

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members/Trustees	J Tye, Chair of Trustees A Gorolini (appointed 16 January 2023) C Stacey (appointed 1 September 2022) C Prince (appointed 1 September 2022) J Haigh (appointed 1 November 2022) M Wheal (appointed 1 September 2022, resigned 4 December 2023) M King M Mc Dougall (appointed 1 September 2022, resigned 4 December 2023) R Prince (appointed 1 September 2022) S Hindhaugh (appointed 25 May 2023) R Leach, Head Teacher (appointed 17 April 2023, resigned 29 October 2023) C Leonard (appointed 15 June 2023) D Verderame (appointed 1 September 2022, resigned 23 May 2023) J Woodhouse (appointed 1 September 2022, resigned 23 May 2023) S Fanthorpe, Head Teacher (appointed 1 September 2022, resigned 10 February 2023) K Scripps, Head Teacher (appointed 30 October 2023) D Beckwith (appointed 25 September 2023)
Company registered number	08663956
Company name	Ralph Sadleir School
Registered and principal office	Ralph Sadleir School Station Road Puckeridge Hertfordshire SG11 1TF
Company Secretary	E Morrison (appointed 3 October 2022)
Accounting Officer	K Scripps (appointed 30/10/2023)
Senior Leadership Team	K Scripps, Headteacher (appointed 30 October 2023) S Fanthorpe, Headteacher (appointed 1 September 2022, resigned 20 February 2023) R Leach, Headteacher (appointed 17 April 2023, resigned 29 October 2023) K Campbell, Assistant Headteacher (resigned 31st August 2023) D Verderame, Deputy Headteacher K Devonshire, Assistant Headteacher C Maddox, Assistant Headteacher (resigned 31 August 2023)

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

Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
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Bankers	Lloyds Bank Plc 1 Legg Street Chelmsford Essex CM1 1JS
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RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Ralph Sadleir School (the Trust or the Charitable Company) for the year ended 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Constituted as a single Multi Academy Trust, the Charitable Company currently operates a middle school academy serving a catchment area in the Rib Valley region of Hertfordshire. The School had a roll of 349 in the 2023 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes Ralph Sadleir School (the School or the Academy), which converted on 1st October 2013.

The operation of the Academy and employment of staff are the responsibility of the Board of Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Resources Committee.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of a School Local Governing Body (LGB). Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees', Governors' and Officers' indemnity element from the overall cost of the RPA scheme.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 5 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end, the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the School, meetings with pupils and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 4 occasions per year and its two sub-committees (Resources Committee and Curriculum and Achievement Committee) at least 3 times per year. The Board of Trustees are responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets and making major decisions about its direction, capital expenditure and senior staff appointments.

The Governors within their local committees are responsible for monitoring performance against budget and capital spend.

The Senior Leadership Team (SLT) control their Academy at an executive level, implementing policies and reporting to the LGB. The SLT is responsible for the day to day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility for the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the pay scales for each role, outcome of performance appraisal meetings and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade union facility time

There is no trade union facility time to report.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education and care for pupils of different abilities within its local community between the ages of 9 and 13.

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FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- Ensuring good teaching throughout the School; and
- Continuing professional development of staff.

Our success in fulfilling our aims can be measured by:

- Improved learning resource centre and SEND department for learners;
- Improved teaching and learning areas for pupils and staff; and
- Recruitment of quality staff for academic year 2023/24.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided pupils in suitable progression when they left their School.

Specific achievements were as follows:

- Excellent progress from pupils when reviewing the year 8 entry to exit data;
- Recruitment of future teachers through our work with Hertfordshire and Bedfordshire Universities and the implementation of student teachers; and
- Excellent results from previous students in their 2023 GCSE results. All of whom attended Freman college.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

- 2022/23 KPI Target: Build upon the reserves and carried forward from 2021/22 by forecasting year end position and explanations for any significant changes.

Outcome: The monthly financial management accounts report monitors expenditure and earmarked funding throughout the financial year. The report details end of year projections which aids the financial planning of the 1-3-year financial forecast plan. The carry forward at the end of each financial year supports the reserves fund. These monthly accounts are reviewed and approved by the Chair of the Board of Trustees and the Headteacher. Actual carried forward of unrestricted funds for 2021/22 was £25,592. For 2022/23, this has decreased to £13,659. Reserves and contingencies are monitored by the SLT, Resources Committee and Board of Trustees.

The Trustees are confident that staffing levels are closely monitored to agreed necessary Full Time Equivalents and staffing structures all approved by the Board of Trustees.

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The Resources Committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Trust received £2,347,416 (2022 - £2,341,540) of funding and other income (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,339,399 (2022 - £2,102,049) (excluding amounts from pension and restricted fixed asset funds). The Academy brought forward from 21/22, £490,522 restricted funds (excluding pension deficit) and £25,592 unrestricted funds. The carry forward for 22/23 is £510,472 restricted funds (excluding pension deficit) and £13,659 unrestricted funds.

A summary of results are set out below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	2,237,011	110,405	621,672	-	2,969,088
Resources Expended	(2,217,061)	(122,338)	(116,842)		(2,456,241)
LGPS Charge				(97,000)	(97,000)
Depreciation			(106,991)		(106,991)
Employer contributions paid				73,000	73,000
Total Resources Expended	(2,217,061)	(122,338)	(223,833)	(24,000)	(2,587,232)
Assets Purchased from GAG	-	-	-		-
Actuarial Gains				83,000	83,000
Surplus / (Deficit) for the year	19,950	(11,933)	397,839	59,000	464,856
Balance at 1 September 2022	490,522	25,592	5,216,060	(83,000)	5,649,174
Balance at 31 August 2023	510,472	13,659	5,613,899	(24,000)	6,114,030

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Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension fund deficit of £24,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a reduction in the opening deficit of £59,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £524,131.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £13,659. The Trust ended the year with a cash balance of £1,392,575.

Principal Risks and Uncertainties

The Trustees work with the LGB in maintaining a central risk register identifying the major risks, to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the LGB via the Resources Committee with a formal review of the process undertaken on an annual basis. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a Multi Academy Trust operating a single School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms in the medium to longer term. Unfunded salary increases for both teaching and support coupled with the spiraling energy costs is putting a strain on budgets;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that pupil progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;

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- Staffing - the success of the School is also reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - the Trust has appointed Juniper Education to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist, the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan
- The Trust appoints an independent responsible officer who performs two reviews each year on regulatory compliance. They also have monthly financial support from Herts for Learning and have commissioned independent safeguarding reviews.

The Trust and the Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

As an Academy, Ralph Sadleir School has just completed a new improvement plan for the period 2023/24.

This includes the following areas of focus for the School:

- To have a clear and compelling vision of the future;
- A clear scheme of delegation that sets out the responsibilities at the various levels;
- Committed to outstanding leadership;
- Driven to further improve teaching and learning;
- Dedicated to provide all pupils with the opportunity to make substantial and sustained progress;
- Continue to foster a culture which promotes growth mind-set; additional to our implementation of our new approach to restorative behaviour, which focuses on building relationships with pupils;
- Continue to use a wide range of qualitative and quantitative data;
- Improving the wellbeing of staff and pupils, including a larger team supporting the mental health lead;
- Clear systems for ensuring financial probity; and
- Continue to develop and improve upon a defined strategy for growth.

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees on 19 December 2023 and signed on its behalf by:

J Tye
Chair of Trustees

RALPH SADLEIR SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ralph Sadleir School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Tye, Chair of Trustees	6	6
A Gorolini	4	4
C Stacey	4	6
C Prince	6	6
M Wheal	6	6
M King	6	6
M Mc Dougall	5	6
R Prince	6	6
S Hindhaugh	0	0
R Leach, Head Teacher	2	2
C Leonard	2	2
D Verderame	5	5
J Woodhouse	0	5
S Fanthorpe, Head Teacher	3	3

Review of year:

During the academic year there were significant changes within the composition of the Board of Trustees. Mr Woodhouse (parent Trustee) resigned from his post alongside Mr Verderame (Staff Trustee) and Mrs Brown stepped back from being the Company Secretary. They were replaced by Mrs Morrison as Company Secretary, Mrs Hindhaugh as a staff Trustee and Mrs Gorolini (Co-opted Trustee) and Mrs Leonard (Parent Trustee). The Board maintained responsibility for the strategic direction of the school.

Like many schools and institutions, the academic year ending 31st August 2023 had some difficulties as the country continued to move forwards from the global pandemic. Mental Health and wellbeing became a significant focus both for staff and pupils, and the school had periods of time with numerous members of staff on sick leave.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

An interim Headteacher had been appointed at the start of the year and due to personal circumstances at home, he had to step away at the February half term, leaving the school without a Headteacher for a short period of time. The deputy headteacher was an acting Head until a further interim was appointed after the Easter break.

Conflicts of Interest:

The Trust maintain a detailed register of interests which is updated annually. Despite being a Multi Academy Trust they are a single entity School so do not have any related parties, subsidiaries, joint ventures or associates.

Governance reviews:

The Board of Trustees has formally met six times during the year but the Trustees are satisfied that through the use of Sub Committees it maintains effective oversight.

The Board of Trustees employed the services of Juniper education to complete two internal audit visits during the course of academic year 2022/23. Part of this review included looking at the Pupil Premium Provision within the School and identifying any areas of weakness. The second review was looking into the payroll controls within the School as this will always be our most significant area of expenditure.

Within the area of financial governance, it was identified that the School's risk register was not up to date and should be a priority for the next academic year. The Trustees have taken this on board and collaborated with other similar sized Schools to obtain examples of their own risk register. From this, the Resources Committee have created a new, more dynamic version of the risk register which shows in great detail any areas that could be an area of weakness within the School and the relevant prevent and detection controls in place to ensure there is no financial risk. This register was reviewed and approved by the Resources Committee and both Trustee and Leadership links have been completed.

In addition to this area, the Board of trustees have updated policies including the schedule of financial delegation, the behaviour policy and bank mandates in line with Leadership changes.

The Board of Trustees have worked with Senior Leadership to refresh the Business Continuity Plan and provide a more detailed approach to any potential risks within the School.

The only area which remains an area of risk is the lack of cashflow forecast produced by the School. Given the size of the School and the reduced number of transactions, alongside the significant cash balance in the accounts, the Board have evaluated this risk as minimal.

Juniper have been appointed to complete another review in academic year 2023/24 and will complete visits in both the Spring and Summer term.

Committees

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the organisation's assets, review and propose the annual budget, monitor regular financial reports and review financial procedures. It also has delegated authority to liaise with the Auditors without prior reference to the Board.

During the year the following issues were dealt with by the Committee:

- Review and accountability of old debts
- Detailed review of H&S.
- Profitability of the catering contract

During the year the following changes to the Committee took place:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Mr Woodhouse resigned from his role as a Trustee and Mr Verderame was replaced by Mrs Gorolini for the summer term.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Tye	4	4
M King	4	4
M Wheal	2	4
A Gorolini	2	2
D Verderame	4	4
S Fanthorpe	2	2
J Woodhouse	1	2

The Audit Committee is also a sub-committee of the main Board of Trustees. The audit committee meets at least 3 times a year and had responsibility for appointing the external auditors and responsible officer. They also approve the scope of work for the responsible officer and review any reports produced.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Tye	4	4
M King	4	4

During the year the following issues were dealt with by the Committee:

- Appointment of external auditors
- Appointment of the Internal Auditor
- Scope of work review for internal scrutiny

During the year there were no changes to the Committee.

Review of value for money

As Accounting Officer, the Headteacher 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year.

Examples could include:

- Regular meetings with the schools catering service to ensure that the contract remains profitable and all debts are secured.
- Encouraging in school educational visits like 'Spirit of the Wild' to avoid unnecessary transport costs
- Ensuring more than one quotation is received for all large projects/tenders
- Reducing the insurance for supply teachers and only buying into this service when absolutely necessary.

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GOVERNANCE STATEMENT (CONTINUED)

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 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 Ralph Sadleir School for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to buy-in an internal audit service from Juniper Education.

Internal Scrutiny/Audit

This option has been chosen because it is cost effective and the school do not have anybody in house with the appropriate skills to complete this role.

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

- Payroll
- Pupil Premium

On a bi-annual basis, the Internal Auditor reports to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis, the Internal Auditor prepares a summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the Internal Auditor
- the work of the external auditor

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

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

J Tye
Chair of Trustees

K Scripps
Accounting Officer

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Ralph Sadleir School I have considered my responsibility to notify the Board of Trustees and the Education & 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 in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

K Scripps
Accounting Officer

Date: 19 December 2023

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

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

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

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

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

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

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

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

J Tye
Chair of Trustees

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL

Opinion

We have audited the financial statements of Ralph Sadleir School (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RALPH SADLEIR SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

Use of our Report

This Report is made solely to the 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 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

19 December 2023

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RALPH
SADLEIR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ralph Sadleir School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ralph Sadleir School's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Ralph Sadleir School's funding agreement with the Secretary of State for Education dated 1 October 2013 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Reporting Accountant
Price Bailey LLP

Date: 19 December 2023

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	9,351	98,797	621,672	729,820	49,090
Other trading activities	5	6,097	2,996	-	9,093	3,422
Investments	6	133	-	-	133	68
Charitable activities	4	94,824	2,135,218	-	2,230,042	2,299,010
Total income		110,405	2,237,011	621,672	2,969,088	2,351,590
Expenditure on:						
Charitable activities	7	122,338	2,241,061	223,833	2,587,232	2,252,274
Total expenditure		122,338	2,241,061	223,833	2,587,232	2,252,274
Net movement in funds before other recognised gains/(losses)		(11,933)	(4,050)	397,839	381,856	99,316
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	83,000	-	83,000	573,000
Net movement in funds		(11,933)	78,950	397,839	464,856	672,316
Reconciliation of funds:						
Total funds brought forward		25,592	407,522	5,216,060	5,649,174	4,976,858
Net movement in funds		(11,933)	78,950	397,839	464,856	672,316
Total funds carried forward		13,659	486,472	5,613,899	6,114,030	5,649,174

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

The notes on pages 25 to 47 form part of these financial statements.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08663956

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	5,122,714	5,209,953
Current assets			
Debtors	14	490,213	105,099
Cash at bank and in hand		1,392,575	1,151,627
		<u>1,882,788</u>	<u>1,256,726</u>
Creditors: due within one year	15	(866,675)	(733,708)
Net current assets		<u>1,016,113</u>	<u>523,018</u>
Total assets less current liabilities		<u>6,138,827</u>	<u>5,732,971</u>
Creditors: due after more than one year	16	(797)	(797)
Net assets excluding pension liability		<u>6,138,030</u>	<u>5,732,174</u>
Defined benefit pension scheme liability	24	(24,000)	(83,000)
Total net assets		<u><u>6,114,030</u></u>	<u><u>5,649,174</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	5,613,899	5,216,060
Restricted income funds	17	510,472	490,522
		<u>6,124,371</u>	<u>5,706,582</u>
Restricted funds excluding pension asset	17	6,124,371	5,706,582
Pension reserve	17	(24,000)	(83,000)
Total restricted funds	17	<u>6,100,371</u>	<u>5,623,582</u>
Unrestricted income funds	17	13,659	25,592
Total funds		<u><u>6,114,030</u></u>	<u><u>5,649,174</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 19 December 2023 and are signed on their behalf, by:

J Tye
Chair of Trustees

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(359,511)	740,597
Cash flows from investing activities	21	602,053	(58,748)
		<hr/>	<hr/>
Cash flows from financing activities	20	(1,594)	(1,594)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		240,948	680,255
Cash and cash equivalents at the beginning of the year		1,151,627	471,372
Cash and cash equivalents at the end of the year	22, 23	<hr/> <hr/> 1,392,575	<hr/> <hr/> 1,151,627

The notes on pages 25 to 47 form part of these financial statements

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ralph Sadleir School meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

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

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.3 Company status

The Trust is a Company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The registered office is Ralph Sadleir School, Station Road, Puckeridge, Hertfordshire, SH11 1TF.

1.4 Fund accounting

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

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

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

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.5 Income

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

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 year is deducted from income and recognised as a liability.

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

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

Where a 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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

1.6 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.

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Taxation

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

1.9 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold land	- 125 years
Leasehold buildings	- 35 - 50 years
Furniture and equipment	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 10 years

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.15 Pensions

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

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

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trustees make 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

RALPH SADLEIR SCHOOL
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	9,351	98,797	-	108,148	39,040
Capital grants	-	-	621,672	621,672	10,050
Total 2023	<u>9,351</u>	<u>98,797</u>	<u>621,672</u>	<u>729,820</u>	<u>49,090</u>
Total 2022	<u>3,568</u>	<u>35,472</u>	<u>10,050</u>	<u>49,090</u>	

In 2022, donations were £39,040 consisting of £3,568 unrestricted donations and £35,472 restricted donations.

In 2022, all capital grants related to to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Provision of Education				
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,889,352	1,889,352	2,015,227
Other DfE/ESFA grants				
Pupil Premium	-	67,865	67,865	80,426
Rates Relief	-	4,540	4,540	7,782
Supplementary Grant	-	58,661	58,661	24,442
PE and Sport Premium	-	17,870	17,870	17,980
Other ESFA grants	-	25,757	25,757	24,821
Mainstream schools addition grant	-	26,575	26,575	-
	-	2,090,620	2,090,620	2,170,678
Other Government grants				
Local Authority grants	-	44,598	44,598	46,473
Other income from the Trust's educational operations	94,824	-	94,824	69,054
COVID-19 additional funding (DfE/ESFA)				
Mass Testing	-	-	-	12,805
Total 2023	<u>94,824</u>	<u>2,135,218</u>	<u>2,230,042</u>	<u>2,299,010</u>
Total 2022	<u>69,054</u>	<u>2,229,956</u>	<u>2,299,010</u>	

In 2022, DfE/ESFA grants, COVID-19 additional funding and other Government grants were entirely restricted and other income from the Trust's educational operations which relates to catering income was entirely unrestricted.

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5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings income	2,410	-	2,410	1,350
Other income	3,687	2,996	6,683	2,072
Total 2023	<u>6,097</u>	<u>2,996</u>	<u>9,093</u>	<u>3,422</u>
Total 2022	<u>3,422</u>	<u>-</u>	<u>3,422</u>	

In 2022, lettings and other income was entirely unrestricted.

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	<u>133</u>	<u>133</u>	<u>68</u>
Total 2022	<u>68</u>	<u>68</u>	

In 2022, investment income was entirely unrestricted.

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

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Provision of Education:					
Direct costs	1,303,518	-	178,449	1,481,967	1,300,762
Support costs	444,931	361,817	298,517	1,105,265	951,512
Total 2023	<u>1,748,449</u>	<u>361,817</u>	<u>476,966</u>	<u>2,587,232</u>	<u>2,252,274</u>
Total 2022	<u>1,700,902</u>	<u>211,335</u>	<u>340,037</u>	<u>2,252,274</u>	

In 2023, of total expenditure, £122,338 (2022: £73,856) was to unrestricted funds, £2,241,061 (2022: £2,074,049) was to restricted funds and £223,833 (2022: £104,369) was to restricted fixed asset funds.

In 2022, direct expenditure consisted of £1,221,935 staff costs and £78,827 other costs.

In 2022, support expenditure consisted of £478,967 staff costs, £211,335 premises costs and £261,210 other costs.

8. Charitable activities

	2023 £	2022 £
Direct costs	1,481,967	1,300,762
Support costs	1,105,265	951,512
	<u>2,587,232</u>	<u>2,252,274</u>
	2023 £	2022 £
Analysis of support costs		
Support staff costs	444,931	478,967
Depreciation	106,991	104,369
Technology costs	26,781	32,603
Premises costs	254,826	106,966
Governance costs	21,616	17,300
Other support costs	250,107	210,827
Legal costs	13	480
	<u>1,105,265</u>	<u>951,512</u>

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

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	15,160	15,160
Depreciation of tangible fixed assets	106,991	104,369
Fees paid to Auditors for:		
- audit	8,420	7,320
- other services	7,590	7,100
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,200,134	1,195,937
Social security costs	111,843	111,982
Pension costs	299,111	358,941
	<u> </u>	<u> </u>
	1,611,088	1,666,860
Agency supply costs	137,361	34,042
	<u> </u>	<u> </u>
	<u>1,748,449</u>	<u>1,700,902</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	19	21
Administration and support	23	22
Management	4	3
	<u> </u>	<u> </u>
Total	<u>46</u>	<u>46</u>

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

10. Staff (continued)

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £388,070 (2022: £239,162). Costs of bought in key management personnel included within this figure were £98,145 (2022 - £NIL.)

Included in the above are employer pension contributions of £50,928 (2022: £41,675) and employer national insurance contributions of £24,984 (2022: £21,357).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

R Leach and S Fanthorpe served as Accounting Officer during the year on agency arrangements, the cost of this to the Trust was £98,145.

During the year ended 31 August 2023, expenses totalling £238 were reimbursed or paid directly to 3 Trustees (2022 - £552 paid directly to 2 Trustees).

12. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the RPA scheme membership.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	5,896,778	70,437	98,605	23,537	6,089,357
Additions	-	945	18,807	-	19,752
At 31 August 2023	<u>5,896,778</u>	<u>71,382</u>	<u>117,412</u>	<u>23,537</u>	<u>6,109,109</u>
Depreciation					
At 1 September 2022	784,845	46,359	33,293	14,907	879,404
Charge for the year	92,472	3,941	8,224	2,354	106,991
At 31 August 2023	<u>877,317</u>	<u>50,300</u>	<u>41,517</u>	<u>17,261</u>	<u>986,395</u>
Net book value					
At 31 August 2023	<u>5,019,461</u>	<u>21,082</u>	<u>75,895</u>	<u>6,276</u>	<u>5,122,714</u>
At 31 August 2022	<u>5,111,933</u>	<u>24,078</u>	<u>65,312</u>	<u>8,630</u>	<u>5,209,953</u>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	2,230	-
VAT repayable	51,846	28,991
Prepayments and accrued income	436,137	76,108
	<u>490,213</u>	<u>105,099</u>

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15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	154,462	7,083
Other taxation and social security	25,939	26,959
Other creditors	30,254	33,370
Accruals and deferred income	656,020	666,296
	<u>866,675</u>	<u>733,708</u>
	2023 £	2022 £
Deferred income brought forward	617,631	4,540
Resources deferred during the year	608,643	617,631
Amounts released from previous periods	(617,631)	(4,540)
Deferred income carried forward	<u>608,643</u>	<u>617,631</u>

Deferred income relates to a Local Authority capital grant and trip income received in advance.

16. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other creditors (Salix loan)	<u>797</u>	<u>797</u>

Also included within creditors due both within and more than one year are amounts totalling £797 (2022 - £797) representing the balance on an interest free Salix loan granted by the ESFA.

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

17. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted funds	25,592	110,405	(122,338)	-	-	13,659
Restricted general funds						
GAG	287,622	1,889,352	(1,901,713)	-	-	275,261
Other DfE / ESFA grants	127,542	201,268	(93,599)	-	-	235,211
Other Government grants	75,358	44,598	(119,956)	-	-	-
Other restricted funds	-	2,996	(2,996)	-	-	-
Restricted donations	-	98,797	(98,797)	-	-	-
Pension reserve	(83,000)	-	(24,000)	-	83,000	(24,000)
	407,522	2,237,011	(2,241,061)	-	83,000	486,472
Restricted fixed asset funds						
DFC	6,107	30,283	-	(19,752)	-	16,638
Restricted fixed asset fund	5,209,953	-	(106,991)	19,752	-	5,122,714
CIF	-	591,389	(116,842)	-	-	474,547
	5,216,060	621,672	(223,833)	-	-	5,613,899
Total Restricted funds	5,623,582	2,858,683	(2,464,894)	-	83,000	6,100,371
Total funds	5,649,174	2,969,088	(2,587,232)	-	83,000	6,114,030

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

17. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents income from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DfE and ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the School.

Restricted donations

This represents donations received in the year for specific purposes.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

Condition Improvement Fund (CIF)

The Trust is required to use the funding for the specific project as defined within the funding agreement.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC)

This represents funding from the DfE for capital projects.

Unrestricted funds

This represents income received that does not have restrictions and may be used towards meeting any of the charitable objectives of the Trust.

Other Restricted Funds

Other restricted funds represent other funding received in which there are restrictions in place over expenditure.

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

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	23,336	76,112	(73,856)	-	-	25,592
Restricted general funds						
GAG	47,488	2,015,227	(1,775,093)	-	-	287,622
Other DfE / ESFA grants	130,441	168,256	(117,011)	(54,144)	-	127,542
Other Government grants	75,358	46,473	(46,473)	-	-	75,358
Other restricted funds	-	35,472	(35,472)	-	-	-
Pension reserve	(556,000)	-	(100,000)	-	573,000	(83,000)
	<u>(302,713)</u>	<u>2,265,428</u>	<u>(2,074,049)</u>	<u>(54,144)</u>	<u>573,000</u>	<u>407,522</u>
Restricted fixed asset funds						
DFC	10,779	10,050	-	(14,722)	-	6,107
Restricted fixed asset fund	5,245,456	-	(104,369)	68,866	-	5,209,953
	<u>5,256,235</u>	<u>10,050</u>	<u>(104,369)</u>	<u>54,144</u>	<u>-</u>	<u>5,216,060</u>
Total Restricted funds	<u>4,953,522</u>	<u>2,275,478</u>	<u>(2,178,418)</u>	<u>-</u>	<u>573,000</u>	<u>5,623,582</u>
Total funds	<u><u>4,976,858</u></u>	<u><u>2,351,590</u></u>	<u><u>(2,252,274)</u></u>	<u><u>-</u></u>	<u><u>573,000</u></u>	<u><u>5,649,174</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	5,122,714	5,122,714
Current assets	13,659	720,803	1,148,326	1,882,788
Creditors due within one year	-	(210,331)	(656,344)	(866,675)
Creditors due in more than one year	-	-	(797)	(797)
Provisions for liabilities and charges	-	(24,000)	-	(24,000)
Total	13,659	486,472	5,613,899	6,114,030

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,209,953	5,209,953
Current assets	30,191	650,125	576,410	1,256,726
Creditors due within one year	(4,599)	(159,603)	(569,506)	(733,708)
Creditors due in more than one year	-	-	(797)	(797)
Provisions for liabilities and charges	-	(83,000)	-	(83,000)
Total	25,592	407,522	5,216,060	5,649,174

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

19. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	381,856	99,316
Adjustments for:		
Depreciation	106,991	104,369
Capital grants from DfE	(621,672)	(10,050)
Interest receivable	(133)	(68)
Increase in debtors	(385,114)	(45,155)
Increase in creditors	134,561	492,185
Pension adjustment	24,000	100,000
Net cash (used in)/provided by operating activities	(359,511)	740,597

20. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(1,594)	(1,594)

21. Cash flows from investing activities

	2023 £	2022 £
Interest receivable	133	68
Purchase of tangible fixed assets	(19,752)	(68,866)
Capital grants from DfE	621,672	10,050
Net cash provided by/(used in) investing activities	602,053	(58,748)

22. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,392,575	1,151,627

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,151,627	240,948	1,392,575
	<u>1,151,627</u>	<u>240,948</u>	<u>1,392,575</u>

24. Pension commitments

The 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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £30,165 were payable to the schemes at 31 August 2023 (2022 - £31,187) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £206,451 (2022 - £209,454).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 £92,000 (2022 - £76,000), of which employer's contributions totalled £73,000 (2022 - £61,000) and employees' contributions totalled £19,000 (2022 - £15,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 6.8 per cent for employees.

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

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

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.5	3.60
Rate of increase for pensions in payment/inflation	3.0	3.20
Discount rate for scheme liabilities	5.2	4.25
Inflation assumption (CPI)	3.0	3.20

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

	2023 Years	2022 Years
Retiring today		
Males	21.6	21.9
Females	24.6	24.4
Retiring in 20 years		
Males	21.4	22.9
Females	26.2	26.0

As at the 31 August 2023, the Trust has a pension liability of £24,000 (2022 - £83,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way.

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(19)	(18)
Discount rate -0.1%	19	18
Mortality assumption - 1 year increase	38	(36)
Mortality assumption - 1 year decrease	(38)	36
CPI rate +0.1%	19	18
CPI rate -0.1%	(19)	(18)

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	474,000	415,000
Corporate bonds	223,000	191,000
Property	130,000	124,000
Cash and other liquid assets	102,000	99,000
Total market value of assets	929,000	829,000

The actual return on scheme assets was £-25,000 (2022 - £-54,000).

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

	2023 £	2022 £
Current service cost	93,000	151,000
Interest income	(37,000)	(14,000)
Interest cost	41,000	24,000
Total amount recognised in the Statement of Financial Activities	97,000	161,000

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

	2023 £	2022 £
At 1 September	912,000	1,373,000
Interest cost	41,000	24,000
Employee contributions	19,000	15,000
Actuarial gains	(101,000)	(641,000)
Benefits paid	(11,000)	(10,000)
Current service costs	93,000	151,000
At 31 August	953,000	912,000

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24. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	829,000	817,000
Interest income	37,000	14,000
Actuarial losses	(18,000)	(68,000)
Employer contributions	73,000	61,000
Employee contributions	19,000	15,000
Benefits paid	(11,000)	(10,000)
At 31 August	<u>929,000</u>	<u>829,000</u>

25. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	15,160	15,160
Later than 1 year and not later than 5 years	15,160	30,320
	<u>30,320</u>	<u>45,480</u>

26. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while 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 cease to be a Member.

27. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.