

Company registration number 10174890 (England and Wales)

THE SOUTH EAST STAFFORD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

THE SOUTH EAST STAFFORD ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the financial statements	17 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements including accounting policies	27 - 47

THE SOUTH EAST STAFFORD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Finch
M Stanley
N Riley (Resigned 26 January 2023)
A Edgeller (Appointed 27 January 2023)

Trustees

M Rowell (Chair of Trust)
G Bettany (CEO & AO)
J Smith
S Francis
N Riley (Appointed 27 January 2023)

Senior management team

- Barnfields Head Teacher
- Barnfields Deputy Head Teacher
- Leasowes Head Teacher
- Leasowes Deputy Head Teacher
- Leasowes Assistant Head Teacher
- SESAT Business/Finance Manager

G Ball
G Darlington
G Bettany
B Coombs
C Till
D Stocking

Company registration number

10174890 (England and Wales)

Principal and registered office

C/O Barnfields Primary School
Lansdowne Way
Stafford
ST17 4RD

Academies operated

Barnfields Primary School
Leasowes Primary School

Location

Stafford
Stafford

Principal

Mr G K Ball
Mrs G Bettany

Independent auditor

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Bankers

Lloyds Bank plc
Market Square
Stafford
ST16 2BD

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

THE SOUTH EAST STAFFORD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Other advisors

Entrust Support Services
Riverway Centre
Stafford
Staffordshire
ST16 3TH

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

The academy trust operates two primary academies in Stafford. Its academies have a combined pupil capacity of 840 and had a roll of 830 in the school census in October 2022.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The constituent academies of the trust are:

- Academy 1 - Barnfields Primary School
- Academy 2 - Leasowes Primary School

The charitable company operates as The South East Stafford Academy Trust.

The trustees of The South East Stafford Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

As part of the overall insurance cover taken out with third party insurers the trust have taken out insurance relating to Governors' indemnity. The limit of indemnity cover is £5,000,000 with an excess of £1,000.

Method of recruitment and appointment or election of trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Trustees are appointed by existing Members in accordance with the Trust's Articles of Association. Trustees are appointed with the appropriate balance of skills, expertise and knowledge of The South East Stafford Academy Trust to enable them to discharge their respective duties and responsibilities effectively. The search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender. Trustees must uphold the Trusts vision and values to enhance the effective strategic leadership and management of the Trust and effectively represent stakeholder interest within the Trust.

Trustees are appointed for a four-year period and providing the Trustee remains eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The position of the Chair and Vice Chair of the Board of Trustees will be reviewed on an annual basis providing the Trustee remains eligible for the role, any Trustee may be re-appointed or re-elected.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Policies and procedures adopted for the induction and training of trustees

The induction and training of Trustees is critical in ensuring strong governance of the Trust and will depend on their experience but will always involve a tour of the school, meeting with the Senior Management Team and meeting staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as a Trustee. All Trustees will be updated with any new Government legislation and National Governance updates. As there are normally limited new Trustee appointments, induction tends to be informal and tailored to suit the needs of the individual e.g. training may be given on legal, financial and educational matters. This practice is replicated for Governors serving on the Local Governing Board of the Academies within the Trust.

A skills audit is performed to allocate the Trustees to the specific area to which their skills are best suited.

Organisational structure

The Board of Trustees is responsible for the overall strategic direction of the Academy Trust. The Trustees have a duty to act in the fulfilment of the Academy Trust objectives. They set the strategic direction, and determine the policies and procedures of the Academy Trust whilst holding each Academy, within the Academy Trust, to account. The Trustees will meet at least three times a year and Local Governing Board committees will report to meetings of the Board of Trustees throughout the year.

Each Academy within the Academy Trust has a Local Governing Board (LGB). The Trust Board delegates a number of functions to the LGB. The LGB review annual school development plans, monitors progress against targets and OFSTED standards and overseas parental and community liaisons in accordance with the overall strategic direction of the Academy Trust. The LGB drive the curriculum in each Academy and provide challenge and support to senior leaders to improve the outcomes for children.

The Board of Trustees establishes an overall framework for the governance of the Academy Trust. It monitors through minutes of meetings and direct reporting. The Board of Trustees is responsible for the financial budgets for each Academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by Board of Trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement. The leadership and management across the Academy Trust is delegated by the Board of Trustees to the Senior Leadership Team within each Academy.

The CEO is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Management personnel of the Academy Trust in charge of directing, controlling, running and operating the Academy Trust on a day-to-day basis.

All Trustees give their time freely and no Trustee received any remuneration, other than those Trustees that are employed by the Trust.

The pay of senior management is reviewed annually by the Board of Trustees in line with policy and by reference to published pay scales for both teaching and administrative support staff and by reference to available information on similar roles in other Academy Trusts.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

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

3,138,773

Percentage of the 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

-

Related parties and other connected charities and organisations

The Members, Board of Trustees, Academy committee Members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the Academy Trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, the academy trust has the following relationships:

- Has appointed Deans Accountants as auditors, a company in which the daughter of one of the trustees is employed. This has been flagged with Deans and an email received confirming the employee is not involved with the SESAT external audit and does not in any way compromise their independence.
- Has Trustees with control over Leasowes Extra and Barnfields Extra as Trustees
- Has a Trustee who is married to an employee
- Has a Trustee who is also a Trustee of a local MAT

Objectives and activities

Objects and aims

Vision – SESAT is committed to working collaboratively to develop the strength of all schools across the MAT within a self-improving system. Led by inspirational and innovative leaders, who have a clear and relentless focus on sustained school improvement, we ensure that our outstanding education continually evolves to give our children the best possible start in life. This is driven by our shared belief of providing our children with a broad and exciting curriculum, with embedded values that enables them to thrive in our ever-changing society and to develop a life-long love of learning.

Values - this is the Academy Trust's core set of values that are used to set the tone for the Academy Trust's overall operations. Values have a major influence on the behaviour and attitude within the Academy Trust and serve as broad guidelines in all situations.

The values are: Leadership, Self-Improving, Collaborative, Integrity, Life-Long Love of Learning.

Ethos – The Academy ethos is to provide, through collaboration and strong vision, the best outcomes for children, academically, socially and emotionally ensuring the well-being of staff and children.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, strategies and activities

The strategic goals of the academy trust are:

1. To provide high quality education provision for all academies within the academy trust that improves the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge to each academy within the academy trust. There will be a focus on:

- Children are well prepared for their next steps in education through experiencing quality first teaching and a well-rounded education that enables them to thrive in society both academically, socially and emotionally.
- Children achieve the best outcomes possible.
- Our Academies are staffed with expert professionals that receive an ongoing robust programme of CPD, that have passion and pride in their work supported by highly effective leaders.
- Individuals are recognised and opportunities are created for staff to lead on every level.
- Academies are safe, inviting and well resourced.
- Financial management is efficient and effective allowing Academies to thrive.
- Leaders are highly skilled professionals that take a relentless approach to school improvement and providing the best possible outcomes for all.
- Staff and pupil wellbeing is of the highest priority.
- Establishing and monitoring a system of governance through effective Academy committees.
- Developing innovative strategies to continually improve and drive outcomes for pupils.
- Providing intervention to support school improvement.
- Developing collaborative curriculum activities to increase independence and purposeful learning.
- Developing monitoring and evaluating strategies and procedures that will drive school improvement.
- Supporting the procurement of best value central services.
- Collaboratively sharing and supporting best practice.

2. To provide the same high quality of education provision to pupils outside of the trust to help achieve the government's aim of the same standard of education for all children. This will be achieved by:

- Developing a systematic strategy alongside local stakeholders, Headteacher networks and the DfE, working towards the further growth of SESAT.
- Building capacity by creating a robust management structure which involves building a central team to support the Board of Trustees.
- Developing training based on the expertise within the Academy Trust that can be delivered to other education providers.
- Developing more effective means of collaboration with other education providers to share best practice and encourage greater innovation within the education sector.

The Trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The Trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the Academy Trust objective and aims and in planning future activities for the period. The Trustees consider that the Academy Trust can clearly demonstrate that its aims are to advance education for public benefit.

Strategic report

Achievements and performance

To provide high quality education provision for all academies within the academy trust that improves the outcomes of all of our pupils.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key performance indicators

There is a direct correlation between the key performance indicators used and the objectives of the academy trust. This is so that the academy trust can measure itself against the objectives and aims they have set to help the reader understand how the academy trust is performing against its overall vision. Key performance indicators include, but may not be limited to:

- Ofsted inspection outcomes – Barnfields “Good”, Leasowes “Outstanding”.
- Key stage results and predicted data.

Data:

NB: No Ks1 data for six pupils, therefore unable to judge progress.

End of Key Stage 2 Attainment				
Children Achieving the Expected Standard				
Subjects	Barnfields		Leasowes	
	School	National	School	National
Reading	87%	73%	88%	73%
Writing	81%	71%	91%	71%
Maths	87%	73%	95%	73%
GPS	84%	72%	92%	72%
RWM Combined	77%	59%	84%	59%
Children Achieving Greater Depth				
Subjects	Barnfields		Leasowes	
	School	National	School	National
Reading	45%	29%	48%	29%
Writing	27%	13%	23%	13%
Maths	29%	24%	42%	24%
GPS	29%	30%	50%	30%
RWM Combined	18%	8%	20%	8%

Year 4 Multiplication Tables Check					
Barnfields		Leasowes		National	
Full Marks	Mean Score	Full Marks	Mean Score	Full Marks	Mean Score
46%	22%	64%	23%	27%	19.8

End of Key Stage 2 Progress		
	Barnfields	Leasowes
Number of Eligible Pupils	62	61
Reading	1.9	1.7
Confidence Interval	0.2 – 3.5	0.2 – 3.3
Writing	1.2	1.9
Confidence Interval	-0.4 – 2.8	0.5 – 3.4
Maths	0.9	3.1
Confidence Interval	-1.0 – 2.1	1.6 – 4.5

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

End of Key Stage 1 Attainment				
Children Achieving the Expected Standard				
Subjects	Barnfields		Leasowes	
	School	National	School	National
Reading	90%	68%	88%	68%
Writing	82%	60%	85%	60%
Maths	90%	70%	85%	70%
Children Achieving Greater Depth				
Subjects	Barnfields		Leasowes	
	School	National	School	National
Reading	30%	19%	33%	19%
Writing	25%	8%	20%	8%
Maths	30%	16%	30%	16%

Early Years Foundation Stage		
Children Achieving Good Level of Attainment (GLD)		
Barnfields	Leasowes	National
79%	85%	72% (2022)

Year 1 Phonics Screening Check (Children Achieving)		
Barnfields	Leasowes	National
96%	98%	79%

- Pupil attendance: Barnfields 96%, Leasowes 97%
- Pupil/teacher contact time per school day: Barnfields 5.25 hours, Leasowes 5.25 hours
- Average class size: Barnfields 29.10, Leasowes 30.60.

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, the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

Income for the twelve-month period was £3,981,237 provided by the Department of Education (DfE) via the Education Funding Agency (EFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings totaling £425,635. This meant the total income for the period was £4,406,872.

All expenditure supports the academy trust's key objectives to deliver quality education to our pupils and community. Expenditure for the period was £4,595,341 with the largest element of this expenditure being attributed to staff costs totaling £3,187,166 for the twelve-month period. Net expenditure for the period was £188,469.

The academy trust element of the Staffordshire Pension fund that forms part of the Local Government Pension scheme was valued at 31 August 2023, showing a net deficit of £496,000.

As at 31 August 2023, the net book value of fixed assets was £10,552,065 and the movement in tangible fixed assets are shown in Note 13 and 14 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Board and to the board of trustees on a termly basis.

Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of trustees will identify capital projects on an annual basis and reserves will be reviewed alongside this exercise.

Investment policy

During the year, the Trust did not make any financial investments, however the Board is currently reviewing its investment strategy with a view to adopting a more diversified approach going forward. Whilst this review is ongoing, it is important to note that the Board has already agreed that investments will only be made through deposits and potentially short-term lending with reputable financial institutions located in the United Kingdom.

Principal risks and uncertainties

Outlined below is a description of the principal risks that may affect the Trust. Not all of the risk factors are in the Trust's control.

- Strategic & Reputational Risk
- Operational Risk
- Compliance Risk
- Financial Risk

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial:

The Academy Trust has considerable reliance on continued Government Funding through the ESFA. In 2022-23, the Academy revenue was ultimately publicly funded. Whilst the level of funding is expected to continue there can be no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels on the same terms particularly in light of the changes to the National Funding Formula.

Continued increases in employment costs, including Teacher Pension Scheme and Local Government Pension Scheme will place significant pressure on the Trusts financial position as will the increase in the upkeep of the premise's costs.

The Trust analyse the financial health of the Academy Trust formally every month, reviewing performance against budgets and overall expenditure. The working budget is monitored against the ESFA set budget.

The risk is mitigated by:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring that the Trust delivers high quality educational provision and training
- By ensuring that the Trust's reputation remains high to enable schools to be full to capacity
- By ensuring that the Trust delivers good value for money
- Investing in the Academy premises to ensure that schools remain appealing and efficient
- Ensuring there is considerable focus and investment is placed on maintaining and managing key relationships with the ESFA

Maintain adequate funding of pension liabilities:

The deficit on the Local Government Pension Scheme of £496,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

In so far as the trustees are aware:

The aim of the Trust is to provide excellence in education for the children within the MAT, stimulating a lifelong love for learning, whilst ensuring best value for money is achieved.

The Trust is planning to expand the MAT. However, currently there are almost one thousand children between the two academies in the MAT and the primary focus will be on improving efficiency and shared values between the two academies.

THE SOUTH EAST STAFFORD ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

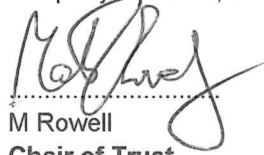
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Deans be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07.12.23 and signed on its behalf by:



M Rowell
Chair of Trust

THE SOUTH EAST STAFFORD ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The South East Stafford Academy 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 12 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Rowell (Chair of Trust)	12	12
G Bettany (CEO & AO)	12	12
J Smith	12	12
S Francis	11	12
N Riley (Appointed 27 January 2023)	7	7

SESAT have established a robust governance structure with terms of reference for all committees and these will continue to be reviewed annually. The board has carried out a skills audit of its Trustees and Governors and has had an internal review of Governance.

The scale and scope of the Board remains unchanged and is carried out through Board meetings (Trust Board and Finance and Audit Committee), delegated responsibilities to the Local Governing Board for individual schools and direct Trustee engagement with CEO and other senior leaders.

The membership of the Board saw changes this year to both Members and Trustees. One new member was appointed A Edgellar who replaced N Riley. N Riley has been appointed as a Trustee. The Board annually reviews competences, and its effectiveness, and will engage in formal reflections following each Board meeting.

The Trust has established a Finance and Audit Committee which meet termly (three times a year minimum). The main purpose of this committee is to oversee the audit process and related matters in line with the Trust Scheme of delegation and to scrutinise the risk register and financial accounts. In order to mitigate risks of conflict of interest, the Board maintains an up-to-date and complete register of interests, and Trustees are reminded of their obligations at every meeting via a standing agenda item. This reminder covers not only their conduct during meetings but also relates to any and all interactions they have with the Trust.

The Trust conducts the NGA skills audit of all its Trustees annually, as do our schools' Local Governing Board

Following a review of the composition of the Board of Trustees, the Board are satisfied with the profile and cross section of Board Members at this time, with expertise in Accounting, Strategic Planning and Performance Management. As the internal audit focused on Governance this will be revisited again next year to ensure any recommendations have all been addressed and the Governance function remains efficient and effective.

The composition of the Board will continue to be reviewed annually.

THE SOUTH EAST STAFFORD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conflicts of interest

The academy trust maintains an up-to-date complete register of interests. A trustee absents themselves from any discussion where a conflict may arise.

Governance reviews

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Robust Governance Oversight of the Academy's Finance

The Accounting Officer has responsibility for reviewing the effectiveness of the systems of internal control. This is informed by the internal audit service – commissioned by the Finance and Audit Committee (FAC) who undertake reviews of key financial policies, procedures, and their implementation. Reports are produced which detail the Trust's compliance and demonstrate the Trust has robust systems and financial controls in place. This is presented to Finance and Audit Committee to agree any action appropriate to be taken. The MAT Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. The MAT Board also receives and approves the statutory Accounts and External Auditor's Management Report.

Reviewing Controls and Managing Risks

The budget is monitored on a regular basis by the Chief Finance Officer (CFO) and the CEO through the production of reports that are generated directly from the Academy's financial management systems. Remedial action is taken to address any significant variances that may impact on the budget outturn.

The reports are sent to Trustees monthly and presented termly. In turn, at a summary level, to the LGB. A risk register is reviewed at every meeting by the Trust. The risk register details aspects of procedure and practice that contains risk, the extent of the impact should the risk manifest itself, the likelihood of the Trust's exposure to such an incidence, and the control mechanisms in place to mitigate likelihood and impact. Annually, the Audit Committee asks the CEO and CFO the following:

- a) Have any risks recorded on the register materialised?
- b) Are there any new risks that have been added since the previous review?
- c) Are there any risks that have been removed as no longer applicable since the previous review?
- d) Have there been any adjustments to the control procedures detailed in the register since the previous review?

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 South East Stafford Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

THE SOUTH EAST STAFFORD ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Capacity to handle risk

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

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 and general purposes 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to reappoint Dains Accountants as an internal auditor from September 2023.

Dains' role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period with regards to a review of Governance included:

- Ascertaining and understanding the composition of the Board and the various committees in place at the Trust.
- Discussing with management the current skillset of the Board to ensure appropriate decisions can be made.
- Reviewing the recruitment, induction and CPD processes of the Board.
- Reviewing Board Meeting minutes to ensure appropriate discussions are being held.

On an annual basis, the reviewer reports to the board of trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. Dains have delivered their schedule of work as planned and no significant control issues were noted during the internal audit programme.

Review of effectiveness

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 board of trustees on 07.12.23 and signed on its behalf by:


M Rowell
Chair of Trust


G Bettany
CEO & AO

THE SOUTH EAST STAFFORD ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The South East Stafford Academy 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 2022.

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

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

G Bettany
Accounting Officer



07.12.23

THE SOUTH EAST STAFFORD ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The South East Stafford Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

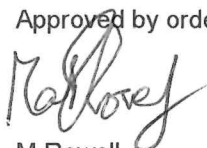
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 that 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 on 07.12.23 and signed on its behalf by:



M Rowell
Chair of Trust

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH EAST STAFFORD ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of The South East Stafford Academy Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the '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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH EAST STAFFORD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 statement of trustees' responsibilities, 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 intend to liquidate the charitable company, or have no realistic alternative but to do so.

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 these financial statements.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH EAST STAFFORD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risk of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual balances, variances or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- specifically tested the controls around banking payments.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation claims;
- reviewing correspondence with HMRC and other relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTH EAST STAFFORD ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Use of our report

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



Jeremy Hodgkiss (Senior Statutory Auditor)
for and on behalf of Deans

14 December 2023

Chartered Accountants
Statutory Auditor

Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SOUTH EAST STAFFORD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 28 November 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The South East Stafford Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The South East Stafford Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The South East Stafford Academy 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 South East Stafford Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The South East Stafford Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The South East Stafford Academy Trust's funding agreement with the Secretary of State for Education dated 30 June 2016 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the 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:

- consideration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- a review of minutes and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Office and Governing Body;
- tests of control have been carried out on control activities which are relevant
- on a sample basis, substantive testing of individual transactions.

THE SOUTH EAST STAFFORD ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SOUTH EAST STAFFORD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

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

Deans,

Reporting Accountant

Deans

Dated: *14 December 2023*

THE SOUTH EAST STAFFORD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	-	11,915	119,455	131,370
Charitable activities:					
- Funding for educational operations	4	89,199	4,089,762	-	4,178,961
Other trading activities	5	82,667	5,680	-	88,347
Investments	6	8,194	-	-	8,194
Total		180,060	4,107,357	119,455	4,406,872
Expenditure on:					
Charitable activities:					
- Educational operations	9	125,747	4,068,688	400,906	4,595,341
Total	7	125,747	4,068,688	400,906	4,595,341
Net income/(expenditure)		54,313	38,669	(281,451)	(188,469)
Transfers between funds	18	-	(43,381)	43,381	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	318,000	-	318,000
Net movement in funds		54,313	313,288	(238,070)	129,531
Reconciliation of funds					
Total funds brought forward		320,600	(388,523)	10,821,444	10,753,521
Total funds carried forward		374,913	(75,235)	10,583,374	10,883,052

THE SOUTH EAST STAFFORD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	-	1,528	369,214	370,742
Charitable activities:					
- Funding for educational operations	4	2,700	3,999,196	-	4,001,896
Other trading activities	5	156,012	12,093	-	168,105
Investments	6	421	-	-	421
Total		159,133	4,012,817	369,214	4,541,164
Expenditure on:					
Charitable activities:					
- Educational operations	9	90,805	3,973,378	364,813	4,428,996
Total	7	90,805	3,973,378	364,813	4,428,996
Net income		68,328	39,439	4,401	112,168
Transfers between funds	18	-	(199,075)	199,075	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	2,320,000	-	2,320,000
Net movement in funds		68,328	2,160,364	203,476	2,432,168
Reconciliation of funds					
Total funds brought forward		252,272	(2,548,887)	10,617,968	8,321,353
Total funds carried forward		320,600	(388,523)	10,821,444	10,753,521

THE SOUTH EAST STAFFORD ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	14		10,552,065		10,443,608
Current assets					
Debtors	15	214,052		439,330	
Cash at bank and in hand		1,094,081		1,051,391	
		<u>1,308,133</u>		<u>1,490,721</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(481,146)		(401,808)	
Net current assets			826,987		1,088,913
Net assets excluding pension liability			11,379,052		11,532,521
Defined benefit pension scheme liability	20		(496,000)		(779,000)
Total net assets			<u>10,883,052</u>		<u>10,753,521</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			10,583,374		10,821,444
- Restricted income funds			420,765		390,477
- Pension reserve			(496,000)		(779,000)
Total restricted funds			<u>10,508,139</u>		<u>10,432,921</u>
Unrestricted income funds	18		374,913		320,600
Total funds			<u>10,883,052</u>		<u>10,753,521</u>

The financial statements on pages 23 to 47 were approved by the trustees and authorised for issue on 07.12.23 and are signed on their behalf by:


 M Rowell
 Chair of Trust

Company registration number 10174890

THE SOUTH EAST STAFFORD ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		490,343		153,671
Cash flows from investing activities					
Dividends, interest and rents from investments		8,194		421	
Capital grants from DfE Group		(11,186)		347,675	
Capital funding received from sponsors and others		64,702		21,539	
Purchase of tangible fixed assets		(509,363)		(220,109)	
Net cash (used in)/provided by investing activities			(447,653)		149,526
Net increase in cash and cash equivalents in the reporting period			42,690		303,197
Cash and cash equivalents at beginning of the year			1,051,391		748,194
Cash and cash equivalents at end of the year			1,094,081		1,051,391

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The South East Stafford Academy Trust meets the definition of a public benefit entity under FRS102.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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 that require 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.

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Land and buildings	125 years the length of the lease
Leasehold improvements	10 - 30 Years
Assets under construction	See below
Fixtures, fittings & equipment	5 Years

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

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

1.6 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.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.9 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 chapter 3 part 11 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 SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

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

1.11 Fund accounting

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

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

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

1.12 Interest Receivable

Interest on funds held of deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.13 Debtors

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

1.14 Cash at Bank and in hand

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

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

Accounting 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 20, will impact on 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees must make critical judgements in applying the charity's accounting policies. The judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Long-term leasehold land and buildings

The long-term leasehold land and buildings within the financial statements relates to the academy premises which were donated to the academy on a conversion on a 125 year lease from Staffordshire County Council. The leasehold land was valued using a District Valuation Office Valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land under the terms of the lease, based on management not being able to reliably measure the open market rate.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	54,753	54,753	347,675
Other donations	-	76,617	76,617	23,067
	<hr/>	<hr/>	<hr/>	<hr/>
	-	131,370	131,370	370,742
	<hr/>	<hr/>	<hr/>	<hr/>

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,582,328	3,582,328	3,581,240
Other DfE/ESFA grants:				
- UIFSM	-	129,587	129,587	129,643
- Pupil premium	-	60,597	60,597	50,873
- Sports & PE Funding	-	39,340	39,340	39,410
- Mainstream Schools Additional Grant	-	37,569	37,569	-
- Supplementary Grant	-	98,176	98,176	37,569
- Others	-	33,640	33,640	16,522
	-	3,981,237	3,981,237	3,855,257
Other government grants				
Local authority grants	-	53,693	53,693	73,380
Other incoming resources	89,199	54,832	144,031	73,259
Total funding	89,199	4,089,762	4,178,961	4,001,896

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	51,188	-	51,188	57,709
Catering income	3,342	-	3,342	89,611
Music tuition	-	5,680	5,680	-
Parental contributions	-	-	-	4,948
Other income	28,137	-	28,137	15,837
	82,667	5,680	88,347	168,105

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	8,194	-	8,194	421

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Academy's educational operations					
- Direct costs	2,652,358	-	251,548	2,903,906	2,667,608
- Allocated support costs	495,177	778,919	417,339	1,691,435	1,761,388
	<u>3,147,535</u>	<u>778,919</u>	<u>668,887</u>	<u>4,595,341</u>	<u>4,428,996</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Fees payable to auditor for audit services	12,070	10,000
Operating lease rentals	5,706	4,496
Depreciation of tangible fixed assets	400,906	364,813
Net interest on defined benefit pension liability	33,000	49,000

8 Central services

The academy trust has provided the following central services to its academies during the year:

- Property & Grounds Services
- Legal and Professional Services
- Financial Services
- ICT and Communications Services
- Personnel Services
- SENCO
- Central Services

The academy trust charges for these services on the following basis:

- 13.60% of GAG income (2022: 11.85%)

The amounts charged during the year were as follows:

	2023 £	2022 £
Barnfields Primary School	237,816	210,515
Leasowes Primary School	247,677	212,497
	<u>485,493</u>	<u>423,012</u>

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	65	2,903,841	2,903,906	2,667,608
Support costs				
Educational operations	125,682	1,565,753	1,691,435	1,761,388
	<u>125,747</u>	<u>4,469,594</u>	<u>4,595,341</u>	<u>4,428,996</u>
Analysis of costs			2023 £	2022 £
Direct costs				
Teaching and educational support staff costs			2,680,205	2,518,033
Staff development			5,407	-
Technology costs			29,485	-
Educational supplies and services			72,195	87,096
Educational consultancy			29,947	16,381
Other direct costs			86,667	46,098
			<u>2,903,906</u>	<u>2,667,608</u>
Support costs				
Support staff costs			501,554	703,967
Depreciation			400,906	364,813
Technology costs			35,816	94,034
Recruitment and support			-	1,306
Maintenance of premises and equipment			101,433	54,679
Cleaning			107,080	116,466
Energy costs			119,184	67,853
Rent, rates and other occupancy costs			23,388	28,697
Insurance			16,507	2,229
Security and transport			10,421	7,802
Catering			135,800	111,808
Finance costs			33,000	49,000
Legal costs			4,818	2,903
Other support costs			180,372	141,971
Governance costs			21,156	13,860
			<u>1,691,435</u>	<u>1,761,388</u>

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	2,357,784	2,209,518
Social security costs	207,016	201,039
Pension costs	573,973	764,524
Staff costs - employees	3,138,773	3,175,081
Agency staff costs	4,299	22,178
Staff restructuring costs	4,463	13,786
Staff development and other staff costs	3,147,535 39,631	3,211,045 10,955
Total staff expenditure	3,187,166	3,222,000

Staff restructuring costs comprise:

Redundancy payments	4,463	13,786
---------------------	-------	--------

Staff numbers

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

	2023 Number	2022 Number
Teachers	34	40
Administration and support	72	84
Management	5	4
	111	128

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,003,963(2022: £905,233).

11 Trustees' remuneration and expenses

One or more of the 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, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

G Ball:

- Remuneration £70,001 - £75,000 (2022: £65,001-£70,000)
- Employer's pension contributions £15,001 - £20,000 (2022: £15,001-£20,000)

G Bettany:

- Remuneration £90,001 - £95,000 (2022: £75,001-£80,000)
- Employer's pension contributions £20,001 - £25,000 (2022: £15,001-£20,000)

During the year, travel and subsistence payments totalling £0 (2022: £0) were reimbursed or paid directly to 0 trustees (2022: 0 trustees).

Other related party transactions involving the trustees are set out within the related parties note.

12 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 trust business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance scheme.

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2022 and at 31 August 2023	5,826
Amortisation	
At 1 September 2022 and at 31 August 2023	5,826
Carrying amount	
At 31 August 2023	-
At 31 August 2022	-

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

	Land and buildings	Leasehold improvement	Assets under construction	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2022	11,815,211	280,472	645	325,377	12,421,705
Reclassification	-	645	(645)	-	-
Additions	-	439,677	-	69,686	509,363
At 31 August 2023	11,815,211	720,794	-	395,063	12,931,068
Depreciation					
At 1 September 2022	1,790,700	71,146	-	116,251	1,978,097
Charge for the year	284,383	43,245	-	73,278	400,906
At 31 August 2023	2,075,083	114,391	-	189,529	2,379,003
Net book value					
At 31 August 2023	9,740,128	606,403	-	205,534	10,552,065
At 31 August 2022	10,024,511	209,326	645	209,126	10,443,608

15 Debtors

	2023 £	2022 £
Trade debtors	8,093	3,800
VAT recoverable	57,652	30,999
Prepayments and accrued income	148,307	404,531
	214,052	439,330

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	170,927	141,362
Other taxation and social security	48,297	45,156
Other creditors	61,765	59,670
Accruals and deferred income	200,157	155,620
	481,146	401,808

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	118,710	91,873
	<u> </u>	<u> </u>
Deferred income at 1 September 2022	91,873	72,905
Released from previous years	(91,873)	(72,905)
Resources deferred in the year	118,710	91,873
	<u> </u>	<u> </u>
Deferred income at 31 August 2023	118,710	91,873
	<u> </u>	<u> </u>

At the balance sheet date the academy trust was holding funds received in advance for:

- Universal Infant Free School Meals Grant £79,358 (2022: £76,929)
- Outdoor Education Income £12,200 (2022: £14,944)
- Additional Educational Needs Income £27,152 (2022: £0)

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	234,375	3,582,328	(3,392,190)	(43,381)	381,132
UIFSM	6,710	129,587	(136,297)	-	-
Pupil premium	67,302	60,597	(127,899)	-	-
Catch-up premium	35,705	-	(35,705)	-	-
Sports & PE Funding	21,215	39,430	(60,645)	-	-
Supplementary Grant	-	98,176	(98,176)	-	-
MSAG	-	37,569	(37,569)	-	-
Additional Educational Needs	-	53,693	(53,693)	-	-
Other Grants	-	24,688	(24,688)	-	-
School Led Tutoring	-	4,374	-	-	4,374
Recovery Premium	1,826	4,488	(6,314)	-	-
Other restricted funds	23,344	72,427	(60,512)	-	35,259
Pension reserve	(779,000)	-	(35,000)	318,000	(496,000)
	<u>(388,523)</u>	<u>4,107,357</u>	<u>(4,068,688)</u>	<u>274,619</u>	<u>(75,235)</u>
Restricted fixed asset funds					
Inherited on conversion	9,519,079	-	(280,376)	-	9,238,703
DfE group capital grants	423,217	54,753	(37,512)	-	440,458
Capital expenditure from GAG	531,020	-	(51,830)	43,381	522,571
Capital Expenditure from Other DfE/ESFA grant	19,296	-	(10,974)	-	8,322
Capital Donations	328,832	64,702	(20,214)	-	373,320
	<u>10,821,444</u>	<u>119,455</u>	<u>(400,906)</u>	<u>43,381</u>	<u>10,583,374</u>
Total restricted funds	<u>10,432,921</u>	<u>4,226,812</u>	<u>(4,469,594)</u>	<u>318,000</u>	<u>10,508,139</u>
Unrestricted funds					
General funds	<u>320,600</u>	<u>180,060</u>	<u>(125,747)</u>	<u>-</u>	<u>374,913</u>
Total funds	<u>10,753,521</u>	<u>4,406,872</u>	<u>(4,595,341)</u>	<u>318,000</u>	<u>10,883,052</u>

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy Trust. During the year, capital projects were funded via a GAG transfer as per the instructions of the Academy Trust.

Other DfE/EFA grants

Other DfE/EFA grants include further grants received from the DfE/EFA including pupil premium, insurance and start-up grants. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

Other government grants

Other government grants include grants received from the local authority including SEN funding. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

Other restricted funds

Other restricted funds include any restricted donations, school fund income and other activities whereby the income is to be used for restricted purposes.

Pension reserve

The restricted pension reserve represents the deficit on the Academy Trust's share of the Local Government Pension Scheme as at 31 August 2023.

Restricted fixed asset fund

Inherited funds represent the carrying value of the assets inherited on conversion less depreciation charged. DfE/EFA capital grants represent the carrying value of the cumulative DfE/EFA capital grants spent on fixed items less depreciation charged.

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	187,263	3,581,240	(3,342,125)	(192,003)	234,375
UIFSM	-	129,643	(122,933)	-	6,710
Pupil premium	43,224	50,873	(26,795)	-	67,302
Catch-up premium	36,035	-	(330)	-	35,705
Other government grants	-	1,145	(1,145)	-	-
Sports & PE Funding	14,591	39,410	(25,714)	(7,072)	21,215
Supplementary Grant	-	37,569	(37,569)	-	-
Additional Educational Needs	-	72,235	(72,235)	-	-
Other Grants	-	8,316	(8,316)	-	-
School Led Tutoring	-	3,443	(3,443)	-	-
Recovery Premium	-	4,763	(2,937)	-	1,826
Other restricted funds	-	84,180	(60,836)	-	23,344
Pension reserve	(2,830,000)	-	(269,000)	2,320,000	(779,000)
	<u>(2,548,887)</u>	<u>4,012,817</u>	<u>(3,973,378)</u>	<u>2,120,925</u>	<u>(388,523)</u>
Restricted fixed asset funds					
Inherited on conversion	9,806,355	-	(287,276)	-	9,519,079
DfE group capital grants	96,568	347,675	(21,026)	-	423,217
Capital expenditure from GAG	374,170	-	(35,153)	192,003	531,020
Capital Expenditure from Other					
DfE/ESFA grant	18,344	-	(6,120)	7,072	19,296
Capital Donations	322,531	21,539	(15,238)	-	328,832
	<u>10,617,968</u>	<u>369,214</u>	<u>(364,813)</u>	<u>199,075</u>	<u>10,821,444</u>
Total restricted funds	<u>8,069,081</u>	<u>4,382,031</u>	<u>(4,338,191)</u>	<u>2,320,000</u>	<u>10,432,921</u>
Unrestricted funds					
General funds	<u>252,272</u>	<u>159,133</u>	<u>(90,805)</u>	<u>-</u>	<u>320,600</u>
Total funds	<u>8,321,353</u>	<u>4,541,164</u>	<u>(4,428,996)</u>	<u>2,320,000</u>	<u>10,753,521</u>

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

Total funds analysis by academy

	2023	2022
	£	£
Fund balances at 31 August 2023 were allocated as follows:		
Barnfields Primary School	364,063	336,849
Leasowes Primary School	377,124	336,277
Central services	54,491	37,951
Total before fixed assets fund and pension reserve	795,678	711,077
Restricted fixed asset fund	10,583,374	10,821,444
Pension reserve	(496,000)	(779,000)
Total funds	10,883,052	10,753,521

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023	Total 2022
	£	£	£	£	£	£
Barnfields Primary School	1,219,915	175,770	30,507	361,206	1,787,398	1,870,606
Leasowes Primary School	1,347,770	194,502	33,844	318,776	1,894,892	1,867,338
Central services	112,520	164,282	7,844	227,499	512,145	326,239
	2,680,205	534,554	72,195	907,481	4,194,435	4,064,183

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	10,552,065	10,552,065
Current assets	856,059	420,765	31,309	1,308,133
Current liabilities	(481,146)	-	-	(481,146)
Pension scheme liability	-	(496,000)	-	(496,000)
Total net assets	374,913	(75,235)	10,583,374	10,883,052

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	10,443,608	10,443,608
Current assets	722,408	390,477	377,836	1,490,721
Current liabilities	(401,808)	-	-	(401,808)
Pension scheme liability	-	(779,000)	-	(779,000)
Total net assets	320,600	(388,523)	10,821,444	10,753,521

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire 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 that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £61,579 were payable to the schemes at 31 August 2023 (2022: £59,581) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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 SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The 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 the TPS in the period amounted to £358,558 (2022: £344,827).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.20 to 25.20% for employers and 5.50 to 12.50% for employees.

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

Total contributions made	2023 £	2022 £
Employer's contributions	205,000	204,000
Employees' contributions	43,000	43,000
Total contributions	248,000	247,000
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.50	3.45
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	20.90	21.20
- Females	24.10	23.80
Retiring in 20 years		
- Males	22.60	22.20
- Females	25.80	25.50

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023	2022
Discount rate + 0.1%	-61,000	-72,000
Discount rate - 0.1%	61,000	72,000
Mortality assumption + 1 year	109,000	124,000
Mortality assumption - 1 year	-109,000	-124,000
CPI rate + 0.1%	58,000	67,000
CPI rate - 0.1%	-58,000	-67,000

The academy trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	1,605,600	1,664,640
Bonds	356,800	369,920
Property	200,700	208,080
Other assets	66,900	69,360
Total market value of assets	2,230,000	2,312,000

The actual return on scheme assets was £(303,000) (2022: £(53,000)).

Amount recognised in the statement of financial activities

	2023 £	2022 £
Current service cost	207,000	424,000
Interest income	(103,000)	(37,000)
Interest cost	136,000	86,000
Total operating charge	240,000	473,000

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20	Pension and similar obligations		(Continued)
	Changes in the present value of defined benefit obligations	2023	2022
		£	£
	At 1 September 2022	3,091,000	4,981,000
	Current service cost	207,000	424,000
	Interest cost	136,000	86,000
	Employee contributions	43,000	43,000
	Actuarial gain	(724,000)	(2,410,000)
	Benefits paid	(27,000)	(33,000)
	At 31 August 2023	2,726,000	3,091,000
	Changes in the fair value of the academy trust's share of scheme assets	2023	2022
		£	£
	At 1 September 2022	2,312,000	2,151,000
	Interest income	103,000	37,000
	Actuarial loss	(406,000)	(90,000)
	Employer contributions	205,000	204,000
	Employee contributions	43,000	43,000
	Benefits paid	(27,000)	(33,000)
	At 31 August 2023	2,230,000	2,312,000
21	Reconciliation of net (expenditure)/income to net cash flow from operating activities	2023	2022
		£	£
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(188,469)	112,168
	Adjusted for:		
	Capital grants from DfE and other capital income	(119,455)	(369,214)
	Investment income receivable	(8,194)	(421)
	Defined benefit pension costs less contributions payable	2,000	220,000
	Defined benefit pension scheme finance cost	33,000	49,000
	Depreciation of tangible fixed assets	400,906	364,813
	Decrease/(increase) in debtors	291,217	(349,159)
	Increase in creditors	79,338	126,484
	Net cash provided by operating activities	490,343	153,671

THE SOUTH EAST STAFFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	1,051,391	42,690	1,094,081

23 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	5,045	5,040
Amounts due in two and five years	5,045	10,080
	10,090	15,120

24 Capital commitments

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	-	440,000

As at 31 August 2022, the academy trust had received a formal offer of Conditional Improvement Funding therefore the academy trust had an obligation to spend £440,000 in accordance with the funding agreement.

25 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. The following related party transactions took place in the financial period.

Apart from the trustees remuneration disclosed in note 11, there are no other related party transactions that took place in the financial period.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.