

Company Registration Number: 07524069 (England & Wales)

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2022

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members	Mr S Baines * Mr K Eley * (resigned 11 July 2022) Mr R Lindop * Mr B Wigram Ms N Edwards (appointed 22 December 2021) Mr R Nicoll (appointed 18 July 2022)
Governors	Mr R Lindop, Chair ¹ Mr S Baines, Vice Chair (resigned 4 July 2022) ¹ Mr J McNamara, Head Teacher ¹ Mr J Blackwell ¹ Mr K Eley Mr T Harris ¹ Mrs W Hodges Mr I Jarvis ¹ Mr P McCrea ¹ Mr J Minton ¹ Mrs E Page ¹ Mr B Payne Ms C Robertson Mrs C Shelton Ms A Vincent
	¹ Members of the Finance Committee
Company registered number	07524069
Company name	The Ecclesbourne School
Principal and registered office	Wirksworth Road Duffield Belper Derbyshire DE56 4GS
Company secretary	Mrs L Brannan

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Reference and Administrative Details (continued)
For the year ended 31 August 2022

**Senior management
team**

Mr J McNamara, Head Teacher
Mrs C Ourabi, Deputy Head Teacher and Head of Pastoral, Designated Safeguarding Lead
Mrs P Owen-Moore, Deputy Head Teacher and Head of Lower School
Mr S Carnwell, Assistant Head and Head of CPD (Induction Tutor)
Mr D Duncker-Brown, Deputy Head Teacher and Head of Upper School
Mr A Hardy, Director of ICT and Data
Mrs T Spencer-Keyse, Director of Human Resources
Mr D Tanser, Assistant Head and Head of Learning Services
Mrs K Taylor, Assistant Head and Head of Curriculum
Mrs E Scullion, Chief Financial Officer
Mrs H Weller, Assistant Head and Head of Sixth Form
Mrs H Green, Assistant Head and Head of Equality, Diversity and Inclusion

Independent auditors

PKF Smith Cooper Audit Limited
Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

THE ECCLESBOURNE SCHOOL
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Governors' Report
For the year ended 31 August 2022

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

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

Those individuals that are marked with (*) as members within the Reference and Administrative Details section are also Governors of the charitable company. All Governors are Trustees for the purposes of charity legislation.

The charitable company is known as The Ecclesbourne School.

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

b. 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.

c. Governors' indemnities

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

d. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

e. Policies adopted for the induction and training of Governors

The Governors are offered training throughout their tenure in office to assist them in meeting their statutory obligations and duties. In addition, all new Governors are signposted to a training provider (NGA). All Governors are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors within a charitable company.

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Governors' Report (continued)
For the year ended 31 August 2022

Structure, governance and management (continued)

f. Organisational structure

The Head Teacher is the Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and the appointment of senior leaders. The Governors are responsible for the monitoring and performance of the Head Teacher.

The Strategic Leadership Team members for the Academy are listed on the Reference and Administrative Details page. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them on the success of the policies.

As a group the Strategic Leadership Team are responsible for the authorisation of spending within agreed budgets according to the Financial Scheme of delegation and for the appointment of staff. Some spending control is devolved to individual budget holders who have responsibility for the line management of individual functions within the school structure, with limits above which the Head Teacher must countersign.

g. Pay policy for key management personnel

The pay policy does not discriminate between key management personnel and the other staff and is based on performance management in line with pupil progress and outcomes. The main parameters used for setting key management personnel salaries are national guidance, job responsibilities and experience.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	4,607	
Total pay bill	7,047,903	
Percentage of total pay bill spent on facility time	0.07	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Governors' Report (continued)
For the year ended 31 August 2022

Objectives and activities

a. Objects and aims

The Ecclesbourne School's object and aim is to advance, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In pursuit of this object, its principal activity is to operate The Ecclesbourne School in Duffield, Derbyshire, which caters for all abilities between the ages of 11 and 18.

b. Objectives, strategies and activities

The Ecclesbourne School strives to be a successful and caring learning community in which individuals are inspired to meet the challenges of the future.

All members of our School Community should:

- Acquire the knowledge and skills for now and for a fulfilling future
- Develop confidence in themselves and their abilities
- Feel valued and value others
- Work together effectively and with enthusiasm
- Create an innovative learning environment
- Appreciate the world at large

The School Community includes everyone who learns and works within the school and all those with a supportive interest in the school.

c. Public benefit

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Ecclesbourne School is a non selective, non fee paying secondary school and as such operates entirely for the public benefit. In addition to striving for and achieving the highest of educational standards and attainment for all its students, it also engages in partnership, working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems.

The school has developed strong links with the local community. The school lets out its facilities to local sports, arts and hobby based clubs offering a wide range of evening courses, which are advertised to the local community. The school actively engages in charity work through a range of themed activities and days throughout the year.

Strategic report

Achievements and performance

a. Key performance indicators

The Governors have reviewed the significant activities undertaken by the charitable company during the past year to further its charitable purposes for the public benefit. Below is a review of these significant activities and achievements.

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Governors' Report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Achievements and performance (continued)

Examination results

GCSE:

- Attainment 8 Score 60.63 (National: 48.7)
- Progress 8 Score +0.54
- 89% of students achieved a 4 (C) or better in both English and Mathematics
- 73% of students achieved a 5 or better in both English and Mathematics (National: 50%)
- 88.2% of our students secured 5 or more GCSEs at 9-4 (A*-C) or better in both English and Mathematics
- 69.2% of our students secured 5 or more GCSEs at 9-5 or better in both English and Mathematics
- 63.7% of students entered the English Baccalaureate (National: 39%)
- 56% of students achieved the English Baccalaureate 9-4 (National: 27%)
- 44% of students achieved the English Baccalaureate 9-5 (National: 20%)
- 41% of grades were at 9-7(A*-A)

A LEVEL:

- 89% of students gained A*-C grades
- 72% of students gained A*-B grades
- 39% of students gained A*-A grades

Admissions

- There were 429 applications for 240 places in Year 7.

b. Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies, including consideration of the Termination Warning Notice following the recent Ofsted inspection.

c. Review by OFSTED

The School was inspected by OFSTED on 17 and 18 May 2022. The outcome of the review was as follows:

- Overall effectiveness – inadequate
- The quality of education – good
- Behaviour and attitudes – requires improvement
- Personal development – good
- Leadership and management – inadequate
- Sixth form provision – good

Please see the "Plans for future periods" section for commentary on how we plan to address the matters raised in the report.

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Governors' Report (continued)
For the year ended 31 August 2022

Strategic report (continued)

Financial review

The Academy's main funding source is the General Annual Grant (GAG) received monthly from the Education and Skills Funding Agency (ESFA). The Academy also generates additional income through facilities hire and teacher release. Revenue funding is mainly used to employ educational staff and procure educational resources for the school and its pupils.

The Academy's financial position at the end of the period shows funds of £23,991,980; of which when excluding the pension reserve deficit of £676,000 leaves £22,280,221 of restricted fixed asset funds, £225,126 of general unrestricted funds and £2,162,633 of restricted funds. The LGPS deficit of £676,000 will not materialise in the near future.

a. Reserves policy

The policy of the Academy is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Academy has a number of restricted funds, details of which can be found in note 19 of the financial statements.

Due to the inherited deficit of the Local Government Pension Scheme (LGPS), the Academy aims to reduce the deficit by increasing contributions over the forthcoming years as described above and will revisit current business plans and budgets and ascertain how the pension costs might affect their budgets in the future.

b. Material investments policy

The Academy seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with the strategic plans of the Academy for deployment of resources. The Academy is committed to investment with reputable and ethical investors.

c. Principal risks and uncertainties

There are a number of factors which may affect the principal risks and uncertainties that the Academy faces and how the Academy intends to resolve them.

- Change in government policy: with a change in government or change in government policy, the funding of the Academy may change and may in the future reduce funding. This is mitigated by building healthy unrestricted reserves, which may be used in times where funding has been tightened.
- The overall performance of the students: this is a continuing risk to the Academy since both funding, student numbers and positioning of the Academy is affected if performance of the students declines. To ensure that this is limited as much as possible, the Academy intends to retain the teaching staff, focus on training of all staff to improve teaching and learning and to continuously monitor student performance at an early stage of their educational development and ensure that they are nurtured to achieve the best possible standard that each individual can achieve.
- Operate the Academy within the budget: there is always the risk of operating above budget constraints.

The main 'financial instruments' that the Ecclesbourne School deals with are bank balances, cash and trade creditors, with limited trade and other debtors. These are not material to the assessment of the Academy's assets, liabilities, financial position and its results. The Local Government Pension Scheme exposes the Academy to a deficit calculated this period at £676k.

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Governors' Report (continued)
For the year ended 31 August 2022

Fundraising

The Academy does not use any external fundraisers. The Academy holds Non-uniform Days to raise funds for both internal and external projects. External fundraising has been undertaken for projects such as Comic Relief. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

2022-3 Strategic Priorities

1. OFSTED Action Plan
The main priority of the Academy in the academic year 2022-2023 is the successful and rapid delivery of the OFSTED action plan. The detailed plan follows.
2. Safeguarding, Wellbeing & Staying Safe*
According to the guidance set out in Keeping Children Safe in Education (2022) We will ensure that safeguarding is effective and that a culture of safeguarding pervades the Academy. Leaders will ensure that there is a strong culture of safeguarding. Governors and trustees will hold leaders effectively to account for the impact of their work. Governors and trustees will assure themselves accurately about the effectiveness of the Academy's arrangements to safeguard pupils. Leaders and staff will have a suitable understanding of statutory guidance and their responsibilities to keep pupils safe. Leaders will ensure that accurate records are maintained of the Academy's work to protect and support pupils. Leaders will check that all staff have knowledge of safeguarding risks including identification of discrimination, sexual harassment, child on child abuse and bullying and understand their responsibilities to take action where pupils may be at risk of harm. We will work to ensure that students are confident about reporting bullying and harassment and that it will be effectively resolved.
3. Behaviour and safety review
To ensure the highest standards of behaviour and safety through thorough review of policy and practice and consistent and effective implementation of the behaviour policy and procedures by all staff. To continue embedding School values, including understanding of the impact that discriminatory language and harassment can have. To review communication, alertness and response to incidents of bullying. Leaders will ensure that when bullying occurs, policies and procedures are in place and followed so that it will be dealt with effectively by adults in the Academy. Students will understand that racist, homophobic and other discriminatory language is not tolerated in the Academy. Leaders will ensure that when such language is used policies and procedures are in place and followed so that it will be dealt with effectively by adults in the Academy.
4. Teaching & Learning
To develop teaching and learning across the Academy so that the intent, implementation and impact of teaching and learning ensures effective delivery of the curriculum. Teaching and learning will support learning though being sharply focused on: identifying gaps in prior learning, sharing curriculum expectations so that students know what their learning journey is, adjustments to schemes of work as may be required, formative assessment to inform teaching by identifying gaps in understanding and responding to them, frequent spaced retrieval practice, promote strategies for reading, and exploiting the potential of online learning as may be required. The Teaching & Learning Community will drive improvements across the Academy through dissemination of good practice and closer ties with the CLT and working with the Literacy coordinator.
5. Student Progress: KS3, KS4 and KS5*
Across three key stages we will ensure all students are equipped to achieve their potential and that gaps in achievement are narrowed. In practical terms this means: students at KS3 achieving their Minimum Expected Targets (MET) which are based on progress in the top 20% of students nationally. At KS4 this means GCSE outcomes in line with FFT targets and at A Level, in line with ALPS target grades.

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Governors' Report (continued)
For the year ended 31 August 2022

Plans for future periods (continued)

6. Quality of Education
To review curriculum intent, implementation and impact. In all subjects, leaders will have ensured a well-planned curriculum. This will help teachers to be clear about what pupils should learn and remember. In all subjects the curriculum will have been precisely planned out so that there are no inconsistencies in what teachers intend for each year group to learn. In all subjects, curriculum plans will identify the important knowledge and skills that pupils should be taught. This means that all teachers will share the same expectations about the content that pupils must learn and remember. Curriculum leaders will ensure that curriculum plans precisely identify the important knowledge and skills that pupils must learn and remember.
7. Pupil Premium Strategy
To ensure that the PP strategy is delivered so that students in receipt of the Pupil Premium achieve at least expected progress, that gaps in achievement between PP and non-PP students are closed and that PP students are supported to access all the opportunities that the Academy offers in curricular and extra-curricular terms.
8. Enrichment Curriculum Review
Appointment of SLT lead on enrichment who will be tasked with the review of provision and access to enrichment curriculum across all year groups and sub-groups to ensure a rich and varied diet of enrichment activities that is responsive to student voice and is accessible to all.
9. Student Voice/Student Council
To further develop the student council together with regular student panels so that the Academy is responsive to student voice on a range of issues to include curriculum, Quality of education, safeguarding and enrichment.
10. PDC and Relationships & Sex Education
To develop policy and practice so that Relationships & Sex Education is fully compliant with statutory requirements and adapted for delivery via PDC lessons, assembly, and form time through centrally produced and delivered curriculum. To ensure PDC continues to be an effective well-planned curriculum with a range of opportunities and responsibilities for students. To ensure students understand the issues surrounding homophobic and other discriminatory language and that it is not tolerated in school. To ensure students receive the information they need at the right time. To ensure the Academy's curriculum supports pupils to develop an appropriate understanding of the safeguarding risks they may face.
11. Communication and Remote Learning Strategy
To ensure that the Academy remains prepared for disruption and continues making best use of all means of two-way communication to ensure stakeholders are well informed and remote learning is facilitated. Building on the investment in personal laptops for all students in Years 10-13 and the dramatic upskilling of all staff through experience of using Teams and other tools during national school lockdown.
12. Compliance & Website
To ensure whole school policy, practice and risk registers are compliant, up to date and fit for purpose.
13. Early Careers Framework (ECF) Strategy, Implementation and Initial Teacher Training (ITT)
To operate the Early Careers Framework in partnership with the Potential Teaching Hub and DCC as appropriate body ensuring access and support for two-year induction and ongoing career development support. To reestablish our ITT involvement both building on and forming new relationships with ITT providers.
14. Finance Review
Review of policies and practice in line with The Academy Trust Handbook 2022. Chief Financial Officer to oversee move to new finance software package (IRIS).

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Governors' Report (continued)
For the year ended 31 August 2022

Plans for future periods (continued)

15. Facilities Master Plan
To develop the plans for replacement of D Block with a state-of-the-art Technology teaching facility housed in a new two-story building.
16. Leadership & Governance – External Review of Governance
Continue to develop accountability procedures, ensuring exemplary impact analysis. This will ensure the Academy is well led and managed and is held to account and challenged by its Governors including undertaking external independent review of governance and review of the articles of association and scheme of delegation.
17. Literacy and Numeracy
To raise literacy levels of students who arrive to school with below expected reading age.
To develop a love of reading in our students, including reading for pleasure.
To implement a 3-year Literacy Strategy which follows the EEF recommendations.
18. Staff wellbeing
To ensure that staff feel supported, valued and listened to in their role so that they are able to perform their job to the best of their ability.

Funds held as custodian on behalf of others

The Academy does not hold any Custodian Trustee funds on behalf of others.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on **12 DECEMBER 2022** and signed on its behalf by:


Mr R Lindop
Chair of Governors

THE ECCLESBOURNE SCHOOL
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Governance Statement

Scope of responsibility

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

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

This year the full Governing Body met four times for scheduled meetings. In addition, the Finance & Audit Committee meets four times a year. The Personnel Committee, Health & Safety/Facilities Committee and the Students & Curriculum Committee each meet three times every year. The FGB receives minutes and reports from each committee to which it delegates governance functions in accordance with the governance scheme of delegation and the terms of reference for committees. In addition, the Admissions Committee and the Pay Committee each meets twice a year and the Staff Employment Committee and Student Discipline Committee meet as necessary.

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

Governor	Meetings attended	Out of a possible
Mr R Lindop, Chair	4	4
Mr S Baines, Vice Chair	3	4
Mr J McNamara, Head Teacher	4	4
Mr J Blackwell	4	4
Mr K Eley	1	4
Mr T Harris	4	4
Mrs W Hodges	4	4
Mr I Jarvis	1	4
Mr P McCrea	3	4
Mr J Minton	4	4
Mrs E Page	3	4
Mr B Payne	4	4
Ms C Robertson	3	4
Mrs C Shelton	2	4
Ms A Vincent	4	4

The Academy Trust Handbook 2021 states that the Board must meet at least three times a year and must describe in the governance statement why it has met less than six times. Whilst the full board have met less than six times during the year it has maintained effective oversight through its committees which report to the FGB. The management accounts are shared with all governors monthly and scrutinised at 4 FGB meetings and a further 4 Finance & Audit Committee meetings. The Trustees receive monthly management accounts. They also receive information on all relevant areas at the regular committee meetings. The management accounts are prepared by SAAF Education who are a leading provider of business support services in education.

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Governance Statement (continued)

Governance (continued)

Governance reviews

The Academy has regular external governance reviews. One has already been carried out since 31 August 2022 and a further review is planned for later in the year to 31 August 2023. The outcomes of the reviews are discussed by Trustees and any recommendations are acted upon.

Conflicts of interest

The Ecclesbourne School is committed to ensuring that its decisions and decision-making processes are and are seen to be in the best interest of the School at all times, and do not unfairly benefit any individual connected to the School. A conflict of interest policy is in place that sets out the guidelines and procedures for identifying, monitoring, and managing actual and potential or perceived conflicts of interest and has been adopted to ensure that:

- the school's activities and those of its governors, staff and volunteers are, and are seen to be, conducted to the highest standards of ethics and integrity, and
- the individuals to whom the policy applies are able to recognise activities that might give rise to conflicts of interest or the perception of conflicts of interests, declare any conflict that may arise, and manage all arising conflicts, so that such conflicts do not affect the decision making of the school.

Finance committee

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to oversee the financial affairs of the Academy on behalf of the Governing Board. There was no specific matters dealt with by the committee during the year which are necessary to disclose. There were no significant changes made to the composition of the committee during the period.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr S Baines, Chair (resigned 4 July 2022)	2	4
Mr J McNamara, Head Teacher	4	4
Mr J Blackwell	4	4
Mr T Harris, Chair (from 4 July 2022)	4	4
Mr I Jarvis	4	4
Mr R Lindop	2	4
Mr P McCrea	4	4
Mr J Minton	4	4
Mrs E Page	3	4

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Governance Statement (continued)

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate.

To ensure value for money in purchasing and procurement each Governor's sub-committee has "Benchmarking" as a standing item. The Finance Committee keeps expenditure items under review and receives a budget report detailing where savings can be made. This year, this included careful consideration of curriculum and staffing to ensure costs were kept down against a backdrop of rising on costs. For building and refurbishment projects a comprehensive quotation and competitive tendering process is followed to ensure best value. Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 the Academy for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance 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 Governors has decided to employ Dains LLP as internal auditor.

The Academy decided to buy in an internal audit service from Dains LLP as it was thought to be the most effective way to carry out the work required, and they have previous experience in this area.

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

- review of the risk register
- review of declaration of interests procedures
- testing of payroll
- review and testing of commercial card procedures
- review of IT procedures and backup plan

On an annual basis, the internal auditor reports to the Board of Governors through the finance committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities. This report outlines the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Dains LLP has delivered their schedule of work as planned, and no material control issues were identified.

Review of effectiveness

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

- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors;
- correspondence from ESFA.


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

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Governance Statement (continued)

Approved by order of the members of the Board of Governors on **12 DECEMBER 2022** and signed
on their behalf by:


Mr R Lindop
Chair of Governors


Mr J McNamara, Head Teacher
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of the Academy I have considered my responsibility to notify the Academy Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2021.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and The Academy Trust Handbook 2021.

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



Mr J McNamara, Head Teacher
Accounting Officer
Date: 12 DECEMBER 2022

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Statement of Governors' responsibilities
For the year ended 31 August 2022

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

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

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

The Governors 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 Governors on **12 DECEMBER 2022**
and signed on its behalf by:


Mr R Lindop
Chair of Governors

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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'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 Governors with respect to going concern are described in the relevant sections of this report.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School
(continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' Responsibilities Statement, the Governors (who are also the directors of the Academy 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 Governors 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 Governors are responsible for assessing the Academy'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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School
(continued)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Based on our understanding of the industry, we identify key laws and regulations affecting the Academy. 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:

Based on our understanding of the company and industry, we identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of control;
- Posting of unusual journals or transactions;
- Non-compliance with the Academy Trust Handbook and Accounts Direction.

We focussed on those areas that could give rise to a material misstatement in the Academy financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular pension liabilities;
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Handbook and our report in respect of this is contained within the financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School
(continued)

Use of our report

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Smith Cooper Audit Limited

Sarah Flear (Senior Statutory Auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

Nottingham

NG1 1PB

Date: *13 December 2022*

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Ecclesbourne School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 August 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ecclesbourne School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Ecclesbourne School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Ecclesbourne School's funding agreement with the Secretary of State for Education dated 11 February 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion was as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out a programme of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The Ecclesbourne School and
the Education & Skills Funding Agency (continued)**

Conclusion

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

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited
Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: *13 December 2022*

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and capital grants	3	-	-	32,136	1,575,587
Other trading activities	5	-	5,814	-	14,681
Investments	6	1,164	-	-	140
Funding for academy's educational operations	4	-	8,793,864	-	8,437,199
Total income	1,164	8,799,678	32,136	8,832,978	10,027,607
Expenditure on:					
Academy educational operations	8	4,467	8,787,006	506,340	9,297,813
Total expenditure	4,467	8,787,006	506,340	9,297,813	8,447,344
Net (expenditure)/income	(3,303)	12,672	(474,204)	(464,835)	1,580,263
Transfers between funds	18	-	(583,657)	583,657	-
Net movement in funds before other recognised gains/(losses)	(3,303)	(570,985)	109,453	(464,835)	1,580,263
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,765,000	-	2,765,000
Net movement in funds	(3,303)	2,194,015	109,453	2,300,165	1,043,263

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	228,429	(707,382)	22,170,768	21,691,815	20,648,552
Net movement in funds	(3,303)	2,194,015	109,453	2,300,165	1,043,263
Total funds carried forward	<u>225,126</u>	<u>1,486,633</u>	<u>22,280,221</u>	<u>23,991,980</u>	<u>21,691,815</u>

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

The notes on pages 29 to 53 form part of these financial statements.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)
Registered number: 07524069

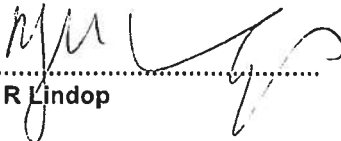
Balance Sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	22,280,221	21,766,861
Current assets			
Stocks	15	2,905	3,981
Debtors	16	164,450	230,108
Cash at bank and in hand	22	2,752,034	3,010,244
		2,919,389	3,244,333
Creditors: amounts falling due within one year	17	(531,630)	(221,379)
Net current assets		2,387,759	3,022,954
Total assets less current liabilities		24,667,980	24,789,815
Net assets excluding pension liability		24,667,980	24,789,815
Defined benefit pension scheme liability	25	(676,000)	(3,098,000)
Total net assets		23,991,980	21,691,815
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	22,280,221	22,170,768
Restricted income funds	18	2,162,633	2,390,618
		24,442,854	24,561,386
Restricted funds excluding pension asset	18	24,442,854	24,561,386
Pension reserve	18	(676,000)	(3,098,000)
Total restricted funds	18	23,766,854	21,463,386
Unrestricted income funds	18	225,126	228,429
Total funds		23,991,980	21,691,815

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)
Registered number: 07524069

Balance Sheet (continued)
As at 31 August 2022

The financial statements on pages 24 to 53 were approved and authorised for issue by the Governors and are signed on their behalf, by:


.....
Mr R Lindop
Date: 12 DECEMBER 2022

The notes on pages 29 to 53 form part of these financial statements.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Statement of Cash Flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	728,190	554,906
Cash flows from investing activities			
	21	(986,400)	404,047
Change in cash and cash equivalents in the year		(258,210)	958,953
Cash and cash equivalents at the beginning of the year		3,010,244	2,051,291
Cash and cash equivalents at the end of the year	22, 23	<u><u>2,752,034</u></u>	<u><u>3,010,244</u></u>

The notes on pages 29 to 53 form part of these financial statements

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Ecclesbourne School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £1.

1.2 Going concern

The Governors 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements

On the 22 September the Academy was issued with a Termination Warning Notice from the Department for Education (DFE) as a direct result of the Ofsted inspection which judged the Academy to be inadequate and requiring significant improvement. The DFE needs to be satisfied that the Academy has the capacity to deliver rapid and sustainable improvement. The Academy's action plan is well documented in the Trustees' Report to these financial statements and the Trustees have every confidence that this will be met. Notwithstanding the Termination Warning Notice, in every other respect the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

The Academy 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.

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

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

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Furniture and equipment	-	15% on cost
Computer equipment	-	20% on cost
Motor vehicles	-	20% on cost

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

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Pensions

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

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

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

1.14 Fund accounting

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

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

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

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Capital Grants	32,136	32,136	1,575,587
	<u>32,136</u>	<u>32,136</u>	
<i>Total 2021</i>	<u>1,575,587</u>	<u>1,575,587</u>	

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4. Funding for the Academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Academy trust educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	8,239,394	8,239,394	7,913,943
Other DfE/ESFA grants			
Pupil premium	87,732	87,732	86,406
	8,327,126	8,327,126	8,000,349
Other Government grants			
Local authority grants	157,942	157,942	206,477
	157,942	157,942	206,477
COVID-19 additional funding (DfE/ESFA)			
Covid-19 catch-up funding	-	-	94,960
Other Covid-19 funding	29,439	29,439	15,740
	29,439	29,439	110,700
Other income from academy trust's educational operations			
School trip income	279,357	279,357	119,673
	279,357	279,357	119,673
Total 2022	8,793,864	8,793,864	8,437,199
<i>Total 2021</i>	8,437,199	8,437,199	

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5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Exam fees and teacher release	-	4,117	4,117	148
Hire of facilities	-	-	-	99
Other income	-	1,697	1,697	14,434
	<u>-</u>	<u>5,814</u>	<u>5,814</u>	<u>14,681</u>
<i>Total 2021</i>	<u>99</u>	<u>14,582</u>	<u>14,681</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	1,164	1,164	140
	<u>1,164</u>	<u>1,164</u>	<u>140</u>

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academy trust educational operations:					
Direct costs	6,045,742	506,340	656,592	7,208,674	6,668,056
Allocated support costs	1,196,634	488,745	403,760	2,089,139	1,779,288
	<u>7,242,376</u>	<u>995,085</u>	<u>1,060,352</u>	<u>9,297,813</u>	<u>8,447,344</u>
<i>Total 2021</i>	<u>6,749,106</u>	<u>885,029</u>	<u>813,209</u>	<u>8,447,344</u>	

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8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Academy trust educational operations	4,467	9,293,346	9,297,813	8,447,344
<i>Total 2021</i>	<i>3,882</i>	<i>8,443,462</i>	<i>8,447,344</i>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Academy trust educational operations	7,208,674	2,089,139	9,297,813	8,447,344
<i>Total 2021</i>	<i>6,668,056</i>	<i>1,779,288</i>	<i>8,447,344</i>	

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	6,045,742	5,760,802
Depreciation	506,340	468,987
Educational supplies	220,957	172,753
Examination fees	139,129	147,179
Staff development	29,999	19,941
Other direct costs	266,507	98,394
	<u>7,208,674</u>	<u>6,668,056</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	1,196,634	988,304
Rent, rates and utilities	181,234	175,254
Maintenance of premises and equipment	87,256	159,877
Cleaning and trade waste	220,255	167,884
Other support costs	345,425	243,696
Insurance	8,060	7,756
Governance costs	50,275	36,517
	<u>2,089,139</u>	<u>1,779,288</u>

During the year ended 31 August 2022, the academy incurred the following Governance costs:

	2022 £	2021 £
Audit fees	8,200	8,200
Other accountancy and non-audit fees	13,479	14,495
Legal and professional fees	28,596	13,822
	<u>50,275</u>	<u>36,517</u>

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10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022	2021
	£	£
Operating lease rentals	11,855	11,855
Depreciation of tangible fixed assets	506,340	468,987
Governance internal audit costs	1,200	1,200
Fees paid to auditors for:		
- audit	8,200	8,200
- other services	3,755	3,755
	7,150	7,150

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	5,025,787	4,873,315
Social security costs	533,124	489,556
Pension costs	1,503,402	1,317,170
	7,062,313	6,680,041
Agency staff costs	180,063	69,065
	7,242,376	6,749,106

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11. Staff (continued)

b. Staff numbers

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Teachers	80	<i>98</i>
Administration and support	47	<i>53</i>
Management	10	<i>10</i>
	137	<i>161</i>

c. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>2</i>
In the band £70,001 - £80,000	2	<i>2</i>
In the band £110,001 - £120,000	-	<i>1</i>
In the band £120,001 - £130,000	1	<i>-</i>

The 5 (2021 - 5) employees above participated in the Teachers' Pension Scheme.

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,037,680 (2021 - £879,003).

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12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022	2021
		£	£
Mr J McNamara (Head Teacher)	Remuneration	120,000 - 125,000	<i>120,000 - 125,000</i>
	Pension contributions paid	25,000 - 30,000	<i>25,000 - 30,000</i>
Mr J Minton (staff governor)	Remuneration	10,000 - 15,000	<i>10,000 - 15,000</i>

During the year, retirement benefits were accruing to 1 Governor (*2021 - 1*) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, no Governor expenses have been incurred (*2021 - £NIL*).

13. Governors' and Officers' insurance

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

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14. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	23,569,701	429,200	180,469	597,582	60,420	24,837,372
Additions	766,316	-	97,124	156,260	-	1,019,700
Transfers between classes	425,332	(429,200)	3,868	-	-	-
At 31 August 2022	<u>24,761,349</u>	<u>-</u>	<u>281,461</u>	<u>753,842</u>	<u>60,420</u>	<u>25,857,072</u>
Depreciation						
At 1 September 2021	2,690,428	-	82,775	261,785	35,523	3,070,511
Charge for the year	375,988	-	26,334	98,030	5,988	506,340
At 31 August 2022	<u>3,066,416</u>	<u>-</u>	<u>109,109</u>	<u>359,815</u>	<u>41,511</u>	<u>3,576,851</u>
Net book value						
At 31 August 2022	<u>21,694,933</u>	<u>-</u>	<u>172,352</u>	<u>394,027</u>	<u>18,909</u>	<u>22,280,221</u>
At 31 August 2021	<u>20,879,273</u>	<u>429,200</u>	<u>97,694</u>	<u>335,797</u>	<u>24,897</u>	<u>21,766,861</u>

Included in land and buildings is freehold land at valuation of £5,500,000 (2021: £5,500,000), which is not depreciated.

15. Stocks

	2022 £	2021 £
Stationery	<u>2,905</u>	<u>3,981</u>

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16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	-	629
VAT recoverable	39,760	35,761
Prepayments and accrued income	124,690	193,718
	164,450	230,108
	164,450	230,108

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	235,812	46,788
Other creditors	959	-
Accruals and deferred income	294,859	174,591
	531,630	221,379
	531,630	221,379

	2022 £	2021 £
Deferred income at 1 September 2021	112,858	71,237
Resources deferred during the year	163,066	112,858
Amounts released from previous periods	(112,858)	(71,237)
	163,066	112,858
	163,066	112,858

Deferred income relates to trip income (£135,235) and rates relief (£27,831) which relate to the 2022/23 academic and financial year.

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18. Statement of funds

	Balance at 1 Sep 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Hire of facilities	171,103	-	(3,295)	-	-	167,808
Bank interest	57,326	1,164	(1,172)	-	-	57,318
	<u>228,429</u>	<u>1,164</u>	<u>(4,467)</u>	<u>-</u>	<u>-</u>	<u>225,126</u>
Restricted general funds						
General Annual Grant (GAG)	2,277,760	8,239,394	(7,902,679)	(583,657)	-	2,030,818
Exam fees and teacher release	-	4,117	(4,117)	-	-	-
Local authority grants	-	157,942	(157,942)	-	-	-
Pupil premium	-	87,732	(73,863)	-	-	13,869
Other income	112,858	281,054	(275,966)	-	-	117,946
Covid-19	-	29,439	(29,439)	-	-	-
Pension reserve	(3,098,000)	-	(343,000)	-	2,765,000	(676,000)
	<u>(707,382)</u>	<u>8,799,678</u>	<u>(8,787,006)</u>	<u>(583,657)</u>	<u>2,765,000</u>	<u>1,486,633</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	10,981,447	-	(138,756)	-	-	10,842,691
Capital expenditure from GAG	1,895,626	-	(77,199)	583,657	-	2,402,084
Capital expenditure from unrestricted funds	2,979,118	-	(92,763)	-	-	2,886,355
DfE Group Capital Grants	4,814,520	32,136	(150,914)	-	-	4,695,742
Section 106 funding	1,500,057	-	(46,708)	-	-	1,453,349
	<u>22,170,768</u>	<u>32,136</u>	<u>(506,340)</u>	<u>583,657</u>	<u>-</u>	<u>22,280,221</u>

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18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Total Restricted funds	21,463,386	8,831,814	(9,293,346)	-	2,765,000	23,766,854
Total funds	21,691,815	8,832,978	(9,297,813)	-	2,765,000	23,991,980

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

The General Annual Grant, and other DfE Group grants relate to government funding for the provision of education by the academy including Special Educational Needs projects. Other restricted income relates to non-government restricted funding.

Unrestricted reserves comprise the net of income and expenditure from lettings and bank interest.

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

The gain of £2,765,000 is an actuarial gain on the defined benefit pension scheme.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
Hire of facilities	174,886	99	(3,882)	-	171,103
Bank interest	57,186	140	-	-	57,326
	232,072	239	(3,882)	-	228,429
Restricted general funds					
General Annual Grant (GAG)	1,591,511	7,913,943	(7,227,694)	-	2,277,760
Exam fees and teacher release	-	148	(148)	-	-
Local authority grants	-	206,477	(206,477)	-	-
Pupil premium	-	86,406	(86,406)	-	-
Other income	99,801	134,107	(121,050)	-	112,858
Covid-19	-	110,700	(110,700)	-	-
Pension reserve	(2,339,000)	-	(222,000)	(537,000)	(3,098,000)

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18. Statement of funds (continued)

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£
	<u>(647,688)</u>	<u>8,451,781</u>	<u>(7,974,475)</u>	<u>(537,000)</u>	<u>(707,382)</u>
Restricted fixed asset funds					
Fixed assets transferred on conversion	11,120,203	-	(138,756)	-	10,981,447
Capital expenditure from GAG	1,951,572	-	(55,946)	-	1,895,626
Capital expenditure from unrestricted funds	3,067,041	-	(87,923)	-	2,979,118
DfE Group Capital Grants	4,925,352	31,259	(142,091)	-	4,814,520
Section 106 funding	-	1,544,328	(44,271)	-	1,500,057
	<u>21,064,168</u>	<u>1,575,587</u>	<u>(468,987)</u>	<u>-</u>	<u>22,170,768</u>
Total Restricted funds	<u>20,416,480</u>	<u>10,027,368</u>	<u>(8,443,462)</u>	<u>(537,000)</u>	<u>21,463,386</u>
Total funds	<u>20,648,552</u>	<u>10,027,607</u>	<u>(8,447,344)</u>	<u>(537,000)</u>	<u>21,691,815</u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
The Ecclesbourne School	<u>2,387,759</u>	<u>2,619,047</u>
Restricted fixed asset fund	<u>22,280,221</u>	<u>22,170,768</u>
Pension reserve	<u>(676,000)</u>	<u>(3,098,000)</u>
Total	<u>23,991,980</u>	<u>21,691,815</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	22,280,221	22,280,221
Current assets	225,126	2,694,263	-	2,919,389
Creditors due within one year	-	(531,630)	-	(531,630)
Provisions for liabilities and charges	-	(676,000)	-	(676,000)
Total	<u>225,126</u>	<u>1,486,633</u>	<u>22,280,221</u>	<u>23,991,980</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	21,766,861	21,766,861
Current assets	228,429	2,611,997	403,907	3,244,333
Creditors due within one year	-	(221,379)	-	(221,379)
Provisions for liabilities and charges	-	(3,098,000)	-	(3,098,000)
Total	<u>228,429</u>	<u>(707,382)</u>	<u>22,170,768</u>	<u>21,691,815</u>

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

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(464,835)	1,580,263
Adjustments for:		
Depreciation	506,340	468,987
Capital grants from DfE and other capital income	(32,136)	(1,575,587)
Interest receivable	(1,164)	(140)
Defined benefit pension scheme cost less contributions payable	290,000	181,000
Defined benefit pension scheme finance cost	53,000	41,000
Decrease in stocks	1,076	782
Decrease in debtors	65,658	19,553
Increase/(decrease) in creditors	310,251	(160,952)
Net cash provided by operating activities	728,190	554,906

21. Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	1,164	140
Purchase of tangible assets	(1,019,700)	(1,171,680)
Capital grants from DfE Group	32,136	31,259
Capital funding received from Local Authority	-	1,544,328
Net cash (used in)/provided by investing activities	(986,400)	404,047

22. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	2,752,034	3,010,244
Total cash and cash equivalents	2,752,034	3,010,244

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23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,010,244	(258,210)	2,752,034
	3,010,244	(258,210)	2,752,034

24. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Tangible fixed assets	-	552,882
	-	552,882

25. Pension commitments

The Academy'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 Derbyshire County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £918,449 (2021 - £887,787).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £282,000 (2021 - £259,000), of which employer's contributions totalled £227,000 (2021 - £207,000) and employees' contributions totalled £55,000 (2021 - £52,000). The agreed contribution rates for future years are 25.6 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.75	3.6
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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25. Pension commitments (continued)

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.1	21.3
Females	23.8	23.9
<i>Retiring in 20 years</i>		
Males	22.2	22.5
Females	25.6	25.8

Share of scheme assets

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	2,321,000	2,262,000
Bonds	727,000	800,000
Property	312,000	244,000
Cash	104,000	174,000
Total market value of assets	3,464,000	3,480,000

The actual return on scheme assets was £(204,000) (2021 - £507,000).

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

	2022	2021
	£	£
Current service cost	(517,000)	(388,000)
Interest cost	(53,000)	(41,000)
Total amount recognised in the Statement of Financial Activities	(570,000)	(429,000)

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25. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	6,578,000	5,143,000
Transferred in on existing academies joining the trust	517,000	388,000
Interest cost	112,000	90,000
Contributions by scheme participants	55,000	52,000
Change in financial assumptions	(3,028,000)	995,000
Losses on curtailments	(94,000)	(90,000)
At 31 August	4,140,000	6,578,000

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

	2022 £	2021 £
At 1 September	3,480,000	2,804,000
Interest income	59,000	49,000
Return on assets less interest	(263,000)	458,000
Employer contributions	227,000	207,000
Employee contributions	55,000	52,000
Estimated benefits paid plus unfunded net of transfers in	(94,000)	(90,000)
At 31 August	3,464,000	3,480,000

26. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	3,876	11,855
Later than 1 year and not later than 5 years	1,685	-
	5,561	11,855

27. Members' liability

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

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28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 12.

Mrs J McNamara, spouse of Mr J McNamara, a trustee and member of the senior management team, is employed by the academy trust as a member of teaching staff. Mrs J McNamara's appointment was made in open competition and Mr J McNamara was not involved in the decision-making process regarding appointment. Mrs J McNamara is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee and member of the senior management team.

L Ourabi, spouse of C Ourabi, a member of the senior management team, is employed by the academy trust as a member of support staff. L Ourabi's appointment was made in open competition and C Ourabi was not involved in the decision-making process regarding appointment. L Ourabi is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the senior management team..

J Weller, spouse of H Weller, a member of the senior management team, is employed by the academy trust as a member of support staff. J Weller's appointment was made in open competition and H Weller was not involved in the decision-making process regarding appointment. J Weller is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the senior management team.

L Tanser, spouse of D Tanser, a member of the senior management team, is employed by the academy trust as a member of support staff. L Tanser's appointment was made in open competition and D Tanser was not involved in the decision-making process regarding appointment. L Tanser is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the senior management team.

