23 £	31.8.22 £
Equities	2,282,000	1,965,000
Gilts	21,000	17,000
Other Bonds	497,000	396,000
Property	363,000	352,000
Absolute return fund	258,000	216,000
Cash	136,000	51,000
Property	<u>38,000</u>	<u>-</u>
	<u>3,595,000</u>	<u>2,997,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.23	31.8.22
Discount rate	5.30%	4.25%
Future salary increases	2.85%	3.95%
Future pension increases	3.85%	2.95%

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

19. 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:

	31.8.23	31.8.22
Retiring today		
Males	20.7	21
Females	23.2	23.5
Retiring in 20 years		
Males	22	22.3
Females	24.6	24.9
Sensitivity analysis		
	31.8.23	31.8.22
	£	£
Discount rate +0.1%	3,334,000	3,240,000
Discount rate -0.1%	3,467,000	3,396,000
Mortality assumption - 1 year increase	3,502,000	3,423,000
Mortality assumption - 1 year decrease	3,301,000	3,214,000

20. CAPITAL COMMITMENTS

	31.8.23	31.8.22
	£	£
Contracted but not provided for in the financial statements	<u>22,689</u>	<u>267,838</u>

21. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.23	31.8.22
	£	£
Within one year	8,583	6,717
Between one and five years	<u>14,058</u>	<u>908</u>
	<u>22,641</u>	<u>7,625</u>

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

22. RELATED PARTY DISCLOSURES

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 or individuals in which a trustee or member of senior management has an interest. All transactions involving such organisations or individuals are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the period of account:

Mr A McIlroy, the spouse of Mrs A McIlroy, a member of key management personnel, is an employee of the Trust. The remuneration of Mr McIlroy for the year ended 31 August 2023 was in the range £50,000 - £55,000 (2022: £50,000 - £55,000).

Ms S Jackson has a relationship with Mr M Leake, a member of Key Management Personnel. The remuneration of Ms Jackson for the year ended 31 August 2023 was in the range £Nil - £5,000 (2022: £Nil - £5,000).

All transactions involving such organisations are conducted in accordance with the requirements of the Academy trust handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

23. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the trust received £34,795, plus £5,260 carried forward from 2022 (2022: £20,026, plus £5,891 carried forward from 2021) and disbursed £18,523 (2022: £20,657), including an allocation for administration costs incurred, from the fund, leaving £21,532 (2022: £5,260) in other creditors.