
THE BALCARRAS TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 D Burke, Chief Executive P Horne M Huysinga J McGuire J Poulson G Sparkes OBE
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 auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	Yorkshire Bank 5 Northgate Street Gloucester GL1 2AH

THE BALCARRAS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. 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 pupil capacity of 1,341 and a total pupil population of 1,385. 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 244 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 trustees are also listed. The trustees took up their position when the school 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 Academy 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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. The last one was done in the summer of 2022 and the results discussed at the Trust Board. There is a regular programme of trustee training.

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/Headteacher.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	8,493,841	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

a. Objects and aims (continued)

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.

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 £1,355,247 which included unrestricted reserves of £1,055,247 and restricted reserves of £300,000. 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 £1,556,461 which includes unrestricted reserves of £992,064 and restricted reserves of £564,397.

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 and we are in negotiations with an 11-16 secondary school about the possibility of them joining the Trust. The Trust has established its own website which is now the go to place for information about the Trust.

Opening of The High School Leckhampton at its new campus at Farm Lane

The biggest development this year as regards the Trust has been the opening of The High School Leckhampton's brand new campus at Farm Lane. This £35million facility has been funded by Gloucestershire County Council. The Trust has been involved in every stage of the design and planning over the last 5 years. It was a great moment to witness the school finally open its doors in September 2022. Helen Wood, headteacher, and her staff did a superb job of readying the school for opening.

During 2021-22 the High School operated on the Balcarras site in a purpose built 4-classroom block. We secured a grant of £1.2 million from the local authority to build the necessary accommodation. The building was taken through design and planning as quickly as possible so that construction could begin in January 2021. We received the building in July 2021 and it operated as The High School through 2021-22. The two schools shared specialist facilities such as PE, music, DT, drama and science. The arrangements worked well and to the benefit of children in both schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

In the summer of 2022 the new building was re-purposed as a permanent home for GLOW Maths, the Teaching School Hub and the School of Business, Economics and Enterprise.

Admissions to the Trust's schools

For Year 7 entry in 2021 and 2022 both schools were oversubscribed. Early indications are that this will be the case in 2023. Both schools are currently operating over their Pupil Admission Number. This is due to successful appeals for entry.

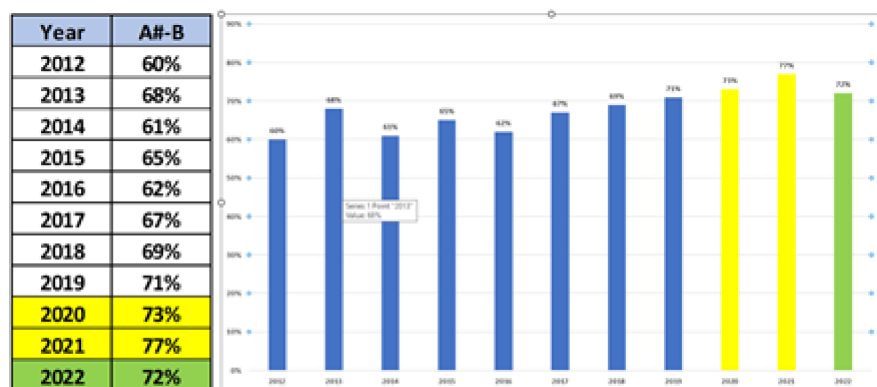
Balcarras Sixth Form also continues to be a hugely popular choice post 16. This year we enrolled 217 pupils into Year 12 which is a record.

Academic Performance of Balcarras School

At both GCSE and A level Balcarras achieved record results during an examinations season.

At A level the results were incredibly strong and our students did superbly. 72% of grades were A* to B and over 45% A* to A. There is a healthy trend line when you look at our A level results in recent years.

A-Level A*-B 2022



5 students have gained access to Early Entry Courses (Oxbridge, Medics, Veterinary) and 50% 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

The performance at GCSE was equally positive.

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

Our Progress 8 score of 0.68 put us in the 5.7th percentile for all comprehensive schools nationally.

Operating in a Pandemic

Our schools felt much closer to normal this past year and we were able to remove many of the measures that were part of our risk assessments in 2019-20 and 202-21. However, pupil absence and staff absence was still running higher than usual this past year and the period from October 2021 to April 2022 was particularly difficult because of high levels of staff absence.

The Trust's role in system leadership

GLOW Maths Hub

The Trust operates GLOW Maths which is one of the 40 DfE funded maths hubs operating in England. The hub exists to coordinate opportunities for professional development in the field of maths teaching.

GLOW Maths is now in its eighth year and continues to go from strength to strength. For 2022-23 there is a new Hub leadership and management team which includes Ed Neale as Hub lead, Katy Swan as Project Manager and Tim Blakey as Coordinator. Steve Lomax has taken over as Maths Hub Senior Lead. The hub is working with 70% of schools in Gloucestershire and 60% in Worcestershire. This is amongst the highest levels of engagement for any hub in the country. 95% of schools stay working with the hub which proves that our work is sustainable and is considerably higher than the national average. 300 schools across our region were involved in 93 projects. This was a 10% increase on the previous year. The hub continues to offer value for money and operates within its budget. There was a 2.9% underspend in the financial year but this was due to the need to postpone some projects due to capacity within the hub and schools which support the hub.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

The Balcarras Teaching School Hub

During the 2021-22 academic year Balcarras School embarked on its new role of being a Teaching School Hub for 161 schools in the Cotswolds, Stroud and Cheltenham half of Gloucestershire. The aim of the Hub is 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 six teaching and administrative staff. The main focus of the first year was to deliver the new framework for Early Career Teachers (ECF) and the National Professional Qualifications (NPQs). Balcarras Teaching School hub has delivered these programs in conjunction with Odyssey Teaching School Hub (based at Pate's Grammar school), we use UCL as our national delivery partner. We are delighted to currently be successfully supporting around 800 ECTs and mentors and 350 teachers on their NPQs across the whole of Gloucestershire. Other elements of the Hub's work include being the Appropriate Body for teacher induction, 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, have approved our delivery plan for Year 2 and continue to see Balcarras Teaching school hub as a successful model going forward.

Balcarras becoming lead school for GITEP SCITT

Balcarras has been asked by the Gloucestershire Initial Teacher Education Programme to be the lead school and legal entity from September 2024. The Balcarras Trust is already a key player in GITEP and we are keen to deepen our commitment to teacher training. The Balcarras Trust was named on GITEP's bid for reaccreditation as an ITT provider and the bid was judged successful by the DfE in the summer of 2022. Dominic Burke has joined the management committee of the GITEP SCITT.

Investment in infrastructure

The Trust continues to invest in improvements to our facilities. 2021-22 was a particularly busy period in this regard. The following took place:

- Transfer of The High School Leckhampton to its purpose-built site at Farm Lane in the summer of 2022.
- Re-purposing of the new school building on the Balcarras site to provide accommodation for GLOW Maths, Balcarras Teaching School Hub and the School of Business, Economics and Enterprise.
- Replacement of the Balcarras Canteen/RE roof via a CIF bid. Completed summer of 2022.
- Refurbishment of two science labs at Balcarras.
- Refurbishment of a former business classroom into a computer lab for computer science/IT at Balcarras.
- Refurbishment of a former business classroom to provide a new Health and Social Care classroom at Balcarras.
- Refurbishment of a former English classroom to be a new DT lab at Balcarras.
- Refurbishment of an IT lab to become a new classroom for English at Balcarras.
- Refurbishment of a former health and social care classroom to provide a new pastoral meeting space and a new Wellbeing Hub at Balcarras.
- Refurbishment of the pupils toilets in the Art and Geography clock at Balcarras.
- Conversion of an existing office to become a dedicated space for external counsellors at Balcarras.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Financial Performance

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. In the summer of 2022 pay rises for teachers and support staff were agreed which are likely to affect the financial performance of the Trust in 2022-23. The Trustees are fully aware of this and are already looking carefully at the budgetary position for 2023-24 and beyond.

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.

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 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Balcarras School received a total revenue income of £8,897,785 in grants from the ESFA with a further £846,834 from the Local Authority and other grant income of £296,293 was capital grants and other income totalled £1,303,978. Total revenue expenditure came to £11,567,065 of which £8,203,978 related to teaching and educational support costs, £3,877,078 related to support costs (including £570,828 of depreciation of fixed assets) and £28,908 related to governance costs. Capital projects expenditure totalled £127,213.

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 2021/2022 this figure equates to £430k, designated as the £200k extending the sixth form, £70k for landscaping the front of the school, £68k Astro Pitch Replacement Fund, £60k for security gates, £20k for Boiler replacement and £12k for the repair of the gym roof.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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


2022-23 will see the second full year in operation of The High School Leckhampton and the first 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 discussions with an 11-16 comprehensive school about the possibility of them joining the trust. 2022-23 will also see the second 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.

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 _____ and signed on its behalf by:


B.S. Roberts (Dec 19, 2022 12:35 GMT)

.....
B Roberts
Chair of Trustees

THE BALCARRAS TRUST
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GOVERNANCE STATEMENT

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 Creative Education 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
B Roberts, Chair	6	6
D Burke, Chief Executive	6	6
P Horne	6	6
M Huysinga	6	6
J McGuire	5	6
J Poulson	5	6
G Sparkes OBE	6	6

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 Group; 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	6	6
D Burke, CEO and AO	6	6
B Roberts	6	6
G Sparkes	6	6
M Huysinga	4	6

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GOVERNANCE STATEMENT (CONTINUED)

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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 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.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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.S. Roberts (Dec 19, 2022 12:35 GMT)
.....
B Roberts
Chair of Trustees

Date:


Dominic Burke (Dec 20, 2022 10:46 GMT)
.....
D Burke
CEO and Accounting Officer

Date: 20/12/2022

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 received by the Academy Trust, under the funding agreement in place 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 2021.

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 2021.

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

Dominic Burke
Dominic Burke (Dec 20, 2022 10:46 GMT)

.....
D Burke
CEO and Accounting Officer

Date:

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


[B.S. Roberts \(Dec 19, 2022 12:35 GMT\)](#)
.....
B Roberts
Chair

Date: 19.12.2022

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S 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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022 issued by the Education & 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated 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 set out on page 15, the Trustees 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 to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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

Auditor's 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 auditor's 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 the financial statements.

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

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. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

THE Balcarras Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE Balcarras Trust


Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.


Jonathan Marchant (Dec 21, 2022 09:24 GMT)

Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 21/12/22

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

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

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

This report is made solely to The 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 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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)**

Conclusion

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

MAZARS LLP UK

Mazars LLP
Chartered Accountants
Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

Date: 21/12/22

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	43,758	-	296,293	340,051	1,198,477
Other trading activities	5	248,560	-	-	248,560	204,129
Investments	6	8,577	-	-	8,577	409
Charitable activities:						
Academy Trust educational operations	4	399,507	10,111,312	-	10,510,819	9,298,643
Teaching school hub	4	-	236,883	-	236,883	80,000
Total income		700,402	10,348,195	296,293	11,344,890	10,781,658
Expenditure on:						
Charitable activities	8	284,311	11,056,837	739,908	12,081,056	9,989,761
Teaching school hub	7	-	58,235	-	58,235	4,517
Total expenditure		284,311	11,115,072	739,908	12,139,291	9,994,278
Net (expenditure)/ income		416,091	(766,877)	(443,615)	(794,401)	787,380
Transfers between funds	18	(479,274)	479,274	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		(63,183)	(287,603)	(443,615)	(794,401)	787,380

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Net movement in funds before other recognised gains/(losses) brought forward	(63,183)	(287,603)	(443,615)	(794,401)	787,380
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	-	3,917,000	-	3,917,000	(628,000)
Net movement in funds	<u>(63,183)</u>	<u>3,629,397</u>	<u>(443,615)</u>	<u>3,122,599</u>	<u>159,380</u>
Reconciliation of funds:					
Total funds brought forward	1,055,247	(3,333,000)	8,710,133	6,432,380	6,273,000
Net movement in funds	(63,183)	3,629,397	(443,615)	3,122,599	159,380
Total funds carried forward	<u>992,064</u>	<u>296,397</u>	<u>8,266,518</u>	<u>9,554,979</u>	<u>6,432,380</u>

The notes on pages 27 to 52 form part of these financial statements.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07495541

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	8,266,518	8,710,133
		<u>8,266,518</u>	<u>8,710,133</u>
Current assets			
Stocks	15	22,258	21,434
Debtors	16	355,192	140,608
Cash at bank and in hand	22	2,152,982	1,786,491
		<u>2,530,432</u>	<u>1,948,533</u>
Creditors: Amounts falling due within one year	17	(973,971)	(593,286)
Net current assets		<u>1,556,461</u>	<u>1,355,247</u>
Total assets less current liabilities		<u>9,822,979</u>	<u>10,065,380</u>
Net assets excluding pension liability		9,822,979	10,065,380
Defined benefit pension scheme liability	24	(268,000)	(3,633,000)
Total net assets		<u><u>9,554,979</u></u>	<u><u>6,432,380</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	8,266,518	8,710,133
Restricted income funds	18	564,397	300,000
		<u>8,830,915</u>	<u>9,010,133</u>
Restricted funds excluding pension asset	18	8,830,915	9,010,133
Pension reserve	18	(268,000)	(3,633,000)
		<u>8,562,915</u>	<u>5,377,133</u>
Total restricted funds	18	8,562,915	5,377,133
Unrestricted income funds	18	992,064	1,055,247
		<u>9,554,979</u>	<u>6,432,380</u>
Total funds		<u><u>9,554,979</u></u>	<u><u>6,432,380</u></u>

THE BALCARRAS TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07495541

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 22 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



[B.S. Roberts \(Dec 19, 2022 12:35 GMT\)](#)

.....
B Roberts
Chair

Date:

The notes on pages 27 to 52 form part of these financial statements.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	485,127	1,529,810
Cash flows used in investing activities	21	(118,636)	(1,157,652)
Change in cash and cash equivalents in the year		366,491	372,158
Cash and cash equivalents at the beginning of the year		1,786,491	1,414,333
Cash and cash equivalents at the end of the year	22, 23	<u>2,152,982</u>	<u>1,786,491</u>

The notes on pages 27 to 52 form part of these financial statements.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy 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.

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.

THE Balcarras Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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. Land is not depreciated.

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.

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Provisions

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

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

1.8 Leased assets

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

1.9 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.

1.10 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.

1.11 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.

THE BALCARRAS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 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 so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

1.13 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.

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FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	43,758	-	43,758	40,825
Capital Grants	-	296,293	296,293	1,157,652
Total 2022	43,758	296,293	340,051	1,198,477
Total 2021	40,825	1,157,652	1,198,477	

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4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,963,122	7,963,122	6,794,639
Other DfE/ESFA grants				
Others	-	934,663	934,663	1,280,475
	-	8,897,785	8,897,785	8,075,114
Other Government grants				
Local authority grants	-	846,834	846,834	621,569
	-	846,834	846,834	621,569
Other income from the Academy Trust's educational operations	399,507	323,227	722,734	601,960
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	9,350	9,350	-
Other DfE/ESFA COVID-19 funding	-	34,116	34,116	-
	-	43,466	43,466	-
	399,507	10,111,312	10,510,819	9,298,643
Teaching school hub				
	-	169,202	169,202	80,000
DfE/ESFA grants	-	67,681	67,681	-
Other Government grants				
	-	236,883	236,883	80,000
Total 2022	399,507	10,348,195	10,747,702	9,378,643
Total 2021	492,777	8,885,866	9,378,643	

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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	96,468	96,468	10,383
Income from other charitable activities	152,092	152,092	193,746
Total 2022	<u>248,560</u>	<u>248,560</u>	<u>204,129</u>
Total 2021	<u>204,129</u>	<u>204,129</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	<u>8,577</u>	<u>8,577</u>	<u>409</u>
Total 2021	<u>409</u>	<u>409</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations:					
Direct costs	6,822,887	-	1,381,091	8,203,978	7,356,239
Allocated support costs	1,670,954	907,401	1,298,723	3,877,078	2,633,522
Teaching school hub	-	-	58,235	58,235	4,517
Total 2022	<u>8,493,841</u>	<u>907,401</u>	<u>2,738,049</u>	<u>12,139,291</u>	<u>9,994,278</u>
Total 2021	<u>7,538,169</u>	<u>435,274</u>	<u>2,020,835</u>	<u>9,994,278</u>	

8. Charitable activities

	2022 £	2021 £
Direct costs - educational operations	8,203,978	7,356,239
Direct costs - teaching school hub	58,235	4,517
Support costs - educational operations	3,877,078	2,633,522
	<u>12,139,291</u>	<u>9,994,278</u>

	2022 £	2021 £
Analysis of support costs		
Staff costs	1,670,954	1,053,281
Depreciation	572,226	509,346
Technology costs	268,531	130,531
Premises costs	907,401	435,274
Legal costs - other	32,478	-
Other support costs	396,580	489,415
Governance costs	28,908	15,675
	<u>3,877,078</u>	<u>2,633,522</u>

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Depreciation of tangible fixed assets	570,828	509,346
Fees paid to auditor for:		
- audit	16,500	12,550
- other services	5,470	2,950
	<u>592,828</u>	<u>524,846</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	5,974,864	5,424,022
Social security costs	603,084	522,693
Pension costs	1,905,257	1,591,454
	<u>8,483,205</u>	<u>7,538,169</u>
Agency staff costs	10,636	-
	<u>8,493,841</u>	<u>7,538,169</u>

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10. Staff (continued)

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	103	98
Admin and support	88	67
Management	18	18
Cleaning	13	14
Catering	16	13
	<u>238</u>	<u>210</u>

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	2	1
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

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 are detailed in note 12.

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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:

	2022	2021
	£	£
Balcarras School	216,888	-
The High School, Leckhampton	20,508	-
Total	<u>237,396</u>	<u>-</u>

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:

		2022	2021
		£	£
D Burke (CEO/Headteacher and Trustee)	Remuneration	115,000 - 120,000	110,000 - 115,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £Nil).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

THE BALCARRAS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2021	12,427,052	723,722	3,333	212,804	110,468	13,477,379
Additions	4,440	18,317	31,972	72,484	-	127,213
Transfers between classes	110,468	-	-	-	(110,468)	-
At 31 August 2022	<u>12,541,960</u>	<u>742,039</u>	<u>35,305</u>	<u>285,288</u>	<u>-</u>	<u>13,604,592</u>
Depreciation						
At 1 September 2021	3,969,949	615,901	667	180,729	-	4,767,246
Charge for the year	477,098	72,793	6,509	14,428	-	570,828
At 31 August 2022	<u>4,447,047</u>	<u>688,694</u>	<u>7,176</u>	<u>195,157</u>	<u>-</u>	<u>5,338,074</u>
Net book value						
At 31 August 2022	<u><u>8,094,913</u></u>	<u><u>53,345</u></u>	<u><u>28,129</u></u>	<u><u>90,131</u></u>	<u><u>-</u></u>	<u><u>8,266,518</u></u>
At 31 August 2021	<u><u>8,457,103</u></u>	<u><u>107,821</u></u>	<u><u>2,666</u></u>	<u><u>32,075</u></u>	<u><u>110,468</u></u>	<u><u>8,710,133</u></u>

15. Stocks

	2022 £	2021 £
Sundry consumables	22,258	21,434
	<u><u>22,258</u></u>	<u><u>21,434</u></u>

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16. Debtors

	2022	2021
	£	£
Due within one year		
Trade debtors	8,208	1,009
Other debtors	2,681	8,695
Prepayments and accrued income	175,321	66,107
VAT recoverable	168,982	64,797
	<u>355,192</u>	<u>140,608</u>

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	403,944	19,652
Other taxation and social security	143,081	125,466
Other creditors	33,839	239,390
Accruals and deferred income	393,107	208,778
	<u>973,971</u>	<u>593,286</u>
	2022	2021
	£	£
Deferred income at 1 September	71,610	25,618
Resources deferred during the year	147,659	71,610
Amounts released from previous periods	(71,610)	(25,618)
Deferred income at 31 August	<u>147,659</u>	<u>71,610</u>

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18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated Funds	490,000	-	(60,000)	-	-	430,000
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	-	-
Local authority start up grant	300,000	619,480	(355,083)	-	-	564,397
Other grants	-	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
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
	8,710,133	296,293	(739,908)	-	-	8,266,518
Total Restricted funds	5,377,133	10,644,488	(11,854,980)	479,274	3,917,000	8,562,915
Total funds	6,432,380	11,344,890	(12,139,291)	-	3,917,000	9,554,979

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

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.

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.

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 2022.

THE Balcarras Trust
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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated Funds	345,243	-	-	144,757	-	490,000
Unrestricted funds	566,930	738,140	(166,177)	(573,646)	-	565,247
Total Unrestricted funds	912,173	738,140	(166,177)	(428,889)	-	1,055,247
Restricted general funds						
General Annual Grant (GAG)	-	6,794,639	(7,223,528)	428,889	-	-
Other DfE/ESFA Grants	-	721,500	(721,500)	-	-	-
LEA and other grants	-	430,751	(430,751)	-	-	-
Maths Hub Grant	-	638,976	(638,976)	-	-	-
Local authority start up grant	-	300,000	-	-	-	300,000
Pension reserve	(2,701,000)	-	(304,000)	-	(628,000)	(3,633,000)
	(2,701,000)	8,885,866	(9,318,755)	428,889	(628,000)	(3,333,000)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Academy main buildings grant	6,850,000	-	(350,000)	-	-	6,500,000
DfE/ESFA capital grants	1,211,827	1,157,652	(159,346)	-	-	2,210,133
	<u>8,061,827</u>	<u>1,157,652</u>	<u>(509,346)</u>	<u>-</u>	<u>-</u>	<u>8,710,133</u>
Total Restricted funds	<u>5,360,827</u>	<u>10,043,518</u>	<u>(9,828,101)</u>	<u>428,889</u>	<u>(628,000)</u>	<u>5,377,133</u>
Total funds	<u><u>6,273,000</u></u>	<u><u>10,781,658</u></u>	<u><u>(9,994,278)</u></u>	<u><u>-</u></u>	<u><u>(628,000)</u></u>	<u><u>6,432,380</u></u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Balcarras School	1,163,589	1,355,247
The High School, Leckhampton	393,483	-
The Balcarras Trust	(611)	-
	<u>1,556,461</u>	<u>1,355,247</u>
Total before fixed asset funds and pension reserve	1,556,461	1,355,247
Restricted fixed asset fund	8,266,518	8,710,133
Pension reserve	(268,000)	(3,633,000)
	<u>9,554,979</u>	<u>6,432,380</u>
Total	<u><u>9,554,979</u></u>	<u><u>6,432,380</u></u>

The deficit on the trust will resolve in the next academic year with increasing contributions as The High School Leckhampton increases in pupil numbers, and therefore contribution from General Annual Grant.

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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 2022	Total 2021
	£	£	£	£	£	£
Balcarras School	6,300,736	1,456,645	1,268,646	1,379,246	10,405,273	9,484,932
The High School, Leckhampton	473,082	67,457	170,680	215,316	926,535	-
Balcarras Trust	49,068	146,852	-	39,337	235,257	-
Academy Trust	6,822,886	1,670,954	1,439,326	1,633,899	11,567,065	9,484,932

19. Analysis of net assets between funds

	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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19. Analysis of net assets between funds (continued)

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	8,710,133	8,710,133
Current assets	1,648,533	300,000	-	1,948,533
Creditors due within one year	(593,286)	-	-	(593,286)
Provisions for liabilities and charges	-	(3,633,000)	-	(3,633,000)
Total	<u>1,055,247</u>	<u>(3,333,000)</u>	<u>8,710,133</u>	<u>6,432,380</u>

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(794,401)	787,380
Adjustments for:		
Depreciation	570,828	509,346
Interest receivable	(8,577)	-
Defined benefit pension scheme cost less contributions payable	486,000	256,000
Defined benefit pension scheme finance cost	66,000	48,000
Increase in stocks	(824)	(2,201)
(Increase)/decrease in debtors	(214,584)	102,308
Increase/(decrease) in creditors	380,685	(171,023)
Net cash provided by operating activities	<u>485,127</u>	<u>1,529,810</u>

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21. Cash flows from investing activities

	2022	2021
	£	£
Interest received	8,577	-
Purchase of tangible fixed assets	(127,213)	(1,157,652)
Net cash used in investing activities	(118,636)	(1,157,652)

22. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	2,152,982	1,786,491

23. Analysis of changes in net debt

	At 1		At 31
	September	Cash flows	August 2022
	2021	£	£
	£		
Cash at bank and in hand	1,786,491	366,491	2,152,982

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 Gloucestershire 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £24,617 were payable to the schemes at 31 August 2022 (2021 - £Nil) and are included within creditors.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £995,666 (2021 - £997,744).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £453,000 (2021 - £414,000), of which employer's contributions totalled £367,000 (2021 - £340,000) and employees' contributions totalled £86,000 (2021 - £74,000). 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.

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.35 - 3.50	3.20
Rate of increase for pensions in payment/inflation	3.05 - 3.20	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05 - 3.20	2.90

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

	2022 Years	2021 Years
Retiring today		
Males	21.7	21.9
Females	24.1	24.3
Retiring in 20 years		
Males	22.6	22.9
Females	25.8	26.0

Sensitivity analysis

	2022 £000	2021 £000
Discount rate -0.1%	133,000	206,000
Mortality assumption - 1 year increase	240,000	363,000
CPI rate +0.1%	123,000	185,000
Salary increase rate +0.1%	11,000	18,000

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24. Pension commitments (continued)

Share of scheme assets

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

	2022 £	2021 £
Equities	3,894,000	3,815,000
Corporate bonds	1,088,000	1,144,500
Property	630,000	381,500
Cash and other liquid assets	115,000	109,000
Total market value of assets	<u>5,727,000</u>	<u>5,450,000</u>

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

	2022 £	2021 £
Current service cost	(853,000)	(596,000)
Interest income	97,000	75,000
Interest cost	(163,000)	(123,000)
Total amount recognised in the Statement of Financial Activities	<u>(919,000)</u>	<u>(644,000)</u>

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

	2022 £	2021 £
At 1 September	9,083,000	6,960,000
Current service cost	853,000	596,000
Interest cost	163,000	123,000
Employee contributions	86,000	74,000
Actuarial (gains)/losses	(4,111,000)	1,392,000
Benefits paid	(79,000)	(62,000)
At 31 August	<u>5,995,000</u>	<u>9,083,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

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

	2022	2021
	£	£
At 1 September	5,450,000	4,259,000
Interest income	97,000	75,000
Actuarial (losses)/gains	(194,000)	764,000
Employer contributions	367,000	340,000
Employee contributions	86,000	74,000
Benefits paid	(79,000)	(62,000)
At 31 August	<u>5,727,000</u>	<u>5,450,000</u>

25. Operating lease commitments

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

	2022	2021
	£	£
Not later than 1 year	7,884	25,208
Later than 1 year and not later than 5 years	1,580	7,479
	<u>9,464</u>	<u>32,687</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.

NOTES TO THE FINANCIAL STATEMENTS
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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.