

Company Registration Number: 07343725 (England & Wales)

Fulston Manor Academies Trust

(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2022

Fulston Manor Academies Trust
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Robinson J Fassenfelt (appointed 7 February 2022) K West T Lawry R Couzins (resigned 31 August 2022) K Pidduck (resigned 1 December 2021)
Trustees	L O'Sullivan, Chair of Trustees M Gilbert P Hatt, Chair of LGB P Crouch S Burden, Executive Headteacher T Cadwallader, Head of School N Davies (resigned 31 August 2022) M McKeeman (resigned 23 September 2022)
Company registered number	07343725
Company name	Fulston Manor Academies Trust
Principal and registered office	Fulston Manor School Brenchley Road Sittingbourne Kent ME10 4EG
Senior management team	S Burden, Executive Headteacher S Bendon, Assistant Headteacher G Bowden, Deputy Headteacher (Pastoral) SENCO G Davies, Assistant Headteacher S Francis, Trust HR & Business Director K Franks, Assistant Headteacher M Gash, Deputy Headteacher (Curriculum) L Hay, Assistant Headteacher R Prutton, Assistant Headteacher G Vigeon, Assistant Headteacher T Cadwallader, Head of School - South Avenue Primary
Independent auditors	Kreston Reeves LLP Chartered Accountants Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU

Fulston Manor Academies Trust
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Trustees' report
For the year ended 31 August 2022

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

The Trust operates 1 primary and 1 secondary Academy in Sittingbourne, Kent. Its academies have a combined pupil capacity of 1,758 and had a roll of 1,778 in the school census of Autumn 2022.

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal activity of Fulston Manor Academies Trust is to provide the best possible education for students of a range of abilities and achieves this by providing a state education, free of charge, to pupils aged 5 to 19.

Objects and Aims

In accordance with the Articles of Association, Fulston Manor Academies Trust the company's object ("the Object") is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")
- to promote for the benefit of the inhabitants of the areas served by the Academies the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives

The main objectives of the Trust during the year ended 31 August 2022 are summarised below:

- to deliver high quality education and care to all pupils of the Academies within the Trust;
- to raise standards and achievement;
- to ensure all students are ready for state assessments following the suspension of these due to COVID;
- to improve attendance of all students following the decline in national school attendance post COVID;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity & openness; and
- to ensure effective completion of the CIF projects to improve the infrastructure and facilities in both schools.

Objectives, Strategies and Activities

The Trust's main strategy is encompassed in its mission statement which is:

'TO CHANGE FOR THE BETTER THE LIVES AND LIFE CHANCES OF ALL MEMBERS OF OUR COMMUNITY. WE ALSO RECOGNISE OUR WIDER RESPONSIBILITIES WITHIN AND BEYOND THE LOCAL AREA TO WORK POSITIVELY AND COOPERATIVELY WITH OTHERS IN ORDER TO SUPPORT SUCH CHANGES ELSEWHERE'.

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Trustees' report (continued)
For the year ended 31 August 2022

The Trust produces an annual Academies Trust Development Plan, which details how it intends to achieve the aims and objectives for the period. The activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- use of NTP funding to effectively close gaps in lost learning;
- training opportunities for all staff, and especially teaching staff taking advantage of the national offer of NPQ programmes;
- adjustments to the curriculum to ensure it meets the needs of the students and community we serve and offers a wealth of opportunities and understanding for all.
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- co-operation and sharing resources with local schools;
- a system of after school clubs allow students to explore new areas in a practical and project orientated way;
- a careers advisory programme to help students obtain employment or move on to higher education.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of Fulston Manor Academies Trust is the advancement of education within the local community.

STRATEGIC REPORT

Achievement and performance

Charitable activities

- Fulston Manor School

The academic year 2021 to 2022 allowed the school to return to the academic year with fewer COVID mitigations, although testing was still in place. The school was able to return students to the House pastoral system which works much better for providing coordinated support and we needed to spend significant efforts on re-engaging students and the community with being in school.

Staffing pressures, however, remained a significant theme throughout the academic year, we lost 996 days in staff sickness over the academic year and this continues to be extremely challenging and has profound impacts. The students prepared to return to the examination hall and be tested, a significant time especially for the Year 13 cohort who had completed the CAG system for their Year 11 outcomes. Once again, it was very pleasing to see so many students move onto higher education in August, with many first generation students entering universities across the country. Students collecting GCSE results progressed to 6th Form, Post 16 Colleges or apprenticeships and once again the NEET figure is very low and remains below the national average.

Returning to Open Days allowed the Year 7 applications to remain high and we continue to be very over-subscribed, we were once again the second most over-subscribed school in the county. Additional support and expertise was used to aid transition, with visits in person to primary schools recommencing and an induction week planned for students starting in the coming year. Applications for 6th form included over 50 students arriving from other schools to enter the 6th form this academic year.

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Trustees' report (continued)
For the year ended 31 August 2022

The Headteacher continued to chair the local IYFAP and continues to forge relationships with other schools. We have worked with two other trusts to undertake curriculum area reviews and staff have reciprocated with the same in school's in the other trusts allowing excellent sharing of best practice and regular reflection on our own curriculum. We have made adjustments for the coming academic year to the timing of the school day, extending it and adjusting to a five period day. This has enabled the introduction of additional subjects at Key Stage 3. We are also continuing our involvement with Kent Association of Headteachers (KAH). The Headteacher at Fulston also represents Swale Headteachers on the East Kent Board. We are continuing to work with the local grammar schools as part of our partnership arrangements.

The school continued to carry out charity fund raising activities, with Comic Relief and Demelza for whom the 6th form raised £8000 this year, being the charities the school supported as well as local organisations including the Swale Food Bank. With the rising cost of living being a major concern in our community which has high deprivation, the Trustees are aware and planning for further support the school can offer to local families.

- South Avenue Primary School

The academic year 2021 – 2022 started with many Covid restrictions removed and the need to isolate lifted so that we did not have to have classes or year groups away from school. Individuals had to isolate if they had a positive Covid test, we no longer had to inform other parents. We were able to have whole school assemblies and have parents in school with some precautions to keep people safe.

Year R tours were held but were on a 1:1 basis, the take up of these was quite low for us but we think this was due to people still being cautious of Covid. Our uptake for September 2022 was only 48 children. The birth rate has been falling for a few years and this is the first time it has had an impact on us.

South Avenue has continued to keep lunchtimes to 50 minutes as well as children coming to school in their PE kits on their PE days -it means that there is more time spent on PE as there is no having to get changed. We saw many families taking holidays this year due to them having been cancelled during the pandemic. This had a big impact on our overall attendance as well as our persistence absenteeism for the year.

South Avenue started the year with a new SLT structure in place as the Head of School had been leading the school since May 2021 on their own, with 5 members. However, this structure changed in January 2022 as 2 members of the team left for promotion opportunities. An Assistant Head from Fulston started being part of South Avenue 2.5 days a week and supporting with the day to day business of the school. We also decided to move the remaining Phase Leader to being out of class full time so that they could support the Head of school develop the curriculum. We had a new SENDCo in April 2022. It was decided to review the structure of the school during the term 5 in readiness for the new academic year, September 2022.

Year 6 SATs results were lower than in previous years, we were in line with other local schools. We had no Greater Depth due to our writing being low. For term 6, our additional year 6 teacher works with Year 5, getting them ready for Year 6 by working in smaller groups for English and Maths.

KS1 SATs, Year 2, were very low compared to pre-pandemic results. We only had 1 child achieve Greater depth combined. Year 2 Phonics Screen was taken in December 2021, with 80% achieving the pass mark or better.

Year 1 Phonics screen had a 70% pass. We changed our Phonics scheme in January 2022 to one that was suggested by The English Hub as we were still pat of this. We followed the scheme, purchased books to support the delivery and assessed children termly to ensure that progress was being made.

In the Year R, 43.3% achieved GLD at year end. Year 1 will look at the gaps from Year R and will plan to fill these gaps during the start of term 1.

South Avenue joined other local schools during the year to moderate Reading, Maths and Writing teacher assessment so that we could secure our own knowledge of these expectations and the assessment of the children. When they attended the Local Authorities end of year Moderation we had no changes to our assessments.

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Trustees' report (continued)
For the year ended 31 August 2022

Key financial performance indicators

Staff costs as a percentage of income (excluding restricted fixed asset funds):

Fulston Manor School	2022	2021
Teaching Staff	58.9%	59%
Educational Support Staff	8.8%	9%
Other Support Staff	13.1%	11%
Total Staffing	80.9%	79%

South Avenue School	2022	2021
Teaching Staff	40.4%	40%
Educational Support Staff	25.4%	30%
Other Support Staff	9.9%	7.5%
Total Staffing	75.7%	77.5%

FMAT	2022	2021
Teaching Staff	7.6%	12%
Educational Support Staff	18.7%	20%
Other Support Staff	55%	40%
Total Staffing	81.3%	72%

Promoting the success of the company

The Trust Business Team produce regular reports for the Local Governing Bodies of each academy and for the Strategic Board covering all aspects of finance and premises.

As is the remit of the Boards the Trustees and Governors hold the schools to account on these matters and scrutinise the figures and assumptions behind them.

The Leadership Groups of the academies are involved in long term financial planning to ensure that where reserves fall outside of the Trust policy and either fall below 5% or exceed 8% that a plan is in place and presented to the board for investment of the funds or recovery of the reserves. This would include investing in capital projects or providing additional resources in line with the Trust's educational purpose or would involve a cost reduction strategy and efficiency savings across the Trust in order to bring the reserves to the required level. In particular capital investment is planned for additional IT hardware to update student access.

Across the Trust there is a consensus from the Strategic Board that where reserves allow individual academies may support each other in such situations.

The Trust is required to complete Budget Forecast Returns for the ESFA including 3-year projections of direction of travel in financial terms. Additionally the Chair of the Strategic Board is presented with consolidated monthly management accounts for their approval.

The Trust ensures that it has adequate risk protection in the form of insurances and is a member of the Risk Protection Arrangement scheme through the ESFA.

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Trustees' report (continued)
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Financial review Financial position

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2022 total expenditure of £12,482,642 (2021: £11,193,404) was funded by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year, including other recognised gains and losses, (excluding restricted fixed asset funds and the LGPS) was £25,314 (2021: £351,279).

The Trust held fund balances at 31 August 2022 of £21,330,283 (2021: £14,277,702) comprising £703,696 (2021: £673,482) of restricted general funds and £308,744 (2021: £313,644) of unrestricted general funds. The unrestricted funds are the academy trust's free reserves.

At 31 August 2022 the net book value of fixed assets was £20,374,927 (2021: £18,770,630) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

There is a pension reserve deficit of £1,160,000 (2021: £7,986,000). It should be noted however that this deficit will not crystallise within the foreseeable future and that the Trust follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the Trust's budgets for the year ending 31 August 2022.

The in year surplus is £25,314 and agrees to the change in balance of restricted general funds (excluding pension) and unrestricted funds.

Investment

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. Assets will only be considered with banking institutions which have credit ratings assessed by Fitch and or Moody to show good credit quality. Deposits should be spread by banking institution and be subject to a maximum exposure of £500,000. Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts. The cash flow forecasts will take account of the annual budget and spending plans approved by the Strategic Board Finance Risk and Audit Committee and be updated on a quarterly basis. A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust.

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Trustees' report (continued)
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Reserves policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to any constraint that the level of resources does not exceed the level permitted by the DfE, there are currently no such constraints on the Trust. The Trust Strategic Board has set a target of minimum 5% and maximum of 8% total reserves (excluding fixed assets and pension reserves) per Academy to be held, based on GAG funding for each given year. In the year to 31 August 2022 this reserves level is £505,000 for Fulston Manor and £120,000 for South Avenue Primary School a total reserves figure of £625,000. The reserves of the Academies Trust before accounting for the pension deficit and fixed assets are £1,012,440 (2021: £987,126). Free reserves are £308,744 (2021: £313,644) with this being unrestricted funds and restricted general funds (excluding pension reserve) were £703,696 (2021: £673,482).

The Strategic Board have taken the decision given the uncertainty related to the Teaching and Support Staff Pay Award for 2022/2023 and the exorbitant rising cost of energy to be prudent with the reserves and to have an increased level of reserves held across the Trust. This is to enable the Trust to deploy some of those funds to plug funding gaps and rising costs once these are better understood.

The Trust is mindful of its obligation with regard to Value for Money and efficient use of resources, however, based on the prices available to the schools through the buying frameworks it is impossible to mitigate against a rise of 400% on the Trust's previous energy tariff. Therefore, the Board acknowledge that additional reserves will be needed.

In addition, like other Trusts, the Board recognises that in order to be able to recruit and retain staff it is necessary to match as closely as possible the National Pay Bodies' recommendations and whilst some additional increases have been included in the 2022/2023 budget, the final recommendations were still unknown. The additional funds to match the recommendations will have to come from reserves as the indication from Government is that they will be unfunded.

The Board has also approved designation of funds, as detailed in note 20, of £77,040 for much needed capital works particularly on the Primary School site.

Where reserves exceed 8% of GAG funding the Academies Trust Strategic Board will review any budgetary constraints and assess if targeted expenditure can improve any operational areas. If it is deemed that the current budget is accurate and manageable any surplus in excess of the 8% threshold shall be allocated to a Capital Reserves fund. The Capital Reserves fund shall be used in conjunction with, but separate to, the Devolved Formula Capital Grant. The Trust HR & Business Director, in conjunction with the Executive Headteacher and Leadership Groups of the academies, should propose a schedule of works to the Academies Trust Strategic Board identifying the need to maintain, improve or replace assets and the related sums required in doing so.

Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation. Spend of the Capital Reserve Fund should only occur when it has been approved by the Academies Trust Strategic Board.

The principal financial risks have been identified and considered by the Trustees. The Trustees are satisfied that within reason, all financial risks have been limited or eliminated by internal policies and procedures.

As the majority of the funding for the Trust is in the form of grants from the Education and Skills Funding Agency, the uncertainty facing future funding is the biggest financial risk that the Trust faces. The Trust therefore has a budget plan for 3 years which is linked to the school improvement plan and takes account of possible downturns in funding wherever possible.

The Trustees ensure that sound economical purchasing decisions are made on a day to day basis and that financial management within the school is carried out by competent and suitably qualified personnel.

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Trustees' report (continued)
For the year ended 31 August 2022

Fundraising

The Trust has a very clear policy on fundraising. Every child benefits directly from activities as all money raised goes back to supporting the costs of resources, educational visits and activities. The majority of these funds come from voluntary donations.

School voluntary fund

Parents shall be requested to donate a voluntary contribution per student upon entry into Year 7. (Reduced pro-rata for entries in other years).

The School Voluntary Fund shall be spent both on items that are of benefit to the whole school and on items which benefit individual students, principally those whose families are in financial difficulties. The Fund shall be spent on a variety of items including:

- Contributions to the expenses of teams or individuals in competitions
- Subsidising school visits and other extra-curricular activities, covering all or part of the costs attributable to students whom would otherwise not be able to participate.
- Presentations Evenings, Sports Day, Whole School Events

Fundraising is seen as a legitimate means of improving the Trust's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting schools within the Trust. The Board of Trustees is responsible for ensuring that:

- Correct procedures are in place and followed for fundraising activities
- Expenditure is properly validated
- All funds raised are properly accounted for and audited
- The money is expended in accordance with the objectives agreed with the fund raisers.
- All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness
- All funds received must be given to the Finance Office to be recorded, counted and banked in line with the Trust's financial regulations
- Fundraisers must not exploit their position for personal gain
- Fundraisers shall adhere to all policies and procedures adopted by the Board of Trustees. Donors have the right to obtain complete and timely information on how their funds are used

All fundraising inside or outside the school must be approved by the Headteacher regardless of the sum involved. The Headteacher will report such approvals to the Board of Trustees. In the event a member of Trust staff becoming aware of an external body fund raising on behalf of the Trust, he/she should notify the Headteacher so that the fundraising can be approved (if this has not already occurred) and the Trust can formally accept the donated cash or equipment.

Principal risks and uncertainties

The Trustees have assessed the main risks to which the Trust is exposed which are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

Strategic and Reputational - This covers unfavourable OFSTED reports, risk of uncontrollable events and competition from other schools with similar objectives and little scope for differentiation.

Finance Risk - the risk of the Academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. The risk that the implementation of the NFF will be delayed. The impact of the delayed publication of the Teachers and Support staff pay recommendations due to the changes at government level and the ongoing concerns regarding extremely high increases in fuel prices.

Safeguarding and child protection - The Trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

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Failures in Governance and/or management - The risk in this area arises from the potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees regularly review procedures during Finance and Trust meetings to ensure that appropriate measures are in place to mitigate these risks.

Staff - The success of the Academy is reliant on the quality of its staff and staff retention and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Financial and risk management objectives and policies

The main risk to which the Trust is exposed to is making a deficit from unforeseen but necessary expenditure. The Trust manages its cash resources so that all its operating needs are met without the need for short-term borrowing and Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

Where significant financial risk still remains the Trustees have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Plans for Future Periods

The Trustees' main plans for future periods are:

- To raise attainment and progress for all pupils across the MAT including closing the gaps created post COVID.
- To retain teaching staff across the MAT and ensure succession planning.
- To ensure the financial sustainability of the MAT
- To develop links between the two schools across the MAT to provide an enriched curriculum to all pupils.
- To develop the Trust to form further links in the wider community and to consider the potential for expansion.

Fulston Manor School is to increase its Year 7 PAN by 15 in 2022 and 2023 following a request by KCC due to significant issues with a lack of spaces in non-selective secondary schools in Swale and significant numbers of students travelling to school from the Isle of Sheppey to attend the secondary provisions in Sittingbourne. KCC have agreed to provide capital funding of £1m to enable the school to accommodate this increase.

Both schools will focus on developing links with the community and each other and looking to work with other Trusts on peer to peer support and review of school improvement.

There are future plans to expand the Trust further and initial discussions are taking place with other interested parties in this regard. The focus of each school remains on ensuring the best possible outcomes for the students currently on roll. Many of the families with children in the schools will now be faced with significant challenges in relation to the cost of living. The Trust objectives are to ensure those students are in school and receiving the best possible education due to a strong curriculum and well-trained teachers and support staff helping them to achieve. The primary school and secondary school have worked much more closely this year, with a shared member of the leadership team working across both settings. Music and Performing Arts provision has also been shared with staff working in both settings and student volunteering has taken place at the primary school. The judgement of "Good" achieved by South Avenue in 2017 and their significantly improved KS2 outcomes in 2018 and 2019 continue to provide platform for further expansion, the Trust needs to consider building capacity to allow for this to develop further. Collaborative work continues with most primary schools across the area and it is believed that this currently represents the best way of securing area wide educational improvement.

Funds held as custodian trustees on behalf of others

The Trustees hold no funds as custodian trustee.

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Trustees' report (continued)
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Structure, governance and management

Charity constitution

The Trust was incorporated on 12 August 2010 and commenced trading on 1 October 2010. The Trust is a company limited by guarantee with no share capital (registration no: 07343725) and became a Multi Academy Trust on 26 November 2013. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Articles of Association require the members of the Charitable Company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Trust.

The Trust has charitable status for tax purposes under the reference XT35298.

Details of the Trustees who served throughout the year, and to the date these accounts are approved, except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Academy Trust undertakes to contribute to the assets of the 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 cease to be a member.

Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee, officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust has a Board of Members. The Members of the Academy shall comprise:

- A. The signatories to the Memorandum and
- B. Any members appointed by special resolution by the existing members

Termination of membership is subject to provision within the Articles of Association of the Academies Trust. Members may resign by written notice provided that at any time the remaining number shall not be less than three.

The strategic board may appoint such number of Trustees as is noted within the Articles of Association of the Academies Trust.

- a) The Trustees will ensure that the people serving on the Board of Trustees have an appropriate range of skills and experience between them and give due attention to succession planning .
- b) There is representation amongst the Trustees or Local Governing Board from the parents of registered pupils at the Academies.

The strategic board may appoint the Headteachers to be Trustees through such process as they may determine.

There shall be a minimum of 3 Trustees but shall not be subject to any maximum. The Chairperson of a Local Governing Body shall be eligible to be a Trustee and only for as long as he remains in office as such. For the avoidance of doubt, The Chief Executive Officer cannot be a chairman of a Local Governing Body.

There shall be a minimum of two Parent Trustees unless there are Local Governing Bodies, which include at least two parent members.

The Chief Executive Officer shall be a Trustee for as long as they remain in office as such.

The term of office for Trustees and Governors is four years, unless resignation of office is given by notice to the Trust or Local Governing Body as appropriate.

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Trustees' report (continued)
For the year ended 31 August 2022

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Members and Trustees who were in office at 31/8/2022 and served throughout the year, except where shown, are listed on page 1.

The structure of the Trust exists at four levels:

- The Board of Members
- The Trust Board
- The Local Governing Bodies of Fulston Manor School and South Avenue Primary School
- The Senior Leadership Groups of Fulston Manor School and South Avenue Primary School

The Members will maintain a strategic overview of the Trust's performance and adherence to the terms within the Funding Agreement.

The Trust Board, supported by the Local Governing Bodies, is responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and individual school's budgets, making decisions about the direction of the Trust and the schools, capital expenditure and senior staff appointments. The Senior Leadership Groups (Teams) are responsible for the day-to-day running of the schools.

The management structure in place encourages devolved responsibility and involvement in decision making at all levels of the organisation.

The Leadership Group in the secondary school is made up of, during this period of review, The Executive Headteacher, the Head of School, Deputy Head Teachers, the Trust HR and Business Director and the Assistant Head Teachers. This group oversees the day to day management of the Secondary School implementing policies and plans set by the strategic board. Some members of this group can approve expenditure up to certain limits above which Trustee approval will be required.

The Leadership Group in the South Avenue Primary School is made up of the Head of School, Vice Head of School, DSL, SENCO and Phase Leaders during the period under review.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel are set as follows:

<i>Role</i>	<i>Recommender</i>	<i>Decision Maker/ Reviewer</i>	<i>Appeal</i>
Executive Headteacher	Pay Committee	Pay Committee	Strategic Board Chair
Head of School Or Headteacher	Executive Headteacher	Pay Committee	Strategic Board
Other Leadership Team Members	School's Headteacher or Head of School	Pay Committee	Strategic Board

Salaries for support staff are benchmarked by the Trust HR and Business Director against sector data and in accordance with the Academies Trust's Support Staff Pay Policy. Salaries for educational staff are set in accordance with the Academies Trust's Teachers pay policy.

Disclosures in relation to remuneration paid to key management personnel during the year are provided in note 11.

Fulston Manor Academies Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy trust had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2022.

Relevant union officials

Number of employees who were relevant union officials

Full-time equivalent employee number during the relevant period 2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	Nil
51-99%	Nil
100%	Nil

Percentage of pay bill spent
on facility time

£

Total cost of facility time

Nil

Total pay bill

7,990,171

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

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

Paid trade union activities

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

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

Fulston Manor Academies Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Related parties and other Connected Charities and Organisations

The Academies Trust does not have any connected organisations.

Where Trustees offer their services to the Academy their interest is recorded on the relevant paperwork and the circumstances discussed by the Board. The Head Teachers are employees of the Charitable Company.

Engagement with employees

In discharging its obligations under The Companies (Miscellaneous Reporting) Regulations 2018 the Trust takes into account the need to consult with employees and to encourage employee involvement in the Trust's performance, amongst other considerations.

The Board regularly receives information and data from the Head of School/Executive Headteacher with respect to the activities and considerations of each individual academy and its staff. The Board also receives regular reporting on staff absences and Health and Safety and is debriefed by the Executive Headteacher and Trust HR & Business Director as to any underlying issues or considerations, which fall under the Board's remit.

The Leadership Groups of both academies regularly conduct Staff Voice surveys and consult with staff as to any matters arising and report to the Board in the Head of School reports. Staff are encouraged to apply to become Staff Governors of the Local Governing Bodies as vacancies arise and the Trust has an open door policy for its Leadership teams which encourage staff to voice concerns or opinions throughout the year. Staff are also encouraged to speak to their Governor or union representatives to similarly raise concerns or voice opinions.

As we return post COVID lockdowns, staff welfare continues to be paramount with consideration given to any extra mitigations the Trust can put in place to support staff. Both schools continued to follow all government guidance in relation to the re-opening of the school's and extra support or changes to working practice was put in place for those known to be more vulnerable.

Fulston Manor School continued to work with its own Equality and Diversity Committee, comprised of staff members, who not only look to organise events to mark events such as Black History Month or International Women's Day but also to be a conduit for improvement in the representation of our diverse staff community; giving a voice to all. The group also run clubs and events for students and the LGBTQ+ school community group has been very popular and run a number of school trips and activities. CPD has been provided regarding how to approach conversations regarding sensitive topics.

Staff are encouraged across the academies to view themselves as a family with educational purpose at the heart of their activities. This speaks to our core purpose and staff are encouraged to understand that each and every one of them matters and impacts upon the academies direction and achievements.

The Trust provided benefits to the staff such as a defined benefits healthcare scheme, annual flu jabs, on site parking and subsidised meals. Employee share schemes are outside of the scope of the Trust.

Equal opportunities policy

The Trust is an equal opportunity organisation and is committed to take a positive stand to ensure all stakeholders have a right to equality of opportunity and achievement regardless of race and ethnicity, faith, belief and religion, disability and access, age, sex, sexual orientation, transsexualism, and marital status.

Equality of opportunity is related to all areas of the Trust's work and is a fundamental aspect of the ethos of the Trust. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of both Academies.

Fulston Manor Academies Trust is committed to safeguarding and promoting the welfare of children and young people, and expects all staff and volunteers to share this commitment. All posts are subject to an enhanced Disclosure Application to the Disclosure and Barring Service and checked against the ISA Barred List for children.

Fulston Manor Academies Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Parents are given regular information about their child's social and academic progress through 3 progress reports a year and one full report a year as well as Parent Evenings, Parent Portals (secure online system) and Newsletters. Regular contact with parents is maintained as and when required.

Employee involvement and employment of the disabled

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Employee Consultation

The Trust's staff are empowered to elect colleagues to sit and serve as Governors. Trustees and Governors regularly meet with staff ranging from attendance at formal board and committee meetings. Members of the LGB are link governors and assigned areas of the schools to take a particular review and interest in. Those Governors meet directly with those in charge of each area and discuss progress and areas for development, this is reported back to the LGB.

Engagement with suppliers, customers and others

The Trust is aware that under The Companies (Miscellaneous Reporting) Regulations 2018 its needs to have an awareness of the matters in section 172(1)(a) to (f) of the Companies Act 2006 including the likely consequences of any decision in the long term, the need to foster the company's business relationships with suppliers, customers and others, and the impact of the company's operations on the community and the environment.

The Trust endeavours, where possible, and where it is appropriate to achieve Value for Money, to use local suppliers and tradespeople. By investing in the local community in this way it not only helps to sustain the local economy but also has an impact on the life and job opportunities of the Academies' leavers and the families of the Trust's students.

The Trust Business Team ensures that suppliers are paid in a timely fashion and trade disputes are therefore rare.

The Academies have a good reputation locally both educationally and for their ethos, in making business decisions and in its dealing with businesses and others in the local community.

The Trust works on community projects and supports students who are involved in charitable activities. The Events and Publicity Manager has developed links with local press where achievements both of the students and within the Academies are celebrated.

The Academies work to ensure that where other stakeholders have any concerns these are addressed and action taken.

Staff and students at Fulston Manor have been involved in the last few years with the Erasmus project, a European project to foster goodwill and understanding between citizens of European Countries and have worked on some exciting projects including ones with an environmental focus. This year students have visited schools and families in Iceland, Spain and the Czech Republic. Further visits to Belgium, Italy and Sweden are planned for the coming year. For many of the students this is their first trip abroad and certainly to areas outside of the normal tourist activity, this enriches their education and cultural experience hugely.

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Trustees' report (continued)
For the year ended 31 August 2022

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 Energy consumption used to calculate emissions (kWh)	1,636,654
Energy consumption break down (kWh)	
o gas,	934,160
o electricity,	697,421
o transport fuel	5710
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	170,521
Owned transport - mini buses	7,034
Total scope 1	171,225
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	134,867
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	1809
Total gross emissions in metric tonnes CO2e	307,901
Intensity ratio	
Tonnes CO2 Per pupil	173.08

Quantification and Reporting Methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Fulston Manor Academies Trust
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Trustees' report (continued)
For the year ended 31 August 2022

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency across the Trust including CIF funded works on improvements to heating systems , changing lighting for more efficient systems and fire alarm systems.

Provision of information to 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.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The Trustees will propose a motion of reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



L O'Sullivan
(Chair of Trustees)

Fulston Manor Academies Trust
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Fulston Manor Academies 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 Executive Headteacher, 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 Fulston Manor Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Fulston Manor Academies Trust
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Governance Statement (continued)

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 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
L O'Sullivan, Chair of Trustees	5	5
M Gilbert	5	5
P Hatt, Chair of LGB	5	5
P Crouch	4	5
S Burden, Executive Headteacher	5	5
T Cadwallader, Head of School	5	5
N Davies (resigned 31 August 2022)	4	5
M McKeeman (resigned 23 September 2022)	1	5

Key changes to the composition of the Board are detailed on page 3 of the Report of the Trustees.

There have been no changes to the composition of the Board of Trustees since the appointments shown in the Reference and Administrative details on page 1.

During the year the Board undertook the following reviews of:

- service terms provided to the Trust.
- attendance records and requirements
- preparation for an Ofsted inspection
- skills and expertise in regards to the DfE's Competency Framework for Governance, assessing how the composition of the Trustees met these requirements
- priorities for improving the school
- school policies

The Trust carries out a skills audit and reviews governance structures on an annual basis. The next review is due in Spring 2023.

The Strategic Board Finance, Risk and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to:

- Agree and monitor the Trust budgets to ensure an up-to-date balanced three-year budget plan is maintained and resources are allocated in line with strategic priorities with clear links to the Schools' Development Plans and Staffing plans
- To receive and review monitoring reports from each Academy, including cash flow, and approve any significant variances.
- Monitor the implementation of financial procedures within the Trust and each Academy, including segregation of duties.
- Receive monitoring reports from each Academy on buildings and maintenance
- Monitor use of assets and efficient use of financial resources through benchmarking and value for money reviews
- Monitor the Trust Risk register to ensure all significant risks are mitigated
- Scrutinise draft Annual Report and Financial Statements and recommend approval to the Trust Board

Fulston Manor Academies Trust
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L O'Sullivan	4	4
P Crouch	3	4
S Burden	4	4
M J Gilbert (Chair)	4	4
N Davies (resigned 31 August 2022)	4	4
T Cadwallader	4	4

Fulston Manor Local Governing Body oversees the day to day operation of the secondary school. A Finance and Premises Committee made up of members of the Local Governing body met 1 time during the year to monitor the finances of the school, deal with any matters regarding contracts and tenders subject to previously authorised limits and to consider premises matters – the Finance and Premises Committees were disbanded by the Trust Board at the meeting on 27th April 2022.

Attendance during the year at meetings was as follows:

Trustee/Governor	Meetings attended	Out of a possible
M Gilbert	4	4
O Cole	4	4
P Beckham	2	4
S Burden	4	4
N Davies (Chair, resigned 31 August 2022)	4	4
M Hall	2	4
M Mundle	0	4
K Avery (appointed 24 April 2022)	2	2
M Gash	3	4
M Dunt (Staff Member)	3	4

South Avenue Local Governing Body oversee the day to day operation of the primary school.

Attendance during the year at meetings was as follows:

Trustee/Governor	Meetings attended	Out of a possible
P Hatt (Chair, resigned 31 July 2022)	5	5
T Cadwallader	5	5
H Lofts	5	5
C Soyinka	5	5
K Franks	4	5
A Kelly-Metelewa	3	5
A Penn (appointed 1 September 2021)	3	5
O Talabi (appointed 28 January 2022)	3	3

Fulston Manor Academies Trust
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Governance Statement (continued)

Review of value for money

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

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

- Generating income from lettings
- Ensuring effective deployment of staff and resources to achieve the maximum progress and achievement of all pupils across the Trust
- Ensuring resources are deployed effectively across the Trust and reviewing efficiencies across contracts and other procured services
- Ensuring effective use of National Tutoring Programme funding to support students

Every effort has again been made this year to ensure best value for all the funding streams available to the school including the Catch-up and Summer School funding related to progress improvements since COVID 19.

We have worked closely with McCabe Ford Williams, organised regular internal scrutiny audit checks and ensured that Trustees have maintained effective scrutiny over all aspects of finance.

The ongoing pressures post COVID means that funding needs to be used carefully to ensure the best possible outcomes and support with appropriate intervention. The continuing pressures on recruitment of high-quality teachers, along with the financial pressures of the teaching and support staff pay awards is likely to lead to increase pressure for schools, alongside an increasing market pressure that is being seen in relation to the recruitment of staff across both teaching and support functions.

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 Fulston Manor Academies Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

Fulston Manor Academies Trust
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Governance Statement (continued)

The risk and control framework

The 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 annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- Regular reviews by the Strategic Board Finance Risk and Audit 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 decided to employ McCabe Ford Williams as internal auditor.

Internal scrutiny audits have been carried out during the year reviewing the effectiveness of the systems of internal control, performing a range of checks on the Trusts' financial systems. The Audit reports are presented to the Board of Trustees on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In particular the checks carried out in the current period include:

- Testing of payroll systems;
- Testing of purchasing and payment systems;
- Checking the tendering process in accordance with internal regulations;
- Review of income receipts;
- Review of bank reconciliations and control account reconciliations;
- Review procedures used to prepare reports to Trustees and other financial returns;
- Check procedures for staff expense claims and petty cash claims;
- Review of 2020-2021 audit findings and work undertaken on these
- Review information reported to Trustees.

The Board of Trustees confirms that the internal audit function has been fully delivered in line with the ESFA's requirements and that no material control issues were identified during these visits.

Fulston Manor Academies Trust
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Governance Statement (continued)

Review of effectiveness

As accounting officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- reports to the board of trustees

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



L O'Sullivan
Chair of Trustees



S Burden
Accounting Officer

Fulston Manor Academies Trust
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Statement on Regularity, Propriety and Compliance

As accounting officer of Fulston Manor Academies Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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



S Burden
Accounting Officer
Date: 6 December 2022

Fulston Manor Academies Trust
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Statement of Trustees' responsibilities
For the year ended 31 August 2022

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

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

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

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

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

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

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



L O'Sullivan
(Chair of Trustees)

Date: 6 December 2022

Fulston Manor Academies Trust
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Independent auditors' Report on the financial statements to the Members of Fulston Manor Academies Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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'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.

Fulston Manor Academies Trust
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Independent auditors' Report on the financial statements to the Members of Fulston Manor Academies Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Independent auditors' Report on the financial statements to the Members of Fulston Manor Academies Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of LGPS pension and freehold property. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit.
- Assessment of identified fraud risk factors.
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as cash, payroll and credit card expenditure.
- Review of cash and credit card expenditure to confirm no evidence of personal benefit.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Checking and reperforming the reconciliation of key control accounts.
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities.
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity.
- Review of corporate governance arrangements.
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Fulston Manor Academies Trust
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Independent auditors' Report on the financial statements to the Members of Fulston Manor Academies Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

6 December 2022

Fulston Manor Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Fulston Manor Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fulston Manor Academies Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Fulston Manor Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fulston Manor Academies Trust's funding agreement with the Secretary of State for Education dated 28 September 2010 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Fulston Manor Academies Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Fulston Manor Academies Trust and the Education & Skills Funding Agency (continued)

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Board minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

Conclusion

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

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant
Chartered Accountants

Date: 6 December 2022

Fulston Manor Academies Trust
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	177	-	606,255	606,432	2,434,355
Other trading activities	6	543,939	-	-	543,939	280,321
Investments	7	708	-	-	708	962
Charitable activities	5	-	10,534,144	-	10,534,144	10,149,997
Total income		544,824	10,534,144	606,255	11,685,223	12,865,635
Expenditure on:						
Charitable activities	8,9	500,967	11,484,814	496,861	12,482,642	11,193,404
Total expenditure		500,967	11,484,814	496,861	12,482,642	11,193,404
Net income / (expenditure)		43,857	(950,670)	109,394	(797,419)	1,672,231
Transfers between funds	20	(48,757)	(43,116)	91,873	-	-
Net movement in funds before other recognised gains/(losses)		(4,900)	(993,786)	201,267	(797,419)	1,672,231
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	7,850,000	-	7,850,000	(918,000)
Net movement in funds		(4,900)	6,856,214	201,267	7,052,581	754,231
Reconciliation of funds:						
Total funds brought forward		313,644	(7,312,518)	21,276,576	14,277,702	13,523,471
Net movement in funds		(4,900)	6,856,214	201,267	7,052,581	754,231
Total funds carried forward		308,744	(456,304)	21,477,843	21,330,283	14,277,702

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 61 form part of these financial statements.

Fulston Manor Academies Trust
(A company limited by guarantee)
Registered number: 07343725

Balance sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	20,374,927	18,770,630
Current assets			
Stocks	16	1,648	721
Debtors	17	1,229,404	2,911,579
Cash at bank and in hand		2,007,903	1,857,825
		<u>3,238,955</u>	<u>4,770,125</u>
Creditors: amounts falling due within one year	18	(1,086,663)	(1,240,996)
Net current assets		2,152,292	3,529,129
Total assets less current liabilities		22,527,219	22,299,759
Creditors: amounts falling due after more than one year	19	(36,936)	(36,057)
Net assets excluding pension liability		22,490,283	22,263,702
Defined benefit pension scheme liability	28	(1,160,000)	(7,986,000)
Total net assets		21,330,283	14,277,702

Fulston Manor Academies Trust
(A company limited by guarantee)
Registered number: 07343725

Balance sheet (continued)
As at 31 August 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	21,477,843	21,276,576
Restricted income funds	20	703,696	673,482
		<hr/>	<hr/>
Restricted funds excluding pension asset	20	22,181,539	21,950,058
Pension reserve	20	(1,160,000)	(7,986,000)
		<hr/>	<hr/>
Total restricted funds	20	21,021,539	13,964,058
Unrestricted income funds	20	308,744	313,644
		<hr/>	<hr/>
Total funds		21,330,283	14,277,702
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 31 to 61 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:



L O'Sullivan
 (Chair of Trustees)

The notes on pages 35 to 61 form part of these financial statements.

Fulston Manor Academies Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	1,643,389	(1,101,922)
Cash flows from investing activities			
	24	(1,494,194)	1,523,167
Cash flows from financing activities			
	23	879	27,139
Change in cash and cash equivalents in the year			
		150,074	448,384
Cash and cash equivalents at the beginning of the year		1,857,829	1,409,441
Cash and cash equivalents at the end of the year	25, 26	<u>2,007,903</u>	<u>1,857,825</u>

The notes on pages 35 to 61 form part of these financial statements

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

1. General information

Fulston Manor Academies Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Fulston Manor School, Brenchley Road, Sittingbourne, Kent, ME10 4EG. The principal activity of the academy trust is to provide secondary and primary education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Fulston Manor Academies Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest pound.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.5 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.

2.6 Interest receivable

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

2.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- Over 5 - 50 years straight line
Furniture and equipment	- 25% reducing balance or over 4 - 10 years straight line
Computer equipment	- Over 3 years straight line
Motor vehicles	- 25% reducing balance

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.

2.8 Stocks

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

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

2.13 Provisions

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

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

Notes to the financial statements
For the year ended 31 August 2022

2. Accounting policies (continued)

2.14 Pensions

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

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

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

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

2.15 Fund accounting

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

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

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

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

2.16 Operating leases

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

Notes to the financial statements
For the year ended 31 August 2022

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Multi-employer defined benefit pension scheme

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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £20,374,927 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 28 for further details.

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

3. Critical accounting estimates and areas of judgment (continued)

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	177	-	-	177	40,407
Capital Grants	-	-	606,255	606,255	2,393,948
	<u>177</u>	<u>-</u>	<u>606,255</u>	<u>606,432</u>	<u>2,434,355</u>
Total 2021	<u>1,148</u>	<u>39,259</u>	<u>2,393,948</u>	<u>2,434,355</u>	

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

5. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,913,741	8,913,741	8,353,568
Other DfE/ESFA Grants	-	615,897	615,897	685,725
Pupil premium	-	362,791	362,791	489,749
	-	9,892,429	9,892,429	9,529,042
Other Government grants				
Other government grants	-	641,715	641,715	620,955
	-	641,715	641,715	620,955
Total 2022	-	10,534,144	10,534,144	10,149,997
Total 2021	11,342	10,138,655	10,149,997	

6. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	12,226	-	12,226	31,120
Catering	232,471	-	232,471	138,804
Other income	125,548	-	125,548	24,632
Sales of other goods and services	173,694	-	173,694	85,765
	543,939	-	543,939	280,321
Total 2021	279,893	428	280,321	

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest received	708	708	962
	<u>962</u>	<u>962</u>	
Total 2021	<u>962</u>	<u>962</u>	

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	6,986,341	-	702,252	7,688,593	8,064,766
Support costs	3,170,064	376,269	1,247,716	4,794,049	3,128,638
	<u>10,156,405</u>	<u>376,269</u>	<u>1,949,968</u>	<u>12,482,642</u>	<u>11,193,404</u>
Total 2021	<u>9,189,556</u>	<u>326,981</u>	<u>1,676,867</u>	<u>11,193,404</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	7,688,593	4,794,049	12,482,642	11,193,404
	<u>8,064,766</u>	<u>3,128,638</u>	<u>11,193,404</u>	
Total 2021	<u>8,064,766</u>	<u>3,128,638</u>	<u>11,193,404</u>	

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	6,986,341	7,164,228
IT costs	546,144	768,117
Examination fees	127,507	114,050
Course fees	28,601	18,371
	7,688,593	8,064,766

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	128,000	98,000
Staff costs	3,170,064	2,025,328
Depreciation	496,861	427,394
Recruitment	26,602	31,287
Repairs and maintenance	109,107	62,638
Cleaning	125,776	62,492
Water and rates	50,803	59,509
Gas and electricity	140,387	85,722
Insurance	38,581	8,389
Travel	10,436	12,897
Catering	208,335	67,136
IT costs	98,648	85,538
Posting, printing and stationery	41,875	32,740
Telephone	22,147	23,014
Legal and professional including DBS fees	126,427	46,554
	4,794,049	3,128,638

Fulston Manor Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2022

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Depreciation of tangible fixed assets	496,861	427,394
Fees paid to auditors for:		
- audit	15,000	15,335
- other services	3,250	4,908
	=====	=====

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	6,994,924	6,505,529
Social security costs	657,859	601,291
Pension costs	2,403,512	1,984,625
	=====	=====
	10,056,295	9,091,445
Agency staff costs	100,110	98,111
	=====	=====
	10,156,405	9,189,556
	=====	=====

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	103	106
Management	11	12
Support	185	173
	=====	=====
	299	291
	=====	=====

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Notes to the financial statements
For the year ended 31 August 2022

11. Staff (continued)

c. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	=====	=====

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2022, pension contributions for these employees amounted to £89,713. One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2022, pension contributions for these employees amounted to £16,380.

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total salaries received by key management personnel for their services to the academy trust was £730,985. Employer pension contributions were a total of £171,641 and employer national insurance contributions were a total of £90,898. Total KMP costs were £993,524 (2021: £526,273).

12. Central services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Others as arising

The Academy charges for these services on the following basis:

6% of total GAG funding.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Fulston Manor School	436,044	404,358
South Avenue Primary School	103,831	95,352
Total	539,875	499,710
	=====	=====

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Notes to the financial statements
For the year ended 31 August 2022

13. Trustees' remuneration and expenses

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

		2022	2021
		£	£
S Burden, Executive Headteacher	Remuneration	100,000 -	90,000 -
		105,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
T Cadwallader, Head of School	Remuneration	55,000 -	55,000 -
		60,000	60,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
A Brookes, Executive Headteacher (Resigned 31 August 2021)	Remuneration	£Nil	45,000 -
	Pension contributions paid	£Nil	50,000 £Nil

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

14. Trustees' and Officers' insurance

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

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Notes to the financial statements
For the year ended 31 August 2022

15. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	22,039,032	75,858	542,029	734,214	31,861	23,422,994
Additions	588,564	1,439,041	22,330	51,222	-	2,101,157
At 31 August 2022	<u>22,627,596</u>	<u>1,514,899</u>	<u>564,359</u>	<u>785,436</u>	<u>31,861</u>	<u>25,524,151</u>
Depreciation						
At 1 September 2021	3,509,184	-	456,023	671,511	15,646	4,652,364
Charge for the year	436,750	-	20,261	35,795	4,054	496,860
At 31 August 2022	<u>3,945,934</u>	<u>-</u>	<u>476,284</u>	<u>707,306</u>	<u>19,700</u>	<u>5,149,224</u>
Net book value						
At 31 August 2022	<u><u>18,681,662</u></u>	<u><u>1,514,899</u></u>	<u><u>88,075</u></u>	<u><u>78,130</u></u>	<u><u>12,161</u></u>	<u><u>20,374,927</u></u>
At 31 August 2021	<u><u>18,529,848</u></u>	<u><u>75,858</u></u>	<u><u>86,006</u></u>	<u><u>62,703</u></u>	<u><u>16,215</u></u>	<u><u>18,770,630</u></u>

16. Stocks

	2022 £	2021 £
Stock	<u>1,648</u>	<u>721</u>

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	97,302	72,294
Other debtors	123,495	87,961
Prepayments and accrued income	1,008,607	2,751,324
	<u>1,229,404</u>	<u>2,911,579</u>

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Notes to the financial statements
For the year ended 31 August 2022

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	5,151	5,151
Trade creditors	259,779	335,929
Other taxation and social security	282,778	253,436
Other creditors	54,418	127,219
Accruals and deferred income	484,537	519,261
	1,086,663	1,240,996
	2022	2021
	£	£
Deferred income at 1 September 2021	150,035	146,664
Resources deferred during the year	360,224	150,035
Amounts released from previous periods	(150,035)	(146,664)
	360,224	150,035

At the balance sheet date the academy trust was holding funds received for reorganisation funds, bursary funds, and universal free school meals in respect of the following financial year.

19. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Other loans	36,936	36,057

The other loans are Salix loans associated with CIF projects approved and being undertaken by the Trust. The loans are interest free and repayable over an 8 year term.

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Notes to the financial statements
For the year ended 31 August 2022

20. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Fulston Manor Roof Fund	-	-	-	31,040	-	31,040
South Avenue Capital Works Fund	-	-	-	46,000	-	46,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,040</u>	<u>-</u>	<u>77,040</u>
General funds						
Unrestricted Fund	313,644	544,824	(500,967)	(125,797)	-	231,704
Total Unrestricted funds	<u>313,644</u>	<u>544,824</u>	<u>(500,967)</u>	<u>(48,757)</u>	<u>-</u>	<u>308,744</u>
Restricted general funds						
General Annual Grant	667,691	8,913,741	(8,834,620)	(43,116)	-	703,696
Other DfE/EFA grants	5,791	978,688	(984,479)	-	-	-
Other government grants	-	641,715	(641,715)	-	-	-
Pension reserve	(7,986,000)	-	(1,024,000)	-	7,850,000	(1,160,000)
	<u>(7,312,518)</u>	<u>10,534,144</u>	<u>(11,484,814)</u>	<u>(43,116)</u>	<u>7,850,000</u>	<u>(456,304)</u>
Restricted fixed asset funds						
Restricted Fixed Assets Fund	21,276,576	606,255	(496,861)	91,873	-	21,477,843
Total Restricted funds	<u>13,964,058</u>	<u>11,140,399</u>	<u>(11,981,675)</u>	<u>48,757</u>	<u>7,850,000</u>	<u>21,021,539</u>
Total funds	<u><u>14,277,702</u></u>	<u><u>11,685,223</u></u>	<u><u>(12,482,642)</u></u>	<u><u>-</u></u>	<u><u>7,850,000</u></u>	<u><u>21,330,283</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

20. Statement of funds (continued)

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

GAG represents funds to be used to cover normal running costs of the Academy Trust.

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other government grants represents grants provided for specific purposes, such as SEN funding which is used to support pupils with special education needs.

restricted fixed asset fund represents the assets which were donated upon conversion to academy status, and the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

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

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Notes to the financial statements
For the year ended 31 August 2022

20. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted Fund	315,920	292,383	(273,329)	(21,330)	-	313,644
Restricted general funds						
General Annual Grant	319,927	8,354,899	(7,957,626)	(49,509)	-	667,691
Other DfE/EFA grants	-	1,175,593	(1,170,239)	437	-	5,791
Other government grants	-	609,613	(609,613)	-	-	-
Pension reserve	(6,350,000)	-	(718,000)	-	(918,000)	(7,986,000)
	<u>(6,030,073)</u>	<u>10,140,105</u>	<u>(10,455,478)</u>	<u>(49,072)</u>	<u>(918,000)</u>	<u>(7,312,518)</u>
Restricted fixed asset funds						
Restricted Fixed Assets Fund	19,237,624	2,433,147	(464,597)	70,402	-	21,276,576
Total Restricted funds	<u>13,207,551</u>	<u>12,573,252</u>	<u>(10,920,075)</u>	<u>21,330</u>	<u>(918,000)</u>	<u>13,964,058</u>
Total funds	<u><u>13,523,471</u></u>	<u><u>12,865,635</u></u>	<u><u>(11,193,404)</u></u>	<u><u>-</u></u>	<u><u>(918,000)</u></u>	<u><u>14,277,702</u></u>

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Notes to the financial statements
For the year ended 31 August 2022

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Fulston Manor School	352,523	452,522
South Avenue Primary School	508,712	462,532
FMAT	151,205	72,072
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,012,440	987,126
Restricted fixed asset fund	21,477,843	21,276,576
Pension reserve	(1,160,000)	(7,986,000)
	<hr/>	<hr/>
Total	21,330,283	14,277,702
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Fulston Manor School	5,413,566	2,559,645	630,929	696,031	9,300,171	8,362,351
South Avenue Primary School	1,527,773	245,818	71,323	231,855	2,076,769	1,888,327
FMAT	45,002	492,601	-	71,238	608,841	515,332
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy	6,986,341	3,298,064	702,252	999,124	11,985,781	10,766,010
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
For the year ended 31 August 2022

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	20,374,927	20,374,927
Current assets	323,363	1,812,676	1,102,916	3,238,955
Creditors due within one year	(14,619)	(1,072,044)	-	(1,086,663)
Creditors due in more than one year	-	(36,936)	-	(36,936)
Provisions for liabilities and charges	-	(1,160,000)	-	(1,160,000)
Total	308,744	(456,304)	21,477,843	21,330,283

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	18,770,630	18,770,630
Current assets	535,007	1,381,571	2,853,547	4,770,125
Creditors due within one year	(221,363)	(708,089)	(311,544)	(1,240,996)
Creditors due in more than one year	-	-	(36,057)	(36,057)
Provisions for liabilities and charges	-	(7,986,000)	-	(7,986,000)
Total	313,644	(7,312,518)	21,276,576	14,277,702

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Notes to the financial statements
For the year ended 31 August 2022

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

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(797,419)	1,672,231
Adjustments for:		
Depreciation	496,861	427,392
Capital grants from DfE and other capital income	(606,255)	(2,393,948)
Interest receivable	(708)	(962)
Defined benefit pension scheme cost less contributions payable	891,000	718,000
Defined benefit pension scheme finance cost	133,000	-
Increase in stocks	(927)	-
Change in debtors	1,682,170	(1,859,572)
Change in creditors	(154,333)	334,937
Net cash provided by/(used in) operating activities	1,643,389	(1,101,922)

23. Cash flows from financing activities

	2022	2021
	£	£
Cash inflows from new borrowing	879	27,139
Net cash provided by financing activities	879	27,139

24. Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	708	962
Purchase of intangible assets	(2,101,157)	(871,743)
Capital funding received from sponsors and others	606,255	2,393,948
Net cash (used in)/provided by investing activities	(1,494,194)	1,523,167

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Notes to the financial statements
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25. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,007,903	1,857,825
Total cash and cash equivalents	2,007,903	1,857,825

26. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,857,825	150,078	2,007,903
Debt due within 1 year	(5,151)	-	(5,151)
Debt due after 1 year	(36,057)	(879)	(36,936)
	<u>1,816,617</u>	<u>149,199</u>	<u>1,965,816</u>

27. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,259,552	2,840,620

28. Pension commitments

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

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

Contributions amounting to £171,726 were payable to the schemes at 31 August 2022 (2021 - £163,201) and are included within creditors.

Notes to the financial statements
For the year ended 31 August 2022

28. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,157,152 (2021 - £1,085,158).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £692,000 (2021 - £566,000), of which employer's contributions totalled £545,000 (2021 - £441,000) and employees' contributions totalled £147,000 (2021 - £125,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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Notes to the financial statements
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28. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90
Commutation of pensions to lump sums	50.00	50.00

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

	2022	2021
	Years	Years
Retiring today		
Males	22.0	21.6
Females	23.9	23.6
Retiring in 20 years		
Males	23.4	22.9
Females	25.4	25.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(237)	(404)
Discount rate -0.1%	243	415
Mortality assumption - 1 year increase	267	641
Mortality assumption - 1 year decrease	(259)	(617)
CPI rate +0.1%	24	362
CPI rate -0.1%	(24)	(353)

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28. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	5,552,000	5,286,000
Gilts	49,000	45,000
Other bonds	1,121,000	1,121,000
Property	997,000	830,000
Cash	144,000	231,000
Absolute return fund	610,000	562,000
Total market value of assets	<u>8,473,000</u>	<u>8,075,000</u>

The actual return on scheme assets was £(105,000) (2021 - £987,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(1,436,000)	(1,056,000)
Interest income	137,000	110,000
Interest cost	(265,000)	(208,000)
Administrative expenses	(5,000)	(5,000)
Total amount recognised in the Statement of financial activities	<u>(1,569,000)</u>	<u>(1,159,000)</u>

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

	2022	2021
	£	£
At 1 September	16,061,000	12,995,000
Current service cost	1,436,000	1,056,000
Interest cost	265,000	208,000
Employee contributions	147,000	125,000
Actuarial (gains)/losses	(8,092,000)	1,795,000
Benefits paid	(184,000)	(118,000)
At 31 August	<u>9,633,000</u>	<u>16,061,000</u>

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Notes to the financial statements
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28. Pension commitments (continued)

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

	2022	2021
	£	£
	8,075,000	6,645,000
Interest income	137,000	110,000
Actuarial (losses)/gains	(242,000)	877,000
Employer contributions	545,000	441,000
Employee contributions	147,000	125,000
Benefits paid	(184,000)	(118,000)
Administrative expenses	(5,000)	(5,000)
At 31 August	8,473,000	8,075,000

29. Operating lease commitments

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

	2022	2021
	£	£
Not later than 1 year	14,789	20,902
Later than 1 year and not later than 5 years	13,556	25,880
	28,345	46,782

30. Members' liability

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

31. Related party transactions

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

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in the notes to the financial statements.

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Notes to the financial statements
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32. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

33. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022, the trust received £46,660 (2021: £33,507) and disbursed £60,366 (2021: £33,507) from the fund. An amount of £nil (2021: £nil) is included in other creditors relating to undistributed funds that are repayable to ESFA.