

REGISTERED COMPANY NUMBER: 07837778 (England and Wales)

SHIRLEY HIGH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

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FOR THE YEAR ENDED 31 AUGUST 2023

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SHIRLEY HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

| | |
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| MEMBERS: | P Quarcoo (Co-Vice Chair of Trustees) (appointed 1.11.22) J Bajela (Community Governor) (appointed 1.11.22) M N Adenaike (Parent Governor) (appointed 1.11.22) P E Nixon (Community Governor) (appointed 1.9.22) R Munn (Chair of Trustees) (resigned 31.10.22) M West (Co-Vice Chair of Trustees) |
| TRUSTEES | R Munn Chair of Trustees (resigned 31.10.22) M West Co-Chair of Trustees from 03.10.2023 T D Myton Principal and Accounting Officer P Quarcoo Community Governor, Co-Vice Chair K A Stewart Staff Trustee resigned 31.08.2023 J Bajela Community Governor M N Adenaike Parent Governor, Co-Chair of Trustees (appointed 1.11.22) P E Nixon Community Governor T Chery-Nicolls Community Governor (appointed 21.3.23) |
| COMPANY SECRETARY | M C Garcia |
| SENIOR MANAGEMENT TEAM: | C Nicholson (Assistant Principal) (appointed 1.9.23) S Brown (Assistant Principal) (appointed 10.7.23) T Crammer (Associate Assistant Principal) (appointed 18.1.23) D Afriyie (Deputy Principal) S Jegede (Associate Assistant Principal) J Rayner (Assistant Principal) (resigned 31.8.23) S Thomas (Associate Assistant Principal) K Powders (Assistant Principle) (resigned 31.12.22) M Cotton (Assistant Principal) S Hurst (Assistant Principal) M Francis (Deputy Principal) T D Myton (Principal) |
| REGISTERED OFFICE | Shirley Church Road Croydon Surrey CR0 5EF |
| REGISTERED COMPANY NUMBER | 07837778 (England and Wales) |

SHIRLEY HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

INDEPENDENT AUDITORS

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

SOLICITORS

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham, B2 4BU

BANKERS

Lloyds Bank PLC
137 North End
Croydon, CR0 1TN

SHIRLEY HIGH SCHOOL (REGISTERED NUMBER: 07837778)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 01 September 2022 to 31 August 2023.

The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law.

The trust operates an academy for pupils aged 11-18 serving a catchment in LB Croydon. It has a pupil capacity of 1105 and had a roll of 840 in the school census in January 2023.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the charitable company is the operation of Shirley High School is to provide education for pupils between the ages of 11 and 18 with an emphasis on Performing Arts. The objects as specified in the Academy's Articles of Association are as follows:

a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and

b) where the facilities are made available to the community to promote for the benefit of the inhabitants or individuals living in Croydon and the surrounding areas who have need of such facilities by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large in the provision of facilities for recreation or other leisure activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the Articles of Association the charitable company has entered into a funding agreement with the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the school, arrangements for pupils with SEND and disabilities and that the curriculum provided to pupils up to the age of 16 shall be broad and balanced with an emphasis in its secondary curriculum on Performing Arts.

Objectives, Strategies and Activities

The Academy Trust was set up to advance, for the public benefit, education by maintaining, operating and developing Shirley High School.

Our Vision, Mission, Values and Golden Rule:

Vision: "To develop aspirational learners who strive for excellence academically, creatively and culturally benefiting from a wide range of opportunities led by inspirational educators."

Mission: "To offer a high quality education to all learners within an inclusive and respectful environment where all are consistently challenged and supported to be successful well rounded global citizens."

Values: Compassionate, Respectful, Creative, Relentless, Aspirational, Resilient

Golden Rule: Students are expected to show consideration and respect to all members of the school and the local community at all times.

Shirley High School is a co-educational 11 - 18 school which serves, and is an integral part of, the local community. The school participates in a number of productive partnerships and has at its heart the school values of 'compassionate, respectful, creative, relentless, aspirational and resilient'. This is reflected in our ethos, aims and practice.

We aim to develop our students to the best of their ability and to prepare them for life after school.

We place a strong emphasis on high standards of achievement amongst all of our students. We believe that such standards are achieved in a happy, well ordered atmosphere where good attendance, punctuality and the development of sound personal relationships are encouraged.

Our aims and priorities:

Attendance and Punctuality

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

National Attendance has declined post-COVID. We are dealing with greater barriers to attendance and have therefore made it one of our school priorities. Although our attendance is approximately in line with the national average we are determined to bring numbers back to pre-pandemic levels through:

- Appointing an Attendance Welfare Officer and Administrator to have oversight of levels of attendance
- Working directly with pupils to increase attendance
- Working with families that are consistently failing to ensure that their child attends school
- Working closely with external agencies to ensure families have the support they need to improve attendance
- Monitoring systems to ensure that they are robust and are having an impact on attendance, punctuality and school numbers
- Rewarding those pupils who demonstrate consistently high levels of attendance
- Increasing praise and rewards for high attendance and punctuality
- Engaging governor support with additional panel meetings

Teaching and Learning - Living the Shirley Learning Journey

- Increasing the use of BlueSky performance management software to measure success
- Introducing subject reviews that mirror inspection and provide detailed feedback on all areas within the department and faculty
- Ensuring that information given is clear and concise
- Ensuring that all departments are working through their agreed 6 non-negotiables. This will help to develop effective teaching and learning
- Ensuring clear methods and actions to achieve targets
- Reinforcing the culture of quality first teaching
- Maintaining strengths highlighted in the previous Ofsted inspection

Behaviour for Learning

- Embed high expectations of behaviour for learning through consistent reinforcement of policy and procedures
- Embed the use of ClassCharts in monitoring student behaviour and providing instant communications with families
- Ensure that rewards and sanctions are used consistently as a tool to improve behaviour for learning
- Providing bespoke CPD to ensure consistent application of policies throughout the school
- Ensuring that attendance and punctuality is in line with the school expectations and gaps between identified groups of students are reduced so that all students can access their education.

Shirley High School will continue to work to maintain the performance of its students at all levels and has consistently high expectations of what students can achieve. Additionally, it will continue in its efforts to improve the achievements of its students and continues to develop quality first teaching to ensure well-paced learning with probing questioning, engaging activities and appropriate challenge not only in academic subjects but also in extra-curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to higher education or employment and prepare them for life in modern Britain.

Impact and management

Since 2019 we have moved from a school that Requires Improvement (Ofsted 2019) to a school that is now graded "Good" in all categories (Ofsted December 2022). This development has been achieved through strong leadership and management at all levels.

Our school has seen a significant improvement in our GCSE performance since 2019. We have not only invested in new systems but have ensured that these are monitored in a way that provides both our students and staff with the support and impact that they need.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

We have invested in:

- Online tutoring for targeted students across key stage 3 and 4
- Team building and academic support residentials for HPA students pupils
- Increased Saturday school offer for all phases of learning
- Increased mentoring and independent supervision of post-16
- Additional and bespoke resources for identified departments across all phases of learning
- External support for subjects and departments, providing specific information on key areas of performance and development
- Class charts to monitor homework and embed new behaviour expectations across the school

Extra-Curricular and Extended Learning

The school has enhanced and centralised its extended learning offer to give more opportunities to students. Saturday school continues to be a vehicle to help close any gaps in learning; other initiatives include holiday intervention and more online support such as My Tutor and GCSEpod. These online resources will support the schools remote learning offer.

Our extra-curricular clubs offer has now been extended and investment in technology allows us to record attendance quickly in line with safeguarding expectations.

We offer a wealth of clubs and have plans in place to ensure that attendance is not just high but also consistent. Our aim is to ensure that those from disadvantaged backgrounds are also making the most of the enrichment and cultural enhancing opportunities with which they are being provided.

To help develop the required culture, we have added in-curriculum enrichment into the main curriculum and therefore allocated additional enrichment to all pupils, whilst also ensuring that intervention for examination courses has a maximum attendance and can be centrally targeted.

Marketing and Recruitment

We have:

- Emphasised our standalone status and our unique position within the borough of Croydon. whilst demonstrating our ability to work collaboratively but also with the autonomy due to our status
- Ensured that all interactions with students and families demonstrate our high expectations
- Increased recruitment numbers into year 7
- Increased the retention number of Year 11 into 12
- Created and maintained a positive environment where students share their experiences with friends and family;
- Continued to engage and support our local primary schools
- Embedded internal programmes to help retain our HPA students in Year 12
- Embedded and promoted our Performing Arts scholarship programme
- Continued our significant investment in the learning environment and experience of our school

Culture and Ethos

We have:

- A strong culture of safeguarding in the school
- Improved Quality Assurance and monitoring of internal policies and systems
- Provided several channels of communication for students and staff to share ideas and provide feedback

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

- Built on previous actions to improve the profile and climate of mental health within pupils and staff

Development Plan Objectives for the Academic Year 2023/24

Outcomes for Children and Learners: Consistently high expectations of what students can achieve in particular underperforming groups, disadvantaged students or those receiving pupil premium and catch-up premium; improvement of progress in KS4 English and Maths. All Post-16 students placed on appropriate courses.

Quality of Teaching, Learning and Assessment: To continue to develop quality first teaching, ensuring all teaching provides well-paced learning with probing questioning, engaging activities and appropriate challenge.

Personal Development, Behaviour and Welfare: To ensure that all students are highly adept at managing their own conduct in the classroom and in social situations both in school and whilst travelling to/from school and that attitudes to learning are of an equally high standard across subjects, years, classes and with different staff.

Attendance and Punctuality: To ensure attendance is above national average and that students are consistently punctual in arriving at school. To ensure that the promotion of SMSC development and British Values enables students' to thrive in a supportive, highly cohesive school community and successfully prepares them for life in modern Britain.

Leadership & Management: Impact on Outcomes, Quality of Teaching & Learning, Personal Development, Behaviour and Welfare: To develop a culture where leaders at all levels have the confidence and determination to hold all members of their teams to account for consistently implementing academy improvement strategies effectively and rapidly. Senior and middle leaders' monitor the quality and impact of teaching and this leads to intervention including focused professional development and sharing best practice.

Premises: To develop the school premises and facilities to improve teaching & learning and staff and student well-being in order to support the school mission statement and meet the needs of all our students so that all achieve and enjoy.

Public Benefit

The Trustees confirm that in setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit. The key public benefit delivered by Shirley High School is the maintenance and development of the high quality education provided by the school. Key objectives are:

- to raise the standard of educational achievement of all students
- to ensure every student enjoys the same high-quality education with regard to resourcing, tuition and care
- to improve the effectiveness of the school by keeping the curriculum and organisational structure under review
- to ensure value for money for funds expended
- to comply with statutory and curriculum requirements
- to conduct business in accordance with the highest standards of integrity, probity and openness
- to grow and develop strong and effective links with the local community that supports student achievement.

In doing this Shirley High School not only delivers a broadly-based academic education but aims to educate the whole individual. A wide range of extra-curricular activities, educational trips and visits are offered and undertaken.

In particular, in respect of its performing arts specialism, the School undertakes a continuing programme of performances which are available to the public including local primary schools who benefit from matinée performances. We also undertake a programme of workshops, mentoring and supporting in class at local primary schools. This programme involves not only members of the School's staff but also senior students.

The benefits to the local community from the Academy are considerable. The Academy makes the premises available to a variety of outside organisations for participation in sport, fitness classes, dance and drama classes, a gymnastics club and a church and is therefore open 7 days a week for community use.

The students at the Academy regularly participate in local community events.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Achievement and performance

Charitable activities

Shirley High School is a proud multicultural school with an established reputation of integrity and excellence. Our school is at the heart of a vibrant and diverse community, with approx. 840 students benefiting from our fabulous site and leafy surroundings. Along with our clear vision and values, this helps to create a positive learning environment for both students and staff.

The school has been under new leadership since September 2019 and during this time has moved from a school that "required improvement" to a school that was graded "good" in all categories during the 2022 inspection. The school is now classed as one of the most improved schools within the borough and has recently had pupils leave the 6th Form to attend Cambridge University.

We have high expectations in all we do and believe that all our students can be the best in the world at whatever they decide to pursue through living the values that underpin our school. We teach students to display compassion, creativity, relentless drive, resilience, high aspirations and to be respectful at all times. We strive for excellence through a broad curriculum and a wide range of extra-curricular opportunities, with the aim to develop both students and staff.

Achievement and Performance

This is the first year since 2019 that pupils have sat a full set of examinations without concession(s). Our performance based on 2019 is significantly improved with a higher attainment score of 44.08 (+0.85). 5+ English and Maths was 40% (+12%), with 4+ achieving 61% (+11%). The provisional progress of our PP students is in line with the national average however attainment has significantly increased.

Post-16 results also improved with our first-ever pupil attending an Oxbridge university. Our acceptance to Russell Group universities is approximately 6% and all pupils that wanted to attend university gained a place. For many, they were the first in their family to do so. We also had a number of students accept places on higher-level apprenticeships.

We continue to have strong results in separate sciences and creative arts at GCSE and we are delighted that through our achievements we now have approximately 150 pupils joining us in year 7, in comparison to 108 that started in September 2020. Our 6th Form offer now ensures that students are on the correct course and our careers programme provides excellent advice on suitable educational and employment pathways.

Given the impact of the pandemic and external pressures on communities and society, we strongly believe that the result achieved reflects the transformation that is taking place at Shirley High School. Our results show overall positive progress from identified pupils from focussed backgrounds against national trends.

We continue with our relentless focus on improving teaching and learning. We continue to implement our Shirley Learning Journey as our primary vehicle to promote high-quality teaching and consistency across our school. This has now been underpinned by faculty and department-agreed non-negotiables.

To build on our curriculum overhaul we have invested in the school's IT infrastructure and improved the learning environment for all pupils. This includes more computers and a new second-hand uniform shop. Our Shirley Learning Journey and Shirley values continue to form the foundation of our drive for consistent, creative and innovative lessons across the school. To support our drive for high-quality education we have maintained our investment into department capitation, increased bespoke tutoring and improved the learning environment across a number of subjects and areas. We have maximised our PP allocation and used our additional 16-19 funding.

We have reinforced our link with Harris City Academy for the training of our new ECTs'. This link also allows scholarship access to NPQ courses to provide career and personal development support for our staff. We have also made closer connections to the Teach First programme and hope that this new relationship will help with the recruitment of new staff.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

Our developing culture promotes a solution-focused approach and our professional training provides the skills and strategies required for those passionate to educate all students regardless of background and barriers.

Key financial performance indicators

An analysis of the school's financial performance undertaken through the examination of the following:

- 1) the school's budget and the relating situation in terms of financial soundness;
- 2) the comparative data of spending by similar schools indicates that the school has performed as expected in financial terms. For this accounting period the school has incurred a surplus of £147,089 (2022: £381,649 surplus) excluding movement on the Local Government Pension Scheme provision.
- 3) regular quarterly reviews of financial practice and control by UHY Hacker Young as the Internal Scrutineer.
- 4) completion of the School Resource Management Self-Assessment Tool Checklist and reference to the DfE's Benchmarking Report Card.
- 5) regular review of the View My Financial Insights tool provides trustees and the Accounting Officer with up-to-date and customisable insights into the financial position and performance of the Academy Trust against statistically similar schools across a range of categories..

An analysis of the school's spending pattern against benchmarking data from other similar schools indicates that spending is broadly in line with the national picture. This will be kept under review along with all aspects of funding and expenditure given the national economic outlook and the likely cost cutting pressures evident in the public sector.

Financial review

Financial position

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

On conversion on 1st January 2012, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

Expenditure for the period covered by this report was covered by the GAG received from the ESFA and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund and Unrestricted fund show a surplus, before actuarial losses on defined benefit pension schemes, of £1,932,419 (2022 £1,637,566).

Investment policy and objectives

Apart from the cash held for the operation of the school, Shirley High School has £80,000 of private funds held in a no-risk fixed term investment account. In addition during 2022-23 the school has held £302,799.80 (2022: £516,762) in a no-risk 32 day notice investment account and £505,446.20 held in a 95-day notice investment account (2022: Nil).

After review in March 2023 with respect to its cash holdings the Board of Trustees has adopted a low-risk strategy and currently all public funds are held in an interest-bearing current account. The trustees want to ensure the best financial return available whilst ensuring that the security of deposits takes precedence over revenue maximisation. This will be reviewed by Trustees during the forthcoming financial year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Financial review

Reserves policy

Under its Funding Agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2023.

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Board of Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE. The school wishes to ensure that funding is used to actively benefit the students and enhance educational provision. The Board of Trustees will agree a revenue reserve annually. The reserve is designed to provide sufficient working capital and provide funding to deal with unexpected emergencies such as urgent major building maintenance. The reserve may not be spent without the approval of the Finance Committee. The target level of revenue reserve will be at least £600,000. The in-year level of reserves will be set by the Board of Trustees when the budget is approved.

The Academy held fund balances at 31 August 2023 of £19,286,063 (2022: £18,880,974) comprising £17,851,188 of restricted funds (before accounting for the pension) (2022: £17,919,998) and £1,576,875 of unrestricted general funds (2022: £1,360,976) and a pension reserve deficit of £142,000 (2022: £400,000 deficit). Restricted funds (excluding restricted fixed asset funds) show a surplus at the period end of £336,954 after accounting for the deficit on the local government pension scheme (2022: £1,958,043 surplus). The deficit on the scheme as at 31 August 2023 was £142,000. It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2023. The combined balance of restricted general funds (excluding pension's reserve) plus unrestricted funds at 31 August 2023 was £1,932,419 (2022: £1,637,566). The academy trust continues to strategically invest surplus reserves, above the target level of revenue reserves, into capital projects to improve the facilities and technology of the school.

Trustees are keen to ensure there are sufficient funds in reserves. This will be kept under review to ensure reserves levels keep pace with current budget, plans and the operating environment.

Going concern

The Trustees have considered the detailed budget forecast for the next 3 years to understand how the academy plans to manage increasing cost pressures against a backdrop of uncertainty around future funding for schools, higher energy and goods prices and the challenges facing the economy. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STRATEGIC REPORT

Fundraising

The school raises funds for a small number of registered charities. These funds are raised through donations; there is no obligation for any student/parent to donate. All funds/donations collected are given to the relevant charity in a timely manner. No professional fundraisers are used. The guiding fundraising principle is a simple one - we will only use techniques that we would be happy to be used on ourselves.

In doing so, Shirley High School will adhere to the following standards:

- The Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the school's stated mission and purpose.
- All personal information collected by the school is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the school shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the school.
- All Trustees, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRATEGIC REPORT

Principal risks and uncertainties

The Board of Trustees has a risk management process in place to assess strategic risks and implement appropriate risk management strategies. This has involved identifying the key risks across the academy and scoring and prioritising them in terms of their potential impact, assessing the likelihood of occurrence and identifying means of mitigating the risks, then considering the costs of implementing controls relative to the benefit contained. The Risk Register is a live document, is updated as risks evolve and has been formally reviewed by the trustees 3 times within the year. The Scheme of Delegation determines what authority the Board has delegated to committees and staff which is pivotal in order to secure effective systems of leadership, management, operation and control and to manage risk effectively and secure required outcomes. There are clear segregation of duties documented in the academy's Financial Procedures Manual to ensure oversight and review and prevent fraud and Board Level oversight of monthly management accounts, cash flow, balance sheet and Key Financial Performance Indicators to ensure the academy is managing resources and finances effectively. Independent assurance is provided via a robust programme of internal scrutiny to provide the board with further assurance that the academy's system of internal control is effective and contributes to strong governance, risk management and control arrangements. The Board's agreed scope of internal scrutiny work covered payroll, purchasing system, income, VAT, management accounts, procurement, bank procedures and benchmarking.

The chief risks identified include:

- The costs and risks of maintaining ageing buildings. The academy undertook an updated condition survey in the year to identify building health & safety issues and ensure immediate and potential problem areas are identified so that informed decisions could be made and priority areas set to ensure the trusts estate is safe, well maintained and complies with relevant regulations. This is in addition to the current academy asset management plan for operating, maintaining, repairing and refurbishing the buildings in a cost-effective manner and with due regard to Health & Safety. Capital works are agreed upon annually and costings obtained which are approved by the Finance & Audit Committee within the confines of the school's budget and reserves. Applications are submitted annually to the Condition Improvement Fund.
- Maintaining pupil numbers and a viable school roll in light of competition from other providers. The trustees are informed about student numbers and challenge estimates to ensure revenue projections are accurate. The schools' extensive marketing strategy includes the Principal visiting all local primary schools in addition to other identified staff in charge of primary liaison. This is in place to maximise student recruitment and retention and therefore income. Our new admission criteria promotes our vision of an emphasis on performing arts and includes a scholarship programme which is promoted to all Year 6 parents and inviting local primary schools in for performances. The school is networking with local primary feeder schools and strengthening links with the local community to enhance the academy's reputation and ensure Shirley High School is the school of choice within the borough.
- The ongoing uncertainty over energy prices. The school negotiated a fixed 2-year contract for energy in February 2022 and is, therefore, able to forecast and afford the cost of utilities within this timeframe. We will refer to the DfE's approved framework agreements to purchase energy to ensure value for money and compliance going forward. Included in our capital works programme within the year was Phase 2 of replacing and upgrading LED lighting across the school to support sustainability and energy efficiency.
- Unfunded pay deals. Reserves will allow the Trust to implement a cost of living award in the short term and to ensure in a time of a crisis within the teaching profession with regard to retention and recruitment that we can attempt to retain staff. However, recruiting good teachers is challenging, the size of the pool is diminishing and schools are having to consider starting salaries in order to compete with other schools. Vital provisions are under threat due to the existential funding crisis facing schools.
- The financial impact of providing a broad, balanced, relevant and appropriate choice of subjects within the 6th Form curriculum. The 6th Form Curriculum offer is reviewed annually to ensure a balance between intake numbers, the breadth of subjects in order to attract appropriate numbers and the ability of students to complete the course. The offer is adjusted accordingly.
- LGPS deficit. The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STRATEGIC REPORT

Financial and risk management objectives and policies

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

Future plans

The academy will continue to work to improve the performance of students at all levels and has consistently high expectations of what students can achieve. To support our drive for high-quality education for all, in addition to the significant investment in a new local area network (LAN) and wireless area network (WLAN), the academy has continued to invest in additional IT hardware and software. As a result, the Trust has a more secure, stable and high-performing wireless solution in place with updated technology to improve the learning environment. We have increased capitation for departments, identified barriers that prevent our most disadvantaged from making good progress and maximised the expertise of our teaching staff to support learning.

This investment will continue as we tirelessly work to improve all aspects of our school.

Additionally, it will continue in its efforts to improve the achievements of its students and continues to develop quality first teaching to ensure well-paced learning with probing questioning, engaging activities and appropriate challenge not only in academic subjects but also in extra-curricular activities and essential life skills; so as to increase the number of opportunities open to its students when they move on to higher education or employment and prepare them for life in modern Britain.

The Trustees recognise that through good financial management, they have been able to invest in and improve the quality of the built environment. They recognise, however, that there are further necessary improvements and using the five-year Annual Maintenance Plan will prioritise devolved capital spending and any revenue funding that can be directed to this purpose. Works and projects take place throughout the year to keep the school safe, well-maintained, and in a good state of repair and decoration and to fulfil statutory Health & Safety responsibilities. Trustees will seek to bid for capital monies in order that the building improvement/development plan can progress.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

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

The Trustees of Shirley High School are also the directors of the Charitable Company for the purposes of company law. The charitable company operates as Shirley High School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on Page 1.

Members' liability

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Indemnities

Since the incorporation of the charitable Company on 7th November 2011 the Trustees (Directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10,000,000 in the aggregate.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The processes for appointing or electing the various types of Trustees at Shirley High School are as follows:

1) Appointed Trustees - The Members of the Trust have the right to appoint up to 6 Trustees. Such appointments are usually made following consultation by the Members with the Trustees of the school.

2) Parent Trustees -The Articles of Association require that there shall be 2 Parent Trustees. Parents of registered pupils at the school are eligible to stand as individuals for election as Parent Trustees. They are elected by other parents at the school as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Trustee elections.

If insufficient parents stand for election, the Board of Trustees must appoint Parent Trustees to bring their number up to that required by the Articles of Association. Such appointed Parent Trustees would preferentially be parents of registered pupils at the school. If however, no such parents are willing to undertake the role than the Board of Trustees can appoint any person who is a parent of one or more school-age children.

3) Staff Trustees - The Board of Trustees shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees. The total number of individuals appointed as Trustees (including the Principal) who are employees of the Trust may not exceed one third of the total number of Trustees. Both teaching and support staff paid to work at the school are eligible for staff Trusteeship.

4) Principal - the Articles of Association require that the Principal will be a Trustee.

The Secretary of State may appoint additional Trustees as he sees fit if a warning notice has been given to the Trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the school is managed and the safety of staff and pupils is threatened.

The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 where the Ofsted grading has dropped from one inspection to the next, or within a five year period, of two Ofsted grades. They may also appoint additional Trustees if a Special Measures Termination Event occurs.

Induction and training of new trustees

Following their appointment all new Trustees receive an introduction to their role from the Chair and Principal, this introduction includes a tour of the school and the opportunity to meet other members of the Senior Leadership Team.

All trustees are provided with a comprehensive induction pack containing all the information needed (policies, minutes, and other key documents which underpin the workings of academy governance) to undertake their role as trustees.

The Board of Trustees at Shirley High School is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Trustees maintains a Service Level Agreement, which allows for any or all of the members to attend any of the training courses provided by The Octavo Partnership (Croydon Council) in both the London Borough of Croydon and The London Borough of Bromley as well as a bespoke training or a facilitated self-review session tailored to meet the specific needs of the Board. There is also funding available for other courses as may be required. New Trustees are actively encouraged to take advantage of these agreements so as to gain a better understanding of the role and responsibilities of being a School Trustee. Additionally Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake specific training. Trustees are also invited to attend specific staff inset and are kept well informed through active membership of the National Governors Association. All trustees undertake safeguarding training which is led by the Designated Safeguarding Lead.

The Chair regularly attends Chairs' Network group meetings and the Link Trustees meetings.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Trustees are responsible for the strategic management of the school; deciding and setting key aspects of the school, including strategic direction, annual budgets, senior staff appointments, policy changes etc. At Shirley High School the majority of the roles and responsibilities of the Board of Trustees have been delegated to a small number of committees (Achievement and Finance & Audit). Operational management is the responsibility of the Principal and staff. This is carried out at a number of levels; i.e. by the Senior Leadership Team (SLT) and Heads of Department. Members of the Senior Leadership Team and the School Business Manager attend Trustees meetings as appropriate. The Principal is the Accounting Officer.

School policies are developed by senior members of the school's staff to reflect both the strategic direction agreed by the Trustees and in line with statutory requirements. These policies are approved and adopted by the Board of Trustees as per the approved Scheme of Delegation which is reviewed annually and details how the decision-making powers are delegated.

Key management remuneration

The Board of Trustees have established a Pay Review Committee as a sub-committee of the Finance & Audit (FA) Committee to make determinations of pay. The senior leadership team must demonstrate sustained high quality of performance, with particular regard to leadership, management and student progress at the school and are subject to a review of performance against performance objectives before any performance points are awarded. The members of the Pay Review Committee meet with the external School Improvement Adviser to discuss SLT targets and objectives and the Board of Trustees reviewed external feedback from the School Improvement Adviser whilst considering Leadership Team Pay recommendations. The FA Committee review data captured on the DfE's Benchmarking Report Card and on the View my Financial Insights tool in order to compare efficiencies with comparator schools.

Trade union facility time

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | £ |
|-----------------------------|-----------|
| Total cost of facility time | Nil |
| Total pay bill | 5,371,454 |

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

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

Paid trade union activities

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

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

Related parties

The Academy does not belong to a chain of Academies and as such it is not part of any wider network or federation. However it has significant links with other schools and educational organisations. These include:

- Goldsmiths University of London
- Partners in Excellence Club
- Reaching Higher
- Harris City Academy, Crystal Palace Teaching School Hub
- UCL, Institute of Education

We have developed collaborative post-16 arrangements with Archbishop Tenison's School and Coloma Convent Girls School based on a previous successful franchise arrangement. In addition the Academy has established links with a number of local primary schools where our senior students offer workshops, mentoring and in class support.

FUNDS HELD AS CUSTODIAN FOR OTHERS

During the period from 1st September 2022 to 31st August 2023 Shirley High School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5 December 2023 and signed on the board's behalf by:



M West - Trustee

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

Scope of Responsibility

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

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

The Board of Trustees has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shirley High School and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdown in internal control.

SHIRLEY HIGH SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

Governance

The information included on governance here supplements that described in the Report of Trustees' and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year ended 31 August 2023 and attendance during that period at meetings of the Board of Trustees were as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| R Munn (Chair) | 0 | 1 |
| J Bajela (Co-Chair of Governors) | 4 | 5 |
| M Adenaike (Co-Chair of Governors) | 5 | 5 |
| M West (Co-Vice Chair of Governors) | 4 | 5 |
| P Quarcoo | 4 | 5 |
| K Stewart (Staff Trustee) | 5 | 5 |
| T Myton | 5 | 5 |
| P Nixon | 5 | 5 |
| T Chery-Nicolls | 2 | 2 |

In the academic year 22/23:

- 1 member resigned
- 1 community trustee resigned

The governing body met less than 6 times during the year but consider that the work of the committee, along with the Full Governing Body provides adequate Governance.

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

The Trustees are aware that strong governance is a crucial part of a successful school and of their responsibility to provide strategic leadership and accountability by:

- Overseeing the financial performance of the school and ensuring its money is well spent
- Holding the Principal to account for the educational performance of the school and its pupils
- Ensuring clarity of vision, ethos and strategic direction

The information and data presented to the Board of Trustees to inform their discussions and decisions is prepared by the Principal, the SLT and the Chief Financial Officer. The agenda for each trustee meeting across the academic year is planned to ensure that all key issues are covered with appropriate frequency. The focus for trustees during the 2022-2023 year has included:

- Performance across the school, with emphasis on exam results and performance
- The quality of teaching and learning
- Inclusion and personal development
- Tracking, monitoring, support and intervention and impact
- The culture and ethos of the school
- Marketing and recruitment of staff and students
- Well-being of staff and students
- Policy review
- Financial performance
- Financial strategy and policy
- Audit arrangements and systems of financial management and internal control
- Premises maintenance and development plan
- Risk management and control arrangements

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees recognise that access to up to date, high quality data that contains the information to enable them to challenge and evaluate what it is telling them about the performance of the academy trust without overburdening school leaders, is paramount. They are satisfied that data presented allows them to analyse trends and understand and identify what is going well, where there are concerns, the changes that need to be made and the impact on educational and financial outcomes. Evidence provided allows the Governing Board to be secure in making robust decisions about teaching, improvement and the deployment of resources in school and to clearly document any changes and progress made particularly during the pandemic.

Governance Review

A self-evaluation of the Governing Board will be undertaken during the 2023/24 year in order to review governance practice and its impact on the effectiveness of the school. The objective of the appraisal will be to enable trustees to evaluate their performance, build upon strengths and address areas for development as the Board recognise it is critical to be aware of any weakness in governance arrangements. The trustees are committed to a rigorous and reflective process of self-evaluation and understand this is at the core of self-improvement. The outcome of the self-evaluation will enable trustees to recognise where there are strengths on the board, identify areas where there are skills gaps and monitor compliance with the DfE's Governance Handbook and the ESFA's Academy Trust Handbook. There has been some movement in the Chair and Vice-Chair roles on the Board in 2022/23 and trustees have actively sought training that is practical, inspiring and appropriate to enhance their skills and knowledge. The trustees will undertake a further self-evaluation in 2023/24. The Competency Framework for Governance will be referred to throughout this process.

The trustees undertake a strategic visit in school at least termly. They meet with the School Improvement Advisor and visits are focused around specific issues such as the SIP, to monitor pupil outcomes/curriculum and to see how the school works and quality of teaching. The visits serve as a clear monitoring function on the implementation of the school's strategic planning.

Link governors liaise with key members of school staff and assist the governing body by ensuring that the governing body has the evidence it needs to demonstrate that the school is meeting its statutory obligations and that relevant policies are being implemented in accordance with the school's ethos and values. The nominated trustee with responsibility for premises which reports to the Finance & Audit Committee had regular meetings with those in school responsible for the site regarding regulations and standards to school premises and to observe and contribute to development plans. Formats for agendas and minutes introduced, continue to improve the efficiency of meetings and ensure clarity of outcomes and action points at meetings.

The Finance & Audit (F&A) Committee is a sub-committee of the main Board of Trustees. Membership comprises of at least five Trustees to include the Principal, Chair and Vice-chair. The committee is quorate with 50% of its membership present including the Principal or his nominated Deputy. Its purpose is to assist the Trust in fulfilling its responsibilities to financial planning, reporting, internal control, risk management and external audit, staff, resources, the estate and to make appropriate recommendations on such matters. The F&A Committee then reports on such to the full Governing Body.

P Quarcoo is a qualified accountant on the F&A Committee.

During the period 1st September 2022 to 31st August 2023 the attendance was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------------------------|-------------------|-------------------|
| J Bajela (Co-Chair of Governors) | 2 | 3 |
| M Adenaike (Co-Chair of Governors) | 1 | 3 |
| M West (Co-Vice Chair of Governors) | 3 | 3 |
| P Quarcoo (Co-Vice Chair of Governors) | 1 | 3 |
| P Nixon | 2 | 2 |
| T Myton (Principal Accounting Officer) | 3 | 3 |

Coverage of Work

SHIRLEY HIGH SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

The Committee covers the whole range of school activity and its actions in the year included, but were not limited to, the following areas of work:

Catch Up Funding Streams (National tutoring Programme)
Risk Management and Control Arrangements
Audit arrangements
The Budget for the year to August 2023
The 3 Year Forecast to August 2026
The Monthly Management Accounts
Enrichment Activities for Students
Pupil Numbers
Pupil Premium Spend

Benchmarking
Personnel Management
Premises Maintenance, Safety and Development Plan
Capital Works
Key Financial Performance Indicators
Internal Scrutiny Reports
Review and agree the new Academy Trust Handbook
Review and agree the Reserves
IT Infrastructure and Technology Upgrades

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands what value for money refers to in the educational and wider societal outcomes, as well as estate safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Ensuring the Academy Trust routinely reviews contracts to determine whether existing contracts should be renewed on similar terms and obtaining competitive quotes from alternative service providers to ensure best value.
- Using DfE-approved frameworks to ensure efficiency, savings, risk management and relationship building. The school has used frameworks for cleaning, print management and furniture for a new science lab in the 2022/23 year.
- Rigorous financial reporting. Full budget monitoring reports including key financial performance indicators and cash flow reports are sent to all Trustees on a monthly basis for review and challenge.
- Consistent challenge throughout the year of expenditure and recruitment decisions, with the staffing structure being assessed when vacancies arise and all budget holders being informed of budget pressures.
- Benchmarking to compare expenditure with other schools to identify savings. The School Business Manager meets with peers in other schools to share good practices, and support and identify opportunities for collaboration and economies of purchasing.
- Review of View My Financial Insights Tool (VMFI) to provide an automated assessment of our data based on schools with similar characteristics
- In addition to ensuring the effective use of Devolved Formula Capital funding and the DfE's Condition Data Collection 2 programme, the school has invested in a comprehensive Building Condition Survey which had formed the basis for prioritising a detailed itinerary of capital works throughout the year to ensure the schools site is safe, well-maintained and complies with regulations.

The Academy Trust is committed to providing a high-quality, inclusive education for all. Through regular assessment, we have a clear picture of the potential and progress of every student and provide support for those who need it. In 2022/23 we subscribed to the PiXL Club, Partners in Excellence focusing on raising attainment at GCSE and A 'level, the identification of vulnerable groups for Mathematics and English and the identification of key marginal students in other subject areas. PiXL have also worked closely with the assigned Raising Standards Leader.

Shirley High School actively supports local sports and community groups by letting out facilities during the weekend and evening. The income is used to maintain the facilities and improve the resources for our students and hirers. We will continue to develop these activities further.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

SHIRLEY HIGH SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are regularly reviewed and agreed by the Board of Trustees;
- Regular reviews by the F&A 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 UHY Hacker Young

Trustees are aware of the necessity of having a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls and risk management procedures are operating effectively. Due to the changes in ethical standards the academy was required to appoint a company other than the external auditors to undertake an internal audit service. Trustees surveyed the proposals of different firms to undertake works focusing on:

- The suitability of, and level of compliance with, financial and non-financial controls, including assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed
- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for the day to day running of the trust
- ensuring all categories of risk are adequately identified, reported, and managed

Following discussion taking into account the ESFA good practice guide covering internal scrutiny, the needs of the school around support, accessibility, service levels and relative cost, trustees resolved to appoint UHY Hacker Young to provide an internal scrutiny service. The school's Risk Register was the driver used to inform the programme of works. Financial controls covered the works under the academy's approved internal audit charter and non-financial controls covered.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included;

- Testing of payroll systems
- Testing of purchasing/payment systems
- Checking the tendering process in accordance with internal regulations
- Review income receipts
- Review procedures used to prepare reports to Trustees and other financial returns
- Checking VAT reclaims
- Related parties - to ensure that the trust is complying with the related party rules of the ATH
- Pupil number returns - to determine that pupil number returns and funding claims have been prepared and completed accurately
- Payroll - to ensure that all payroll expenditure related to authorised employees, is accurately paid and properly recorded and accounted for and to combat the risk of fraud.

On a termly basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually 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.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

The board of trustees can confirm the auditor has delivered their schedule of work as planned. No material control issues were identified.

Review of Effectiveness

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

- the work of the Internal Auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have the responsibility for the development and maintenance of the internal control framework
- the work of the External Auditor;
- correspondence from the ESFA e.g. financial notice to improve/notice to improve (FNti/Nti) and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Audit Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2023 and signed on its behalf by:



M West - Trustee



T Myton - Accounting Officer

SHIRLEY HIGH SCHOOL

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

As accounting officer of Shirley High School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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


T. Myton - Accounting Officer

5 December 2023

SHIRLEY HIGH SCHOOL

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 5 December 2023 and signed on its behalf by:



M West - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHIRLEY HIGH SCHOOL**

Opinion

We have audited the financial statements of Shirley High School (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHIRLEY HIGH SCHOOL**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 27, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHIRLEY HIGH SCHOOL**

Our responsibilities for the audit of the financial statements

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

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

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

the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with Trustees and management and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Trust Handbook 2022 and UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management and the Trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- reviewing the reports produced via the academy trust's internal scrutiny function;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHIRLEY HIGH SCHOOL**

Use of our report

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



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

5 December 2023

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

In accordance with the terms of our engagement letter dated 21 September 2021 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 Shirley High School during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Shirley High School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 5 December 2023

SHIRLEY HIGH SCHOOL

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

| | | | | 31.8.23 | 31.8.22 | |
|--------------------------------------------------|-------|------------------------|-------------------------------|-----------------------------------|-------------------|-------------------|
| | Notes | Unrestricted fund £ | Restricted General funds £ | Restricted Fixed Asset funds £ | Total funds £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | | |
| Donations and capital grants | 2 | - | 1,780 | 61,454 | 63,234 | 245,330 |
| Charitable activities | | | | | | |
| Funding for the academy's educational operations | 3 | 146,537 | 7,117,279 | - | 7,263,816 | 7,135,417 |
| Other trading activities | 4 | 245,244 | 51,264 | - | 296,508 | 195,579 |
| Investment income | 5 | 11,667 | 346 | - | 12,013 | 541 |
| Total | | <u>403,448</u> | <u>7,170,669</u> | <u>61,454</u> | <u>7,635,571</u> | <u>7,576,867</u> |
| EXPENDITURE ON | | | | | | |
| Raising funds | 7 | 24,522 | - | - | 24,522 | 1,491 |
| Charitable activities | | | | | | |
| Academy's educational operations | 8 | 153,612 | 6,949,263 | 441,085 | 7,543,960 | 7,575,727 |
| Total | | <u>178,134</u> | <u>6,949,263</u> | <u>441,085</u> | <u>7,568,482</u> | <u>7,577,218</u> |
| NET INCOME/(EXPENDITURE) | | | | | | |
| Transfers between funds | 23 | 225,314 (9,415) | 221,406 (222,452) | (379,631) 231,867 | 67,089 - | (351) - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit schemes | | - | 338,000 | - | 338,000 | 2,502,000 |
| Net movement in funds | | 215,899 | 336,954 | (147,764) | 405,089 | 2,501,649 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | 1,360,976 | (123,410) | 17,643,408 | 18,880,974 | 16,379,325 |
| TOTAL FUNDS CARRIED FORWARD | | <u>1,576,875</u> | <u>213,544</u> | <u>17,495,644</u> | <u>19,286,063</u> | <u>18,880,974</u> |

The notes form part of these financial statements

SHIRLEY HIGH SCHOOL (REGISTERED NUMBER: 07837778)

BALANCE SHEET
31 AUGUST 2023

| | Notes | 31.8.23 £ | 31.8.22 £ |
|----------------------------------------------|-------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible assets | 15 | 17,461,254 | 17,584,158 |
| CURRENT ASSETS | | | |
| Debtors | 16 | 146,446 | 282,167 |
| Investments | 17 | 585,446 | 50,000 |
| Cash at bank | | <u>1,770,420</u> | <u>2,239,650</u> |
| | | 2,502,312 | 2,571,817 |
| CREDITORS | | | |
| Amounts falling due within one year | 18 | (561,678) | (867,751) |
| NET CURRENT ASSETS | | <u>1,940,634</u> | <u>1,704,066</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 19,401,888 | 19,288,224 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 19 | (3,750) | (7,250) |
| PENSION LIABILITY | 24 | (142,000) | (400,000) |
| NET ASSETS | | <u>19,256,138</u> | <u>18,880,974</u> |
| FUNDS | 23 | | |
| Restricted funds: | | | |
| Fixed asset funds | | 17,495,644 | 17,643,408 |
| Restricted income funds | | 355,544 | 276,590 |
| Pension reserve | | <u>(142,000)</u> | <u>(400,000)</u> |
| | | 17,709,188 | 17,519,998 |
| Unrestricted income fund | | <u>1,546,950</u> | <u>1,360,976</u> |
| TOTAL FUNDS | | <u>19,256,138</u> | <u>18,880,974</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 5 December 2023 and were signed on its behalf by:



M West - Trustee

The notes form part of these financial statements

SHIRLEY HIGH SCHOOL**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

| | Notes | 31.8.23 £ | 31.8.22 £ |
|---------------------------------------------------------------------------|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>314,430</u> | <u>777,434</u> |
| Net cash provided by operating activities | | <u>314,430</u> | <u>777,434</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (318,181) | (618,200) |
| Capital grants from DfE/EFA | | 61,454 | 242,114 |
| Interest received | | 12,013 | 541 |
| Movement on investments | | <u>(535,446)</u> | <u>-</u> |
| Net cash used in investing activities | | <u>(780,160)</u> | <u>(375,545)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | <u>(3,500)</u> | <u>(3,500)</u> |
| Net cash used in financing activities | | <u>(3,500)</u> | <u>(3,500)</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(469,230)</u> | <u>398,389</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>2,239,650</u> | <u>1,841,261</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>1,770,420</u> | <u>2,239,650</u> |

The notes form part of these financial statements

SHIRLEY HIGH SCHOOL**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023****1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 31.8.23 £ | 31.8.22 £ |
|---------------------------------------------------------------------------------------------------------|------------------|----------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 37,164 | (351) |
| Adjustments for: | | |
| Depreciation charges | 441,085 | 385,639 |
| Capital grants from DfE/ESFA | (61,454) | (242,114) |
| Interest received | (12,013) | (541) |
| Pension scheme cost less cont. payable | 62,000 | 338,000 |
| Pension scheme finance cost | 18,000 | 44,000 |
| Decrease/(increase) in debtors | 135,721 | (107,804) |
| (Decrease)/increase in creditors | <u>(306,073)</u> | <u>360,605</u> |
| Net cash provided by operations | <u>314,430</u> | <u>777,434</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.9.22 £ | Cash flow £ | At 31.8.23 £ |
|---------------------------------|------------------|------------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>2,239,650</u> | <u>(469,230)</u> | <u>1,770,420</u> |
| | <u>2,239,650</u> | <u>(469,230)</u> | <u>1,770,420</u> |
| Liquid resources | | | |
| Deposits included in cash | - | - | - |
| Current asset investments | <u>50,000</u> | <u>535,446</u> | <u>585,446</u> |
| | <u>50,000</u> | <u>535,446</u> | <u>585,446</u> |
| Debt | | | |
| Debts falling due within 1 year | (3,500) | - | (3,500) |
| Debts falling due after 1 year | <u>(7,250)</u> | <u>3,500</u> | <u>(3,750)</u> |
| | <u>(10,750)</u> | <u>3,500</u> | <u>(7,250)</u> |
| Total | <u>2,278,900</u> | <u>69,716</u> | <u>2,348,616</u> |

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Shirley High School meets the definition of a public benefit entity under FRS 102.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgement

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

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

1. ACCOUNTING POLICIES - continued

Income

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

Grants receivable

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

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and income from other trading activities. Upon sale, the value of the stock is charged against income from other trading activities and the proceeds are recognised as income from other trading activities. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within income from other trading activities.

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

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

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where items below £5,000 meet the capitalisation criteria the board agrees that these too should be capitalised.

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

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

| | |
|--------------------|-----------------------------------|
| Freehold property | 2% - straight line over 50 years |
| Plant & machinery | 10% - straight line over 10 years |
| Motor vehicles | 10% - straight line over 10 years |
| Computer equipment | 33% - straight line over 3 years |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Financial instruments

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

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

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 17, 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency and the London Boroughs of Croydon, Lambeth, Sutton and Wandsworth.

Pension costs and other post-retirement benefits

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

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

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

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Provisions

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

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

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

2. DONATIONS AND CAPITAL GRANTS

| | 31.8.23 | 31.8.22 |
|-----------|---------------|----------------|
| | £ | £ |
| Donations | 1,780 | 3,216 |
| Grants | <u>61,454</u> | <u>242,114</u> |
| | <u>63,234</u> | <u>245,330</u> |

Included within donations are restricted funds of £1,780 (2022: £2,400). Unrestricted donations totalled £Nil (2022: £816).

Included within capital grants is £61,454 (2022:£242,114) being devolved capital funding and additional 2022-23 capital allocations for capital improvements to buildings and facilities, prioritising works to improve energy efficiency.

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

| | 31.8.23 | 31.8.22 |
|----------------|---------------|----------------|
| | £ | £ |
| Capital Grants | <u>61,454</u> | <u>242,114</u> |

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

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.23 Total funds £ | 31.8.22 Total funds £ |
|---------------------------------------------------------------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant(GAG) | - | 5,058,176 | 5,058,176 | 5,282,728 |
| Other DfE/EFSA grants | - | - | - | 11,637 |
| Other DfE/ESFA Grants | - | 77,583 | 77,583 | 17,137 |
| Pupil Premium | - | 401,453 | 401,453 | 391,987 |
| Teachers Pay and Pension grant | - | 33,287 | 33,287 | 44,018 |
| School Led Grant Funding | - | - | - | 58,725 |
| Supplementary Grant | - | 181,661 | 181,661 | 75,641 |
| Academies Programme Funding | - | 937,199 | 937,199 | 837,610 |
| Main Stream Additional Grant | - | 86,143 | 86,143 | - |
| | <u>-</u> | <u>6,775,502</u> | <u>6,775,502</u> | <u>6,719,483</u> |
| Other Government grant | | | | |
| Other restricted grants | - | 207,803 | 207,803 | 177,296 |
| | <u>-</u> | <u>207,803</u> | <u>207,803</u> | <u>177,296</u> |
| COVID-19 additional funding (DfE/ESFA)s | | | | |
| OtherDfE/ESFA COVID-19 funding | - | - | - | 19,607 |
| Recovery Premium | - | 105,467 | 105,467 | 55,499 |
| | <u>-</u> | <u>105,467</u> | <u>105,467</u> | <u>55,499</u> |
| | <u>-</u> | <u>313,270</u> | <u>313,270</u> | <u>252,402</u> |
| Other income from the academy trust's educational operations | | | | |
| | <u>146,537</u> | <u>28,507</u> | <u>175,044</u> | <u>163,532</u> |
| | <u>146,537</u> | <u>7,117,279</u> | <u>7,263,816</u> | <u>7,135,417</u> |

The academy trust has been eligible to claim additional funding in the year as per the below:

- The academy trust received £181,661 of supplementary grant funding to provide support for the costs of the health and social care levy. Costs incurred in respect of this funding totalled £181,625, with the remaining £75,677 (2022: £75,641) to be spent in 2023/24.
- The academy trust received £63,990 of school led grant funding for school-led tutoring. Costs incurred in respect of this funding totalled £Nil, with the remaining £63,990 (2021: £32,225 being clawed back in 2023/24).
- The academy trust received £105,467 of recovery premium funding for support pupils whose education has been impacted by coronavirus. Costs incurred in respect of this funding totalled £105,467 (2022: £55,499).
- The academy trust received funding for COVID-19 Mass Testing and Vaccinations in the prior year with £Nil being received in 2022/23.
- The academy trust received catch up premium funding in the 2020/21 year with £Nil being received in 2021/22 or 2022/23. Of the amounts brought forward, costs incurred in 2022/23 totalled £4,200, which leaves a carried forward balance of £Nil.

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

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS - continued

- The academy trust received Mainstream Schools additional grant (MSAG) of £86,143 in 2023 to address staff and cost pressures. This amount is carried forward at the year end as schools have flexibility to prioritise their spending of MSAG.

4. OTHER TRADING ACTIVITIES

| | 31.8.23 | 31.8.22 |
|--------------------|----------------|----------------|
| | £ | £ |
| Other Income | 117,428 | 57,040 |
| Music Tuition | 28,571 | 14,183 |
| Hire of facilities | 97,132 | 78,616 |
| Phone Mast Income | <u>53,377</u> | <u>45,740</u> |
| | <u>296,508</u> | <u>195,579</u> |

Included within other trading activities is unrestricted income of £245,244 (2022: £170,669) and restricted income of £51,244 (2022: £24,910).

5. INVESTMENT INCOME

| | 31.8.23 | 31.8.22 |
|--------------------------|---------------|------------|
| | £ | £ |
| Deposit account interest | <u>12,013</u> | <u>541</u> |

Included within deposit account interest is unrestricted income of £11,667 (2022: £526) and restricted income of £346 (2022: £15).

6. EXPENDITURE

| | Non-pay expenditure | | | 31.8.23 | 31.8.22 |
|------------------------------------------------------------|---------------------|----------------|------------------|------------------|------------------|
| | Staff costs | Premises | Other costs | Total | Total |
| | £ | £ | £ | £ | £ |
| Raising funds | | | | | |
| Costs of fundraising | | | | | |
| Allocated support costs | - | - | (143) | (143) | - |
| Costs incurred by trading for a fundraising purpose | | | | | |
| Direct costs | - | - | 24,522 | 24,522 | 1,491 |
| Charitable activities | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 4,835,933 | 243,875 | 879,714 | 5,959,522 | 5,742,711 |
| Allocated support costs | <u>824,014</u> | <u>336,475</u> | <u>454,017</u> | <u>1,614,506</u> | <u>1,833,016</u> |
| | <u>5,659,947</u> | <u>580,350</u> | <u>1,358,110</u> | <u>7,598,407</u> | <u>7,577,218</u> |

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023****6. EXPENDITURE - continued**

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

| | | |
|-----------------------------|---------------|---------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Auditors' remuneration | 16,485 | 9,478 |
| Auditors' remn - non-audit | 3,375 | 3,075 |
| Professional fees | 53,615 | 62,856 |
| Depreciation - owned assets | 441,085 | 385,639 |
| Operating lease rentals | <u>15,410</u> | <u>16,351</u> |

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

| | | |
|-----------------------|---------------|--------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| School Trip Costs | 780 | 1,491 |
| Books Educ Stationery | 3,395 | - |
| Building maintenance | <u>20,347</u> | <u>-</u> |
| | <u>24,522</u> | <u>1,491</u> |

Included within school trip costs are unrestricted amounts in the sum of £780 (2022: £818) and restricted amounts in the sum of £Nil (2022: £673). Included within books educ stationery costs are unrestricted amounts in the sum of £3,395 (2022: £Nil) and restricted amounts of £Nil (2022: £Nil). Included with in building maintenance costs are unrestricted amounts in the sum of £20,347 (2022: £Nil) and restricted amounts in the sum of £Nil (2022: £Nil).

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.23 Total funds £ | 31.8.22 Total funds £ |
|---------------|----------------------------|--------------------------|--------------------------------|--------------------------------|
| Direct costs | - | 5,959,522 | 5,959,522 | 5,742,711 |
| Support costs | <u>153,612</u> | <u>1,460,894</u> | <u>1,614,506</u> | <u>1,833,016</u> |
| | <u>153,612</u> | <u>7,420,416</u> | <u>7,574,028</u> | <u>7,575,727</u> |

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

| | | |
|--------------------------------------------------------------------------------|----------------------|----------------------|
| 8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued | 31.8.23 | 31.8.22 |
| | Total | Total |
| | £ | £ |
| Analysis of support costs | | |
| Support staff costs | 824,014 | 1,031,500 |
| Depreciation | 28,980 | 17,444 |
| Technology costs | 36,628 | 37,399 |
| Premises costs | 336,475 | 343,225 |
| Other support costs | 314,791 | 328,039 |
| Governance costs | <u>73,618</u> | <u>75,409</u> |
| Total support costs | <u>1,614,506</u> | <u>1,833,016</u> |
| 9. SUPPORT COSTS | | |
| | 31.8.23 | 31.8.22 |
| | Academy's | Academy's |
| | educational | educational |
| | operations | operations |
| Professional fees | 89,529 | 62,856 |
| Auditors remuneration | | |
| Audit of financial statements | 8,970 | 6,900 |
| Over / (Under) accrual of audit fees | (80) | (1,897) |
| Audit of accounts return | 1,150 | 890 |
| Audit of EOYC pension | 1,035 | 795 |
| Accounts preparation | 3,625 | 2,790 |
| Other non-audit services | <u>3,375</u> | <u>3,075</u> |
| | <u>75,409</u> | <u>75,409</u> |
| 10. STAFF COSTS | | |
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Wages and salaries | 4,114,590 | 4,012,853 |
| Social security costs | 443,320 | 429,164 |
| Operating costs of defined benefit pension schemes | <u>843,469</u> | <u>1,142,125</u> |
| | 5,401,379 | 5,584,142 |
| Supply teacher costs | 194,662 | 165,220 |
| Compensation payments | <u>63,746</u> | <u>31,860</u> |
| | <u>5,659,787</u> | <u>5,781,222</u> |

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

10. STAFF COSTS - continued

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

| | 31.8.23 | 31.8.22 |
|----------------------------|------------|------------|
| Teachers | 51 | 58 |
| Administration and Support | 9 | 48 |
| Management | <u>44</u> | <u>9</u> |
| | <u>104</u> | <u>115</u> |

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

| | 31.8.23 | 31.8.22 |
|---------------------|-----------|----------|
| £60,001 - £70,000 | 9 | 5 |
| £70,001 - £80,000 | 1 | 2 |
| £80,001 - £90,000 | 2 | 1 |
| £90,001 - £100,000 | 1 | - |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | <u>1</u> | <u>-</u> |
| | <u>14</u> | <u>9</u> |

12 of the 14 above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2023. Pension contributions for these staff amounted to £184,942.73 (2022: £114,337).

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the academy trust was £865,116 (2022: £824,920).

11. SEVERANCE PAYMENTS

The Academy trust paid 3 severance payments in the year, disclosed in the following bands:

| | |
|-------------------|---|
| 0 - £25,000 | 2 |
| £25,001 - £50,000 | 1 |

Included in compensation payments are special severance payments totalling £52,947 (2022: £31,860). Individually, the payments were: £3,299, £8,940 and £40,408.

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

12. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

T Myton (Principal):

Remuneration £105,001 - £110,000, (year ended 2022: £105,001 - £110,000)

Employer's pension contributions £Nil, (year ended 2022: £Nil)

K Stewart (staff trustee):

Remuneration £30,001 - £35,000, (year ended 2022: £30,001 - £35,000)

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

Trustees' Expenses

During the year ended 31 August 2023, travel expenses of £160 were reimbursed to trustees (2022: £139). Other related party transactions involving the trustees are set out in note 26.

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy 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 and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted General funds £ | Restricted Fixed Asset funds £ | Total funds £ |
|--------------------------------------------------|---------------------------|-------------------------------------|--------------------------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | | |
| Donations and capital grants | 816 | 2,400 | 242,114 | 245,330 |
| Charitable activities | | | | |
| Funding for the academy's educational operations | 154,812 | 6,980,605 | - | 7,135,417 |
| Other trading activities | 170,669 | 24,910 | - | 195,579 |
| Investment income | 526 | 15 | - | 541 |
| Total | <u>326,823</u> | <u>7,007,930</u> | <u>242,114</u> | <u>7,576,867</u> |
| EXPENDITURE ON | | | | |
| Raising funds | 818 | 673 | - | 1,491 |
| Charitable activities | | | | |
| Academy's educational operations | 47,534 | 7,142,554 | 385,639 | 7,575,727 |

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023****14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

| | Unrestricted fund £ | Restricted General funds £ | Restricted Fixed Asset funds £ | Total funds £ |
|--------------------------------------------|---------------------------|-------------------------------------|--------------------------------------------|---------------------|
| Total | <u>48,352</u> | <u>7,143,227</u> | <u>385,639</u> | <u>7,577,218</u> |
| NET INCOME/(EXPENDITURE) | 278,471 | (135,297) | (143,525) | (351) |
| Transfers between funds | (40,926) | (408,660) | 449,586 | - |
| Other recognised gains/(losses) | | | | |
| Actuarial gains on defined benefit schemes | - | 2,502,000 | - | 2,502,000 |
| Net movement in funds | 237,545 | 1,958,043 | 306,061 | 2,501,649 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | 1,123,431 | (2,081,453) | 17,337,347 | 16,379,325 |
| TOTAL FUNDS CARRIED FORWARD | <u>1,360,976</u> | <u>(123,410)</u> | <u>17,643,408</u> | <u>18,880,974</u> |

15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|-----------------------|---------------------------|----------------------------------|------------------------|----------------------------|-------------------|
| COST | | | | | |
| At 1 September 2022 | 20,182,811 | 43,066 | 6,000 | 322,887 | 20,554,764 |
| Additions | <u>185,268</u> | <u>77,578</u> | <u>3,000</u> | <u>52,335</u> | <u>318,181</u> |
| At 31 August 2023 | <u>20,368,079</u> | <u>120,644</u> | <u>9,000</u> | <u>375,222</u> | <u>20,872,945</u> |
| DEPRECIATION | | | | | |
| At 1 September 2022 | 2,822,495 | 9,230 | 6,000 | 132,881 | 2,970,606 |
| Charge for year | <u>325,167</u> | <u>8,198</u> | <u>425</u> | <u>107,295</u> | <u>441,085</u> |
| At 31 August 2023 | <u>3,147,662</u> | <u>17,428</u> | <u>6,425</u> | <u>240,176</u> | <u>3,411,691</u> |
| NET BOOK VALUE | | | | | |
| At 31 August 2023 | <u>17,220,417</u> | <u>103,216</u> | <u>2,575</u> | <u>135,046</u> | <u>17,461,254</u> |
| At 31 August 2022 | <u>17,360,316</u> | <u>33,836</u> | <u>-</u> | <u>190,006</u> | <u>17,584,158</u> |

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

| | | |
|-----------------------------------------------------------|----------------|----------------|
| 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 31.8.23 | 31.8.22 |
| | £ | £ |
| Trade debtors | 4,572 | 3,312 |
| Other debtors | 68,998 | 197,086 |
| VAT | 17,873 | 21,159 |
| Prepayments and accrued income | <u>55,003</u> | <u>60,610</u> |
| | <u>146,446</u> | <u>282,167</u> |
| | | |
| 17. CURRENT ASSET INVESTMENTS | 31.8.23 | 31.8.22 |
| | £ | £ |
| Unlisted investments | <u>585,446</u> | <u>50,000</u> |
| | | |
| 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 31.8.23 | 31.8.22 |
| | £ | £ |
| Other loans (see note 20) | 3,500 | 3,500 |
| Trade creditors | 1,686 | 688 |
| Social security and other taxes | 108,342 | 114,193 |
| Other creditors | 160,121 | 100,612 |
| Accrued expenses | 257,890 | 546,327 |
| Deferred Income | <u>30,139</u> | <u>102,431</u> |
| | <u>561,678</u> | <u>867,751</u> |
| | | |
| DEFERRED INCOME | 31.8.22 | 31.8.22 |
| | £ | £ |
| Deferred income at 1 September 2022 | 102,431 | 79,572 |
| Resources deferred in the year | 30,139 | 102,431 |
| Amounts released from previous periods | (102,431) | (79,572) |
| | <u>30,139</u> | <u>102,431</u> |
| Deferred income at 31 August 2023 | | |

Deferred income at 31 August 2023 represents £30,139 (2022: £75,201) of school trip and other School Fund income collected before the year end and paid over to agents after the year end. Deferred income also includes £Nil (2022: £27,230) in relation to Free School Meals income received in advance from the Education and Skills Funding Agency, which the academy trust is entitled to for the period 1 September 2023 to 31 August 2024.

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023****19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | | |
|---------------------------|--------------|--------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Other loans (see note 20) | <u>3,750</u> | <u>7,250</u> |

20. LOANS

An analysis of the maturity of loans is given below:

| | | |
|-------------------------------------------------|--------------|--------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Other loans | <u>3,500</u> | <u>3,500</u> |
| Amounts falling between one and two years: | | |
| Other loans - 1-2 years | <u>3,500</u> | <u>3,500</u> |
| Amounts falling due between two and five years: | | |
| Other loans - 2-5 years | <u>250</u> | <u>3,750</u> |

Included within other loans are remaining loan balances totalling £7,250 (2022: £10,750) from Salix which were provided on the following terms. A loan of £12,000 is repayable over an 8 year duration, with six-monthly repayments of £750 which commenced in March 2017. A loan of £16,000 is repayable over an 8 year duration, with six-monthly repayments of £1,000 which was due to commence in March 2018.

21. 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.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | | | | |
|-----------------------|------------------|----------------|-------------------|-------------------|
| | | | Restricted | 31.8.23 |
| | Unrestricted | Restricted | Fixed | Total |
| | fund | General | Asset | funds |
| | £ | funds | funds | £ |
| Fixed assets | - | - | 17,461,254 | 17,461,254 |
| Current assets | 1,546,950 | 850,839 | 104,523 | 2,502,312 |
| Current liabilities | - | (495,295) | (66,383) | (561,678) |
| Long term liabilities | - | - | (3,750) | (3,750) |
| Pension liability | - | (142,000) | - | (142,000) |
| | <u>1,546,950</u> | <u>213,544</u> | <u>17,495,644</u> | <u>19,256,138</u> |

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

| | Unrestricted fund £ | Restricted General funds £ | Restricted Fixed Asset funds £ | 31.8.22 Total funds £ |
|-----------------------|---------------------------|-------------------------------------|--------------------------------------------|--------------------------------|
| Fixed assets | - | - | 17,584,158 | 17,584,158 |
| Current assets | 1,360,976 | 786,724 | 424,117 | 2,571,817 |
| Current liabilities | - | (510,134) | (357,617) | (867,751) |
| Long term liabilities | - | - | (7,250) | (7,250) |
| Pension liability | - | (400,000) | - | (400,000) |
| | <u>1,360,976</u> | <u>(123,410)</u> | <u>17,643,408</u> | <u>18,880,974</u> |

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

23. MOVEMENT IN FUNDS

| | At 1.9.22 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.23 £ |
|---------------------------------------|-------------------|----------------------------------|------------------------------------|--------------------|
| Restricted general funds | | | | |
| General Annual Grant | - | 160,302 | (160,302) | - |
| FRS17 Pension Fund | (400,000) | 258,000 | - | (142,000) |
| School Voluntary Fund | 156,760 | 29,200 | - | 185,960 |
| Other government grants | 7,764 | - | - | 7,764 |
| Catch Up Premium | 4,200 | (4,200) | - | - |
| School Led Grant Funding | 32,225 | - | (32,225) | - |
| Supplementary Grant | 75,641 | 36 | - | 75,677 |
| Main Stream Additional Grant | - | 86,143 | - | 86,143 |
| | <u>(123,410)</u> | <u>529,481</u> | <u>(192,527)</u> | <u>213,544</u> |
| Restricted fixed asset funds | | | | |
| BUILDINGS | 516,595 | (12,615) | - | 503,980 |
| ESFA Capital | 3,868,407 | (137,338) | 256,727 | 3,987,796 |
| Donations from school | 12,973,332 | (226,453) | - | 12,746,879 |
| GAG Capital Funding | 215,074 | (3,225) | 3,500 | 215,349 |
| Designated Fund - Capital Commitments | 70,000 | - | (28,360) | 41,640 |
| | <u>17,643,408</u> | <u>(379,631)</u> | <u>231,867</u> | <u>17,495,644</u> |
| Total restricted funds | <u>17,519,998</u> | <u>149,850</u> | <u>39,340</u> | <u>17,709,188</u> |
| Unrestricted fund | | | | |
| General fund | 1,360,976 | 225,314 | (39,340) | 1,546,950 |
| TOTAL FUNDS | <u>18,880,974</u> | <u>375,164</u> | <u>-</u> | <u>19,256,138</u> |

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

23. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|-------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Restricted general funds | | | | |
| General Annual Grant | 5,058,176 | (4,897,874) | - | 160,302 |
| FRS17 Pension Fund | - | (80,000) | 338,000 | 258,000 |
| School Voluntary Fund | 81,897 | (52,697) | - | 29,200 |
| ESFA | 77,583 | (77,583) | - | - |
| Other government grants | 207,803 | (207,803) | - | - |
| Pupil Premium | 401,453 | (401,453) | - | - |
| Catch Up Premium | - | (4,200) | - | (4,200) |
| Teachers Pay and Pension Grant Fund | 33,287 | (33,287) | - | - |
| Supplementary Grant | 181,661 | (181,625) | - | 36 |
| Recovery Premium | 105,467 | (105,467) | - | - |
| Academies Programme Funding | 937,199 | (937,199) | - | - |
| Main Stream Additional Grant | <u>86,143</u> | <u>-</u> | <u>-</u> | <u>86,143</u> |
| | <u>7,170,669</u> | <u>(6,979,188)</u> | <u>338,000</u> | <u>529,481</u> |
| Restricted fixed asset funds | | | | |
| BUILDINGS | - | (12,615) | - | (12,615) |
| ESFA Capital | 61,454 | (198,792) | - | (137,338) |
| Donations from school | - | (226,453) | - | (226,453) |
| GAG Capital Funding | <u>-</u> | <u>(3,225)</u> | <u>-</u> | <u>(3,225)</u> |
| | <u>61,454</u> | <u>(441,085)</u> | <u>-</u> | <u>(379,631)</u> |
| | <u>7,232,123</u> | <u>(7,420,273)</u> | <u>338,000</u> | <u>149,850</u> |
| Total restricted funds | | | | |
| Unrestricted fund | | | | |
| General fund | <u>403,448</u> | <u>(178,134)</u> | <u>-</u> | <u>225,314</u> |
| TOTAL FUNDS | <u><u>7,635,571</u></u> | <u><u>(7,598,407)</u></u> | <u><u>338,000</u></u> | <u><u>375,164</u></u> |

SHIRLEY HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023****23. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

| | At 1.9.21 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.22 £ |
|---------------------------------------|--------------------------|----------------------------------|------------------------------------|--------------------------|
| Restricted general funds | | | | |
| General Annual Grant | 273,968 | 134,692 | (408,660) | - |
| FRS17 Pension Fund | (2,520,000) | 2,120,000 | - | (400,000) |
| School Voluntary Fund | 155,958 | 802 | - | 156,760 |
| Other government grants | - | 7,764 | - | 7,764 |
| Catch Up Premium | 8,621 | (4,421) | - | 4,200 |
| School Led Grant Funding | - | 32,225 | - | 32,225 |
| Supplementary Grant | - | 75,641 | - | 75,641 |
| | <u>(2,081,453)</u> | <u>2,366,703</u> | <u>(408,660)</u> | <u>(123,410)</u> |
| Restricted fixed asset funds | | | | |
| BUILDINGS | 529,029 | (12,434) | - | 516,595 |
| ESFA Capital | 3,394,694 | 97,627 | 376,086 | 3,868,407 |
| Donations from school | 13,199,689 | (226,357) | - | 12,973,332 |
| GAG Capital Funding | 213,935 | (2,361) | 3,500 | 215,074 |
| Designated Fund - Capital Commitments | - | - | 70,000 | 70,000 |
| | <u>17,337,347</u> | <u>(143,525)</u> | <u>449,586</u> | <u>17,643,408</u> |
| Total restricted funds | <u>15,255,894</u> | <u>2,223,178</u> | <u>40,926</u> | <u>17,519,998</u> |
| Unrestricted fund | | | | |
| General fund | 1,123,431 | 278,471 | (40,926) | 1,360,976 |
| TOTAL FUNDS | <u><u>16,379,325</u></u> | <u><u>2,501,649</u></u> | <u><u>-</u></u> | <u><u>18,880,974</u></u> |

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

23. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|-------------------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Restricted general funds | | | | |
| General Annual Grant | 5,282,728 | (5,148,036) | - | 134,692 |
| FRS17 Pension Fund | - | (382,000) | 2,502,000 | 2,120,000 |
| School Voluntary Fund | 36,045 | (35,243) | - | 802 |
| ESFA | 28,774 | (28,774) | - | - |
| Other government grants | 177,296 | (169,532) | - | 7,764 |
| Pupil Premium | 391,987 | (391,987) | - | - |
| Catch Up Premium | - | (4,421) | - | (4,421) |
| Teachers Pay and Pension Grant Fund | 44,018 | (44,018) | - | - |
| Other COVID-19 Funding | 19,607 | (19,607) | - | - |
| School Led Grant Funding | 58,725 | (26,500) | - | 32,225 |
| Supplementary Grant | 75,641 | - | - | 75,641 |
| Recovery Premium | 55,499 | (55,499) | - | - |
| Academies Programme Funding | 837,610 | (837,610) | - | - |
| | <u>7,007,930</u> | <u>(7,143,227)</u> | <u>2,502,000</u> | <u>2,366,703</u> |
| Restricted fixed asset funds | | | | |
| BUILDINGS | - | (12,434) | - | (12,434) |
| ESFA Capital | 242,114 | (144,487) | - | 97,627 |
| Donations from school | - | (226,357) | - | (226,357) |
| GAG Capital Funding | - | (2,361) | - | (2,361) |
| | <u>242,114</u> | <u>(385,639)</u> | <u>-</u> | <u>(143,525)</u> |
| Total restricted funds | <u>7,250,044</u> | <u>(7,528,866)</u> | <u>2,502,000</u> | <u>2,223,178</u> |
| Unrestricted fund | | | | |
| General fund | 326,823 | (48,352) | - | 278,471 |
| TOTAL FUNDS | <u>7,576,867</u> | <u>(7,577,218)</u> | <u>2,502,000</u> | <u>2,501,649</u> |

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the academy trust. The academy trust is allowed to carry forward funds in accordance with the Academies Financial Handbook, which is reviewed annually. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other restricted general funds

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

23. MOVEMENT IN FUNDS - continued

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

The pension liability has been charged to restricted reserves. This is because the obligation to fund the deficit is met from the General Annual Grant funding which is accounted for through restricted reserves and therefore it is more appropriate to charge the deficit to restricted reserves.

COVID-19 funding

During the previous year various funding streams were made available to the Academy to mitigate the educational impact of the pandemic and to support the mental health of our students. For example, study materials were distributed to students to assist with their on-line learning, as well as support in connecting to the on-line facilities and programmes that were made available to the students. Funds were received, including through the use of the Coronavirus Job Retention Scheme, to support staff and maintain viability of employment during the COVID period.

Restricted fixed asset funds

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

Unrestricted funds

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

Designated funds

Designated funds represent the monies held in the academy trust that are being held for capital commitments at the year end.

Transfers between funds

The academy has transferred £192,527 (2022: £408,660) from GAG and £39,340 from unrestricted funds (2022: £40,926) to cover fixed asset purchases and the salix loan repayment.

The academy has transferred £32,225 (2022: £Nil) to GAG as in the previous year the GAG fund was understated as a liability for the clawback of school LED funding had been allocated to GAG rather than the school LED grant fund.

24. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £95,121 were payable to the schemes at 31 August 2023 (2022 - £98,860) and are included within creditors.

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

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

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

Valuation of the teachers' pension scheme

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.
- no changes in individual employee contributions until at least 1 April 2025

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

The employer's pension costs paid to TPS in the period amounted to £639,050.

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

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

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

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 £192,048 (2022 - £187,000), of which employer's contributions totalled £144,114 (2022 - £141,000), and employees' contributions totalled £47,934 (2022 - £46,000). The agreed contribution rates for future years are 21 per cent for employers and 5.50 per cent for employees.

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

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

| | Defined benefit pension plans | |
|----------------------------------------------------------|----------------------------------|----------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Current service cost | 201,000 | 479,000 |
| Net interest from net defined benefit asset/liability | 18,000 | 44,000 |
| Past service cost | - | - |
| | <u>219,000</u> | <u>523,000</u> |
| | | |
| Actual return on plan assets | <u>136,000</u> | <u>51,000</u> |

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

| | Defined benefit pension plans | |
|---------------------------------------------------------------------|----------------------------------|------------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Opening defined benefit obligation | 3,549,000 | 5,538,000 |
| Current service cost | 201,000 | 479,000 |
| Contributions by scheme participants | 48,000 | 46,000 |
| Interest cost | 154,000 | 95,000 |
| Benefits paid | (90,000) | (52,000) |
| Remeasurements: | | |
| Actuarial (gains)/losses from changes in demographic assumptions | (33,000) | (18,000) |
| Actuarial (gains)/losses from changes in financial assumptions | (796,000) | (2,548,000) |
| Oblig other remeasurement | <u>347,000</u> | <u>9,000</u> |
| | <u>3,380,000</u> | <u>3,549,000</u> |

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|---------------------------------------------------|----------------------------------|------------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Opening fair value of scheme assets | 3,149,000 | 3,018,000 |
| Contributions by employer | 139,000 | 141,000 |
| Contributions by scheme participants | 48,000 | 46,000 |
| Expected return | 136,000 | 51,000 |
| Benefits paid | (90,000) | (52,000) |
| Remeasurements: | | |
| Return on plan assets (excluding interest income) | (129,000) | (55,000) |
| Assets other remeasurement | (15,000) | - |
| | <u>3,238,000</u> | <u>3,149,000</u> |

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

| | Defined benefit pension plans | |
|------------------------------------------------------------------|----------------------------------|------------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Actuarial (gains)/losses from changes in demographic assumptions | 33,000 | 18,000 |
| Actuarial (gains)/losses from changes in financial assumptions | 796,000 | 2,548,000 |
| Oblig other remeasurement | (347,000) | (9,000) |
| Return on plan assets (excluding interest income) | (129,000) | (55,000) |
| Assets other remeasurement | (15,000) | - |
| | <u>338,000</u> | <u>2,502,000</u> |

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | Defined benefit pension plans | |
|----------|----------------------------------|-------------|
| | 31.8.23 | 31.8.22 |
| Equities | 70% | 70% |
| Bonds | 15% | 15% |
| Property | 12% | 13% |
| Cash | 3% | 2% |
| | <u>100%</u> | <u>100%</u> |

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

24. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | | |
|--------------------------|---------|---------|
| | 31.8.23 | 31.8.22 |
| Discount rate | 5.20% | 4.25% |
| Future salary increases | 3.00% | 3.05% |
| Future pension increases | 3.00% | 3.05% |

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

| | | |
|----------------------|------|------|
| Retiring today | | |
| Males | 21.8 | 21.9 |
| Females | 24.5 | 24.1 |
| Retiring in 20 years | | |
| Males | 21.6 | 22.7 |
| Females | 25.5 | 25.8 |

| | | |
|----------------------------------------|---------|---------|
| Sensitivity analysis | 31.8.23 | 31.8.22 |
| | £ | £ |
| Discount rate +0.1% | - | - |
| Discount rate -0.1% | 70,000 | 77,000 |
| Mortality assumption - 1 year increase | 135,000 | 142,000 |
| Mortality assumption - 1 year decrease | - | - |
| CPI rate +0.1% | 67,000 | 73,000 |
| CPI rate -0.1% | - | - |

25. CAPITAL COMMITMENTS

| | | |
|-------------------------------------------------------------|---------------|---------------|
| | 31.8.23 | 31.8.22 |
| | £ | £ |
| Contracted but not provided for in the financial statements | <u>41,640</u> | <u>70,000</u> |

As at 31 August 2023 there was capital expenditure authorised by the Board of Trustees but not contracted for of £41,640 (2022: £70,000). The commitment has been transferred from general funds to designated funds as per note 22.

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

26. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

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

| | 31.8.23 | 31.8.22 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 15,409 | 16,351 |
| Between one and five years | <u>30,819</u> | <u>-</u> |
| | <u>46,228</u> | <u>16,351</u> |

27. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations or individuals in which a trustee or member of senior management has an interest. All transactions involving such organisations or individuals are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

M Francis, a member of the academy trust's senior management team has a close family relationship with G Barras, an employee of the academy trust. The remuneration, including employer pension contributions, of the member of staff concerned for the year was in the range £35,000-£40,000 (2022: £35,000-£40,000). M Francis is not a member of the Pay Review Committee of the academy trust.

M Garcia, the academy trust's Secretary and business manager, has a close family relationship with K Morgan, an employee of the academy trust. The remuneration, including employer pension contributions, of the member of staff concerned for the year was in the range £30,000-£35,000 (2022: £20,000-£25,000). M Garcia is not a member of the Pay Review Committee of the academy trust.

D Afriye, a member of the academy trusts senior management team has a close family relationship with K Afriye and A Afriye. The remuneration including employer pension contributions, of the members of staff concerned for the year was in the range £0 - £5,000 (2022: £nil). D Afriye is not a member of the Pay Review Committee of the academy trust.

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

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

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the trust received £15,205 (2022: £13,245) and disbursed £15,947 (2022: £13,418), including an allocation for administration costs incurred, from the fund. An amount of £1,010 (2022: £1,752) is included in other creditors relating to undistributed funds that are repayable to ESFA.