

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

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THE BALCARRAS TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Healy G Sage B Stagg Dame Janet Trotter DBE CVO R Shepherd
Trustees	B Roberts, Chair ¹ D Burke, Chief Executive ¹ P Horne ¹ M Huysinga ¹ J McGuire J Poulson G Sparkes OBE ¹ ¹ Finance, Audit and Risk Committee
Company registered number	07495541
Company name	The Balcarras Trust
Principal and registered office	Balcarras School East End Road Cheltenham Gloucestershire GL53 8QF
Senior Management Team	D Burke, Chief Executive Officer T Cadogan, Chief Financial Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 North Place Cheltenham GL50 4DW
Bankers	Yorkshire Bank 5 Northgate Street Gloucester GL1 2AH

**THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

The address of the principal office of the trust is Balcarras School, East End Road, Charlton Kings, Cheltenham, Gloucestershire, GL53 8QF.

The trust operates two academies based in Cheltenham. Balcarras School is an 11-18 co-educational comprehensive school with a total pupil population of 1,431. The second school in the trust is The High School Leckhampton which opened in September 2021. The school will eventually have a capacity for 900 students. Currently there are 391 pupils on roll.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Balcarras Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Balcarras Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Balcarras Trust.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1. Details of the members are also listed. The trustees took up their position when the single academy trust converted to Multi Academy Trust (MAT) status on 1 December 2020. On this date the Trust also changed its name to The Balcarras Trust.

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. Trustees' indemnities

The Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 16 to the financial statements.

d. Method of recruitment and appointment or election of Trustees

The Trustees are directors of the company for the purposes of the Companies Act 2006 and governors for the purposes of charity legislation.

The Board of Trustees currently consists of 7 trustees.

The term of office of any trustee will be 4 years, except this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

e. Policies adopted for the induction and training of Trustees

The Members have the responsibility for appointing new Trustees. No such appointments were made this year. There is a programme of induction and training for new Trustees.

With regard to the appointment of Trustees the Board gives careful consideration to the skills mix of the Trustees so that the Board contains the right blend of experience. The Trustees carry out a skills audit on a regular basis. There is an annual programme of training for trustees which is discussed at the Full Board.

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

f. Organisational structure

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academies (by use of budgets) and making major decisions about the strategic direction of the Trust and its academies, capital expenditure and the appointment of the CEO/CFO/Headteachers.

During the period under review the Trustees held 6 full Trust meetings as well as an Annual General Meeting. The Finance Audit and Risk Committee of the Trust met 6 times also. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role.

Management structures of the individual schools encourages clear, firm decision-making at all levels. The local governing boards meet four times a year, taking reports from each of the sub-committees. The governors establish important strategic policy and principles, with nearly all decision-making delegated to the headteacher.

The CEO meets with the local headteachers once a month to discuss performance of the academy and strategy going forward. Each school in the trust has a dedicated senior leadership team to support the work of the school.

g. Risk management

The Trustees have assessed the major risks to which the Trust is exposed. They have identified Strategic, Operational, Regulatory and Financial risks. Likelihood and impact of risk has been assessed and methods of avoiding, transferring and mitigating these have been considered. Risk is a standing item at the Finance, Audit and Risk Committee.

h. Trade union facility time

One full time equivalent member of the teaching staff acted as a relevant union official during the year. In the year, half a day was spent on paid trade union activities.

OBJECTIVES AND ACTIVITIES

a. Objects and aims

The principal activity of the Trust is the operation of Balcarras School, which is an 11-18 co-educational comprehensive school, and The High School Leckhampton which is an 11-16 co-educational comprehensive school. The High School Leckhampton opened in September 2021.

The Balcarras Trust is committed to delivering outstanding inclusive, comprehensive education in each of its schools. Every child within the Trust is expected, encouraged and supported to reach their full potential and, when they leave school, to be fully equipped to go on to be successful in the next phase of their lives.

The Trust maintains high standards of teaching, pastoral care and behaviour in its schools. We work hard to ensure that no child is "left behind." There are excellent opportunities for extra-curricular activities. We expect each member of staff in the Trust to be an excellent role model and play their part in ensuring that each of the Trust's schools has its own special ethos.

We want our students to feel proud of their school. The Trustees, at all times, uphold the highest standards of financial propriety and make efficient and appropriate use of the public money made available to them.

Underpinning all the activities in the Trust is the belief that, however strong the performance of the Trust's schools may be, there is always room for improvement. Everyone associated with the Trust, the trustees, governors, school leaders, staff, parents and pupils share this aspiration.

The Balcarras Trust is committed to its role as a 'system leader' in the wider educational environment. The Trust oversees the GLOW Maths Hub and the Balcarras Teaching School Partnership, both of which are leading providers of Continuing Professional Development for educators.

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

b. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Key performance indicators

Financial Performance

We began this financial year with a total reserve of £1,556,461 which included unrestricted reserves of £992,064 and restricted reserves of £564,397. After allocating some of these designated funds and investing the in-year surplus in school improvements we end the year with a total reserve of £1,438,958 which includes unrestricted reserves of £1,024,210 and restricted reserves of £414,748.

Financially the Trust is on solid foundations with a good level of reserve. Although we should be proud that the trust has managed to maintain an adequate reserve, we should also be aware of the impact that financial cutbacks have had on schools. This is particularly the case in the area of High Needs funding which continues to place severe pressure on the Trust's schools.

Growth of The Balcarras Trust

The Trust has grown in scale as The High School Leckhampton's pupil number has increased. The Trust is open to the possibility of sustainable growth during this financial year. Winchcombe School will join the Trust during 2023-24. The Trust continues to develop its central services function to ensure that our schools are well supported.

Development of The High School Leckhampton

The High School Leckhampton is now in its third year. The school has a total population of 391. The staff and local governors have done a great job in establishing a school that is oversubscribed and very popular with local families. There is a very positive atmosphere in the school and we are confident that the students are making excellent progress.

Admissions to the Trust's schools

For Year 7 entry in 2021, 2022 and 2023 both schools were oversubscribed. Both schools are currently operating over their Pupil Admission Number. This is due to successful appeals for entry.

Balcarras Sixth Form also continues to be a hugely popular choice post 16. This year we enrolled 222 pupils into Year 12 which is a record. The total population in the sixth form is 430.

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

Academic Performance of Baccarras School

At both GCSE and A level Baccarras achieved superb results which will place the school amongst the highest achieving comprehensive schools in the country.

At A level the results were incredibly strong and our students did superbly. 64% of grades were A* to B.

Year	% A* to B
2016	62
2017	67
2018	69
2019	71
2022	73
2023	64

4 students have gained access to Early Entry Courses (Oxbridge, Medics, Veterinary) and 42% are going to Russell Group universities. The DfE are not publishing post 16 progress measures for schools this year but we have every reason to believe that our progress figures would be high.

The performance at GCSE was equally positive. In fact we achieved our best ever result in terms of percentage of students who gained a Grade 5+ in both English and Maths (78%).

Measure	Value 2015	Value 2016	Value 2017	Value 2018	Value 2019	Value 2022	Value 2023
Progress 8	0.78	0.61	0.60	0.33	0.82	0.68	0.70*
Attain 8	61.2	60.6	60.2	56.20	61.1	62.66	60.09*
Eng/Ma 5+	N/A	N/A	78%	63%	70%	77%	78%
Eng/Ma 4+	85%	84%	93%	84%	84%	90%	88%
EBACC Ent	74%	81%	71%	67%	71%	59%	58%
Strong EBACC	N/A	N/A	52%	35%	44%	47%	30%
Standard EBACC	57%	60%	56%	46%	55%	54%	41%
5 x 9-4	91%	90%	95%	86%	87%	95%	90%
5 x 9-5 inc EM	N/A	N/A	N/A	62%	68%	76%	75%
Old 5 A*-C in EM	83%	78%	92%	83%	84%	90%	86%
2 Good Grade Sci	86%	86%	89%	88%	88%	93%	92%
5 x 9-7	42%	37%	38%	31%	39%	38%	36%

*unvalidated score

Our Progress 8 estimated score of 0.7 would place us amongst the very highest performing schools in the country.

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

The Trust's role in system leadership

GLOW Maths Hub

Established in 2014, GLOW Maths Hub offers expert, maths support to over 600 schools across Gloucestershire and Worcestershire. Over the last nine years, the Hub has worked with 82% of all Gloucestershire and 75% of all Worcestershire schools within the GLOW region. Participation by schools is voluntary and continues to increase year-on-year, up 31% in 2022/23 – with 321 schools taking part in 80 different Work Groups, attended by over 1000 teachers and educators. The hub continues to offer value for money and operates within its budget. In the last financial year, the Hub reported an underspend of 2.1%; attributed to the cancellation of a small number of projects/Work Groups - resulting from capacity challenges within the Hub's delivery team and/or staffing issues within those schools wishing to take part.

The fundamental purpose of the national Maths Hub programme is to improve the enjoyment, achievement and participation in mathematics. At GLOW, we are passionate about helping teachers to build greater understanding, confidence and the belief amongst pupils/students that they can do maths. As a maturing hub, and one of the most successful across the Maths Hub network, we have two core focuses in 2023/24: to engage those schools who have yet to get involved; and to keep our existing schools engaged for the long term. The NCETM's new TSM (Targeted Support in Maths) programme will be key to this; enabling the Hub to offer more tailored and intensive support to both prospective and existing schools.

The Balcarras Teaching School Hub

During the 2022-23 academic year Balcarras Teaching School Hub entered its second year of designation. The hub serves 161 schools in the Cotswolds, Stroud and Cheltenham half of Gloucestershire to support all schools, in all phases across our region by delivering the 'Golden Thread' of CPD. Liz Cullis is the Hub Director and is supported by a team of seven teaching and administrative staff. The main focus of the second year was upscale and embed the delivery of the frameworks for Early Career Teachers (ECT) and the National Professional Qualifications (NPQs). Balcarras Teaching School hub has continued to deliver these programs in conjunction with Odyssey Teaching School Hub (based at Pate's Grammar school), using UCL as our national delivery partner. We are delighted to so far have supported over 1500 teachers across the whole of Gloucestershire on their professional development journey. Other elements of the Hub's work include being the Appropriate Body for teacher induction which now falls solely to the Teaching School Hubs to recruit for. We are also engaging schools by running local teacher networks, delivering evidence based CPD and supporting the work of our local ITT providers. The DfE are impressed with our work to date and have approved our delivery plan for Year 3. As this report is being compiled we are submitting the redesignation bid to continue to be a hub from 2024-28.

Balcarras becoming lead school for GITEP SCITT

The Balcarras Trust took over the role of being the legal entity for the Gloucestershire Initial Teacher Education Programme in January 2023. In June 2023 GITEP SCITT achieved an 'outstanding' judgement during its OFSTED inspection. We are delighted that this is the case and we continue to play a leading role in the development of GITEP. In July 2023 our CEO, Dominic Burke, was elected to Chair the GITEP SCITT Management Committee.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

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

FINANCIAL REVIEW

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, which are restricted for particular purposes. The grants received from ESFA during the financial accounting period of the Trust ending on 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust received a total revenue income of £9,410,614 in grants from the ESFA, £1,436,757 from other Government bodies, £136,148 of capital grants and other income totalling £1,405,083. Total revenue expenditure came to £13,014,087 of which £9,329,338 related to teaching and educational support costs, £3,684,749 related to support costs (including £560,005 of depreciation of fixed assets). Capital projects expenditure totalled £136,148 and this is included as fixed asset additions in the balance sheet.

a. Reserves policy

The policy of the Trust is to carry forward a prudent level of resources; designed to meet working capital requirements, fund long-term cyclical needs of renewal, support future capital improvements and meet any other unforeseen contingencies. The reserves will represent capital and revenue and will be identified as Restricted, Unrestricted and Designated Reserves.

Sufficient working capital should be retained within the level of reserves to cover delays between expenditure and receipt of funding as well as to provide contingency for any unexpected costs.

The Trust considers that a suitable level of revenue reserves should be £575k.

The Trust may choose to designate part or all of its unrestricted reserves for a specific purpose or future need. In this instance, any designated reserves will be excluded from the assessment of the Academy Trust's available free reserves.

Based on the financial year ending 2022/2023 this figure equates to £552k, designated as £200k for building projects, £107k for AstroTurf replacement, £170k for maintenance and site projects, £75k for IT projects.

b. Investment policy

Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. The Trustees have authorised the opening of a 30 day deposit account to take advantage of a higher interest rate. No other form of investment is authorised.

c. Principal risks and uncertainties

We continue to be concerned about the level of funding offered to schools particularly as regards per pupil sixth form funding which has reduced dramatically since 2012. However, we continue to be confident that the Trust is well positioned to meet the challenges as we go forward.

PLANS FOR FUTURE PERIODS

2023-24 will see the third full year in operation of The High School Leckhampton and the second on its own site at Farm Lane. The Trust is keen to see it grow and develop into a thriving comprehensive school with its own distinct character and ethos. The Trust is keen to explore the possibility of growth so long as it was done sustainably and always with the interests of young people at heart. We are currently in the process of admitting a third school, Winchcombe School, into the Trust and this should be complete early next year. 2023-24 will also see the third full year of the Balcarras Teaching School Hub, which is an incredibly important development, not just for the trust but for the education system in this part of the world. We will work closely with all of our key partners to ensure that the hub continues to be a success. In November 2023 we will need to apply for reaccreditation as a Teaching School Hub.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 29-11-23 and signed on its behalf by:



B Roberts
Chair of Trustees

**THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

SCOPE OF RESPONSIBILITY

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

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

Trustees consider their individual and collective skills and effectiveness on an ongoing basis. The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Balcarras Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
B Roberts, Chair	7	7
D Burke, Chief Executive	7	7
P Horne	7	7
M Huysinga	6	7
J McGuire	6	7
J Poulson (on sabbatical)	-	-
G Sparkes OBE	7	7

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to take a proactive and strategic stance in support of the financial affairs of the Trust; to receive and review financial data relating to the Trust; to take decisions relating to financial matters and to report these to the Board; to oversee, review and make recommendations relating to governance, financial procedures, statutory accounts and risks, and to report these to the Board. The Audit and Risk Committee also recommends to the Board the appointment of external auditors.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Horne, Chair	5	6
D Burke, CEO and AO	6	6
B Roberts	6	6
G Sparkes	4	6
M Huysinga	5	6

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by applying the resources of the Trust to improve educational outcomes for children, whilst managing resources more effectively. Continuing initiatives include detailed analysis of curriculum planning efficiency and use of Government backed framework agreements for procurement.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance, Audit and Risk 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 Trustees have appointed Mrs K Holdworth, who is a governor on the Balcarras Local Governing Board, to carry out a programme of internal checks. For the purpose of our own financial procedures policy we refer to this as the role of Independent Scrutineer.

**THE BALCARRAS TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Independent Scrutineer has ongoing oversight of the Trust's financial affairs and assurance that:

- The financial responsibilities of the trust are being properly discharged
- Resources are being managed in an efficient, economical and effective manner
- Sound systems of internal control are being maintained
- Financial considerations are fully taken into account in reaching decisions.

On a quarterly basis, the Independent Scrutineer reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Board of Trustees can confirm that the Independent Scrutineer has delivered their schedule of work.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 Independent Scrutineer;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor; and
- correspondence from ESFA e.g. FNTI/NtI and 'minded to' letters.

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

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



B Roberts
Chair of Trustees

Date: 29-11-23



D Burke
CEO and Accounting Officer

Date: 29-11-23

**THE BALCARRAS TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Balcarras Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



D Burke
CEO and Accounting Officer

Date: 29-11-23

**THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



B Roberts
Chair of Trustees

Date: 29-11-23

**THE BALCARRAS TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BALCARRAS TRUST**

OPINION

We have audited the financial statements of The Balcarras Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BALCARRAS TRUST (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE Balcarras Trust (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations.
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BALCARRAS TRUST (CONTINUED)**

with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

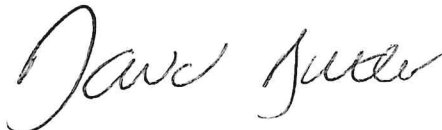
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE Balcarras Trust (CONTINUED)

USE OF OUR REPORT

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



David Butler FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 North Place

Cheltenham

GL50 4DW

Date: *7 December 2023*

**THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BALCARRAS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 February 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Balcarras Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE BALCARRAS TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Balcarras Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)**

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

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 Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

CONCLUSION

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



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 North Place
Cheltenham
GL50 4DW

Date: 7 December 2023

THE BACCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	47,003	-	136,148	183,151	340,051
Other trading activities		342,640	-	-	342,640	248,560
Investments	6	71,802	-	-	71,802	8,577
Charitable activities:						
Academy Trust educational operations		529,366	10,200,398	-	10,729,764	9,900,274
Teaching school hub		-	406,102	-	406,102	236,883
Maths hub		-	655,143	-	655,143	610,545
Total income		990,811	11,261,643	136,148	12,388,602	11,344,890
Expenditure on:						
Charitable activities		846,857	11,471,071	696,159	13,014,087	12,139,291
Total expenditure		846,857	11,471,071	696,159	13,014,087	12,139,291
Net income/ (expenditure)		143,954	(209,428)	(560,011)	(625,485)	(794,401)
Transfers between funds	18	(111,808)	(28,221)	140,029	-	-
Net movement in funds before other recognised gains/(losses)		32,146	(237,649)	(419,982)	(625,485)	(794,401)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	823,000	-	823,000	3,917,000
Pension surplus not recognised	24	-	(467,000)	-	(467,000)	-
Net movement in funds		32,146	118,351	(419,982)	(269,485)	3,122,599

THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)

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

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	992,064	296,397	8,266,518	9,554,979	6,432,380
Net movement in funds	32,146	118,351	(419,982)	(269,485)	3,122,599
Total funds carried forward	1,024,210	414,748	7,846,536	9,285,494	9,554,979

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

The notes on pages 25 to 53 form part of these financial statements.

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07495541

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	7,846,536	8,266,518
		<u>7,846,536</u>	<u>8,266,518</u>
Current assets			
Stocks	15	28,750	22,258
Debtors	16	357,992	355,192
Cash at bank and in hand		1,677,755	2,152,982
		<u>2,064,497</u>	<u>2,530,432</u>
Creditors: amounts falling due within one year	17	(625,539)	(973,971)
Net current assets		<u>1,438,958</u>	<u>1,556,461</u>
Total assets less current liabilities		<u>9,285,494</u>	<u>9,822,979</u>
Defined benefit pension scheme asset / liability	24	-	(268,000)
Total net assets		<u><u>9,285,494</u></u>	<u><u>9,554,979</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	7,846,536	8,266,518
Restricted income funds	18	414,748	564,397
		<u>8,261,284</u>	<u>8,830,915</u>
Restricted funds excluding pension asset	18	8,261,284	8,830,915
Pension reserve	18	-	(268,000)
Total restricted funds	18	<u>8,261,284</u>	<u>8,562,915</u>
Unrestricted income funds	18	<u>1,024,210</u>	<u>992,064</u>
Total funds		<u><u>9,285,494</u></u>	<u><u>9,554,979</u></u>

The financial statements on pages 21 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



B Roberts
Chair of Trustees
Date: 29-11-23

The notes on pages 25 to 53 form part of these financial statements.

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(543,151)	188,834
Cash flows from investing activities	21	67,924	177,657
Change in cash and cash equivalents in the year		(475,227)	366,491
Cash and cash equivalents at the beginning of the year		2,152,982	1,786,491
Cash and cash equivalents at the end of the year	22, 23	1,677,755	2,152,982

The notes on pages 25 to 53 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

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

1.3 INCOME

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

• **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 Trust has provided the goods or services.

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

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 Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; 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 Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Notes to the Financial Statements
for the year ended 31 August 2023

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	5% straight line
Furniture and equipment	-	20% straight line
Plant and machinery	-	20% straight line
Computer equipment	-	20% straight line

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.

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

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES

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

1.12 FINANCIAL INSTRUMENTS

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

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

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

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

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

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

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

1.15 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	47,003	-	47,003	43,758
Capital Grants	-	136,148	136,148	296,293
TOTAL 2023	<u>47,003</u>	<u>136,148</u>	<u>183,151</u>	<u>340,051</u>
TOTAL 2022	<u>43,758</u>	<u>296,293</u>	<u>340,051</u>	

THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant (GAG)	-	6,969,694	6,969,694	6,237,167
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	103,755	103,755	68,784
16-19 Funding	-	1,839,226	1,839,226	1,725,955
Schools Supplementary Grant	-	211,987	211,987	88,328
Mainstream Schools Additional Grant	-	117,020	117,020	-
Teachers Pension Grant	-	72,492	72,492	107,147
Other DfE Grants	-	75,902	75,902	59,859
	-	9,390,076	9,390,076	8,287,240
OTHER GOVERNMENT GRANTS				
High Needs	-	337,265	337,265	191,104
Other Government Grants	-	31,119	31,119	655,730
	-	368,384	368,384	846,834
Other income from the Academy Trust's educational operations	529,366	410,772	940,138	722,734
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
School Led Tutoring	-	8,829	8,829	9,350
Recovery Premium	-	22,337	22,337	34,116
	-	31,166	31,166	43,466
	529,366	10,200,398	10,729,764	9,900,274

THE Balcarras Trust
(A COMPANY LIMITED BY GUARANTEE)

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

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (CONTINUED)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
TEACHING SCHOOL HUB				
DfE/ESFA grants	-	170,000	170,000	169,202
Other Government Grants	-	236,102	236,102	67,681
TOTAL TEACHING SCHOOL HUB	-	406,102	406,102	236,883
MATHS HUB				
DfE/ESFA grants	-	655,143	655,143	610,545
TOTAL 2023	529,366	11,261,643	11,791,009	10,747,702
TOTAL 2022	399,507	10,348,195	10,747,702	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of facilities	127,920	127,920	96,468
Catering	42,049	42,049	35,492
Other trading income	172,671	172,671	116,600
TOTAL 2023	342,640	342,640	248,560
TOTAL 2022	248,560	248,560	

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

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment income	71,802	71,802	8,577
TOTAL 2022	8,577	8,577	

7. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
EDUCATIONAL OPERATIONS:					
Direct costs	7,338,353	-	929,740	8,268,093	7,769,415
Allocated support costs	1,627,912	595,119	1,461,718	3,684,749	3,877,078
TEACHING SCHOOL HUB:					
Direct costs	332,298	-	73,804	406,102	58,235
MATHS HUB:					
Direct costs	267,584	-	387,559	655,143	434,563
TOTAL 2023	9,566,147	595,119	2,852,821	13,014,087	12,139,291
TOTAL 2022	8,493,841	907,401	2,738,049	12,139,291	

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	8,268,093	3,684,749	11,952,842	11,646,493
Teaching school hub	406,102	-	406,102	58,235
Maths hub	655,143	-	655,143	434,563
TOTAL 2023	<u>9,329,338</u>	<u>3,684,749</u>	<u>13,014,087</u>	<u>12,139,291</u>
TOTAL 2022	<u>8,262,213</u>	<u>3,877,078</u>	<u>12,139,291</u>	

ANALYSIS OF DIRECT COSTS

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	13,000	-
Staff costs	7,907,001	6,812,251
Educational supplies	870,359	812,834
Examination fees	168,945	170,125
Staff development	26,392	28,762
Other costs	182,516	289,764
Supply teachers	31,234	10,636
Recruitment and support	3,476	3,757
Technology costs	126,415	134,084
TOTAL 2023	<u>9,329,338</u>	<u>8,262,213</u>

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2023 £	Total funds 2022 £
Staff costs	1,627,912	1,670,954
Depreciation	560,008	572,226
Staff development	4,882	2,521
Other costs	87,126	81,629
Recruitment and support	1,537	2,210
Maintenance of premises and equipment	190,074	628,266
Cleaning	98,105	41,711
Rent and rates	77,558	52,366
Energy costs	192,532	108,943
Insurance	35,689	32,162
Security and transport	13,864	6,726
Catering	303,844	224,310
Technology costs	210,318	213,972
Administration	205,833	155,735
Legal and professional	53,834	58,002
Bank interest and charges	21,633	25,345
TOTAL 2023	3,684,749	3,877,078

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	7,884	25,208
Depreciation of tangible fixed assets	560,008	570,828
Fees paid to auditors for:		
- audit	14,500	16,500
- other services	7,020	5,470

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

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	7,190,065	5,974,864
Social security costs	672,460	603,084
Pension costs	1,672,388	1,905,257
	9,534,913	8,483,205
Agency staff costs	31,234	10,636
	9,566,147	8,493,841

b. STAFF NUMBERS

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

	2023	2022
	No.	No.
Teaching staff	137	103
Administration and support	93	88
Management	18	18
Cleaning	19	13
Catering	14	16
	281	238

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

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	9	5
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	2	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £380,730 (2022 - £362,602).

11. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- human resources
- financial services
- legal services
- educational support services
- others as arising

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

Each academy within the Trust allocates up to a maximum of 3% of GAG for central services.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Balcarras School	249,916	216,888
The High School, Leckhampton	40,992	20,508
TOTAL	290,908	237,396

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

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2023	2022
		£	£
D Burke, Chief Executive	Remuneration	125,000 - 130,000	115,000 - 120,000
	Pension contributions paid	30,000 - 35,000	25,000 - 30,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2022	12,541,960	742,039	35,305	285,288	13,604,592
Additions	-	77,921	24,772	37,333	140,026
Disposals	-	(19,141)	-	(121,492)	(140,633)
At 31 August 2023	12,541,960	800,819	60,077	201,129	13,603,985
DEPRECIATION					
At 1 September 2022	4,447,047	688,694	7,176	195,157	5,338,074
Charge for the year	477,098	37,920	12,017	32,973	560,008
On disposals	-	(19,141)	-	(121,492)	(140,633)
At 31 August 2023	4,924,145	707,473	19,193	106,638	5,757,449
NET BOOK VALUE					
At 31 August 2023	7,617,815	93,346	40,884	94,491	7,846,536
At 31 August 2022	8,094,913	53,345	28,129	90,131	8,266,518

15. STOCKS

	2023 £	2022 £
Sundry consumables	28,750	22,258

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

16. DEBTORS

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	23,965	8,208
Other debtors	733	2,681
Prepayments and accrued income	235,060	175,321
VAT recoverable	98,234	168,982
	<u>357,992</u>	<u>355,192</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	153,552	403,944
Other taxation and social security	165,405	143,081
Other creditors	214	33,839
Accruals and deferred income	306,368	393,107
	<u>625,539</u>	<u>973,971</u>

	2023 £	2022 £
Deferred income at 1 September 2022	147,659	71,610
Resources deferred during the year	148,698	147,659
Amounts released from previous periods	(147,659)	(71,610)
	<u>148,698</u>	<u>147,659</u>

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	430,000	-	-	122,000	-	552,000
GENERAL FUNDS						
General Funds	562,064	990,811	(846,857)	(233,808)	-	472,210
TOTAL UNRESTRICTED FUNDS	992,064	990,811	(846,857)	(111,808)	-	1,024,210
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	6,969,694	(6,969,694)	-	-	-
16-19 Funding	-	1,839,226	(1,839,226)	-	-	-
Pupil Premium	-	103,755	(103,755)	-	-	-
Schools Supplementary Grant	-	211,987	(211,987)	-	-	-
Mainstream Schools Additional Grant	-	117,020	(117,020)	-	-	-
Teaching School	-	406,102	(406,102)	-	-	-
Maths Hub	-	651,643	(651,643)	-	-	-
ESFA Additional COVID Funding	-	31,166	(31,166)	-	-	-
Other DfE/ESFA	-	151,894	(151,894)	-	-	-
LA Start Up Grant	564,397	-	(121,428)	(28,221)	-	414,748
Other LA	-	368,384	(368,384)	-	-	-
Other Restricted	-	410,772	(410,772)	-	-	-
Pension reserve	(268,000)	-	(88,000)	-	356,000	-
	296,397	11,261,643	(11,471,071)	(28,221)	356,000	414,748

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Academy main buildings grant	6,500,000	-	-	-	-	6,500,000
DfE/ESFA capital grants	1,766,518	136,148	(696,159)	-	-	1,206,507
Fixed asset purchases from revenue grants	-	-	-	140,029	-	140,029
	<u>8,266,518</u>	<u>136,148</u>	<u>(696,159)</u>	<u>140,029</u>	<u>-</u>	<u>7,846,536</u>
TOTAL RESTRICTED FUNDS	<u>8,562,915</u>	<u>11,397,791</u>	<u>(12,167,230)</u>	<u>111,808</u>	<u>356,000</u>	<u>8,261,284</u>
TOTAL FUNDS	<u>9,554,979</u>	<u>12,388,602</u>	<u>(13,014,087)</u>	<u>-</u>	<u>356,000</u>	<u>9,285,494</u>

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

General Annual Grant (GAG): This income, provided by the ESFA, must be used for the normal running costs of the Academy Trust.

16-19 funding: Annual funding allocation from the ESFA for the provision of 16 to 19 education.

Pupil Premium: This grant is funding to improve educational outcomes for disadvantaged pupils in state-funded schools in England.

Schools Supplementary Grant (SSG): This funding is intended to support schools to meet the costs of the Health and Social Care Levy.

Mainstream Schools Additional Grant (MSAG): This fund allocates additional funding to mainstream schools.

Teaching and Maths Hubs: The hub programmes were created to become centres of excellence for teacher training and development. The funding relates to the provision of these hubs.

ESFA additional COVID funding: This includes Recovery Premium, a package of funding to support pupils whose education has been impacted by COVID-19, and School Led Tutoring, which aims to provide tutoring support for disadvantaged and vulnerable pupils who missed most education during the pandemic.

Other DfE/ESFA and LEA Grants: These funds relate to other grants received for specific academic purposes and must be used for the purpose intended.

18. STATEMENT OF FUNDS (CONTINUED)

Pensions reserve: This fund equates to the obligation for retirement benefits as measured using FRS 102 disclosed in note 24 of these financial statements.

Restricted fixed asset fund: This fund relates to resources which must be, or has been, applied for specific capital purposes.

Designated funds: These funds relate to monies set aside for various refurbishment and other strategic projects identified by the Trustees.

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

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

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	490,000	-	(60,000)	-	-	430,000
GENERAL FUNDS						
General Funds	565,247	700,402	(224,311)	(479,274)	-	562,064
TOTAL UNRESTRICTED FUNDS	1,055,247	700,402	(284,311)	(479,274)	-	992,064
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	7,963,122	(8,442,396)	479,274	-	-
16-19 Funding	300,000	619,480	(355,083)	-	-	564,397
Pupil Premium	-	1,765,593	(1,765,593)	-	-	-
Pension reserve	(3,633,000)	-	(552,000)	-	3,917,000	(268,000)
	(3,333,000)	10,348,195	(11,115,072)	479,274	3,917,000	296,397

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

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Academy main buildings grant	6,500,000	-	-	-	-	6,500,000
DfE/ESFA capital grants	2,210,133	296,293	(739,908)	-	-	1,766,518
	<u>8,710,133</u>	<u>296,293</u>	<u>(739,908)</u>	<u>-</u>	<u>-</u>	<u>8,266,518</u>
TOTAL RESTRICTED FUNDS	<u>5,377,133</u>	<u>10,644,488</u>	<u>(11,854,980)</u>	<u>479,274</u>	<u>3,917,000</u>	<u>8,562,915</u>
TOTAL FUNDS	<u><u>6,432,380</u></u>	<u><u>11,344,890</u></u>	<u><u>(12,139,291)</u></u>	<u><u>-</u></u>	<u><u>3,917,000</u></u>	<u><u>9,554,979</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Balcarras School	843,425	1,163,589
The High School Leckhampton	584,562	393,483
The Balcarras Trust	10,971	(611)
	<u>1,438,958</u>	<u>1,556,461</u>
Total before fixed asset funds and pension reserve	1,438,958	1,556,461
Restricted fixed asset fund	7,846,536	8,266,518
Pension reserve	-	(268,000)
TOTAL	<u><u>9,285,494</u></u>	<u><u>9,554,979</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Balcarras School	6,585,537	1,268,377	1,308,801	1,251,090	10,413,805	10,405,273
The High School, Leckhampton	1,036,046	184,406	144,660	395,836	1,760,948	926,535
The Balcarras Trust	49,068	175,129	-	55,129	279,326	235,257
ACADEMY TRUST	<u>7,670,651</u>	<u>1,627,912</u>	<u>1,453,461</u>	<u>1,702,055</u>	<u>12,454,079</u>	<u>11,567,065</u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	7,846,536	7,846,536
Current assets	1,024,210	1,040,287	-	2,064,497
Creditors due within one year	-	(625,539)	-	(625,539)
TOTAL	1,024,210	414,748	7,846,536	9,285,494

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	8,266,518	8,266,518
Current assets	992,064	1,538,368	-	2,530,432
Creditors due within one year	-	(973,971)	-	(973,971)
Provisions for liabilities and charges	-	(268,000)	-	(268,000)
TOTAL	992,064	296,397	8,266,518	9,554,979

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

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(625,485)	(794,401)
ADJUSTMENTS FOR:		
Depreciation	560,008	570,828
Capital grants from DfE and other capital income	(136,148)	(296,293)
Interest receivable	(71,802)	(8,577)
Defined benefit pension scheme cost less contributions payable	75,000	486,000
Defined benefit pension scheme finance cost	13,000	66,000
Increase in stocks	(6,492)	(824)
Increase in debtors	(38,179)	(214,584)
(Decrease)/increase in creditors	(313,053)	380,685
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(543,151)	188,834

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest received	71,802	8,577
Purchase of tangible fixed assets	(140,026)	(127,213)
Capital grants from DfE and other capital income	136,148	296,293
NET CASH PROVIDED BY INVESTING ACTIVITIES	67,924	177,657

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand and at bank	1,677,755	2,152,982
TOTAL CASH AND CASH EQUIVALENTS	1,677,755	2,152,982

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

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,152,982	(475,227)	1,677,755
	<u>2,152,982</u>	<u>(475,227)</u>	<u>1,677,755</u>

24. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucester County Council Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £47,498 were payable to the schemes at 31 August 2023 (2022 - £24,617) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

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

24. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £1,146,169 (2022 - £995,666).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £558,000 (2022 - £453,000), of which employer's contributions totalled £449,000 (2022 - £367,000) and employees' contributions totalled £109,000 (2022 - £86,000). The agreed contribution rates for future years are 28 per cent for employers and 5.78 per cent for employees.

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

THE BALCARRAS TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

24. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2023 %	2022 %
Rate of increase in salaries	3.00 - 3.55	3.35 - 3.50
Rate of increase for pensions in payment/inflation	3.00 - 3.05	3.05 - 3.20
Discount rate for scheme liabilities	5.20 - 5.25	4.25
Inflation assumption (CPI)	3.00 - 3.05	3.05 - 3.20

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

	2023 Years	2022 Years
RETIRING TODAY		
Males	21.3	21.7
Females	24.1	24.1
RETIRING IN 20 YEARS		
Males	21.6	22.6
Females	25.9	25.8

SENSITIVITY ANALYSIS

	2023 £000	2022 £000
Discount rate -0.1%	115,000	133,000
Mortality assumption - 1 year increase	213,000	240,000
CPI rate +0.1%	108,000	123,000
Salary increase rate +0.1%	-	11,000

SHARE OF SCHEME ASSETS

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

	2023 £	2022 £
Equities	4,535,000	3,894,000
Corporate bonds	1,220,000	1,088,000
Property	326,000	630,000
Cash and other liquid assets	6,000	115,000
TOTAL MARKET VALUE OF ASSETS	6,087,000	5,727,000

The actual return on scheme assets was £362,000 (2022 - £-97,000).

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

24. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
Current service cost	(524,000)	(853,000)
Interest income	253,000	97,000
Interest cost	(266,000)	(163,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(537,000)	(919,000)

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

	2023 £	2022 £
AT 1 SEPTEMBER	5,995,000	9,083,000
Current service cost	524,000	853,000
Interest cost	266,000	163,000
Employee contributions	109,000	86,000
Actuarial gains	(1,181,000)	(4,111,000)
Benefits paid	(93,000)	(79,000)
AT 31 AUGUST	5,620,000	5,995,000

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

	2023 £	2022 £
AT 1 SEPTEMBER	5,727,000	5,450,000
Interest income	253,000	97,000
Actuarial losses	(358,000)	(194,000)
Employer contributions	449,000	367,000
Employee contributions	109,000	86,000
Benefits paid	(93,000)	(79,000)
AT 31 AUGUST	6,087,000	5,727,000

The Academy Trust has an unrecognised surplus of £467,000 (2022 - £ -) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

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

25. OPERATING LEASE COMMITMENTS

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

	2023 £	2022 £
Not later than 1 year	5,968	7,884
Later than 1 year and not later than 5 years	5,792	1,580
	<u>11,760</u>	<u>9,464</u>

26. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

27. RELATED PARTY TRANSACTIONS

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

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