Company registration number 07386228 (England and Wales)

WELLACRE TECHNOLOGY ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Altrincham
Cheshire
WA14 2UT

WELLACRE TECHNOLOGY ACADEMY TRUST

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WELLACRE TECHNOLOGY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr A Young (Chair of trustees) Mr C Hinchcliffe Dr R Platonov (resigned 31.12.2021) Mr T Fredrickson (appointed 4.5.2022) Mr S Russell Mr J M Whitby Mrs M Radhakrishnan Mr J Khan Miss H Rayson Mr L Baker Mrs L Henry Miss R Pasare (appointed – 1.11.2021) Ms S Procter (appointed – 29.9.2021) Mr J Haughton (appointed – 25.1.2022) Mrs J Sharrock (Accounting Officer)
Members	Mrs J O'Connor (appointed 15.12.2021) Mr S Anstee Mr M Harrison
Senior management team	
- Principal	Mrs J Sharrock
- Vice principal	Mr P Pemberton
- Assistant principal	Miss S Partridge
- Assistant principal	Mr S Casey
- Assistant principal	Mr J Shiner
- Business director	Miss P Bailey
Company registration number	07386228 (England and Wales)
Company name:	Wellacre Technology Academy Trust
Registered office	Irlam Road, Flixton, Manchester, M41 6AP
Independent auditor	Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT
Bankers	Lloyds Bank Plc, King Street, Manchester, M2 3AU

The trustees present their annual report together with the financial statements and auditor's reports 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 under company law. The trust operates an academy for students 11 to 16 serving a catchment area in Trafford. It had a student roll of 627 on census day in October 2021.

Structure, governance and management

Constitution
The academy trust is a company limited by guarantee (company number: 07386228) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Wellacre Technology Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wellacre Technology Academy Trust.

Details of the trustees who served during the year are included in the reference and administrative details on page 1 together with the company's registered office.

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

Trustees' indemnities
The academy is a member of the Department for Education's risk protection arrangements (RPA), an alternative to commercial insurance where UK government funds cover losses that arise. The scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited professional indemnity. It is not possible to quantify the trustees' and officers' indemnity element from the overall costs of the RPA scheme.

Method of recruitment and appointment or election of trustees
The members appoint trustees in-line with the constitution as set out in its articles of association. Parent and staff trustees will be appointed through an election process directed by the board of trustees unless co-opted by the members. The number of trustees shall not be less than three but is not subject to a maximum. The local authority may appoint a local authority representative to the board of trustees. Associate members are approved by the trustees to attend meetings but are not given voting rights. The trustees identify the skills required to fulfil its role in consideration of recruitment and co-option to the board.

Policies and procedures adopted for the induction and training of trustees
The members appoint trustees in line with the constitution as set out in its articles of association and in doing so consider the skills that individuals will bring to the board. They may also take into account a specific proposal to the board for trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibility of trustees. In turn, trustees will provide information to be shared in the public domain regarding their suitability for the role, detailing financial competencies and experience. During the year, trustees are offered all necessary training through the purchase of a training package from Trust GS.

Organisational structure
The governance of the trust is defined in the memorandum and articles of association, which was adopted in July 2020; there is clear demarcation between members and trustees.

The board of trustees meets at least once per term. Trustees are also members of committees who report into the full board of trustees at their termly meetings.

The committees are:
- Resources: considers the academy's budget, financial position, staffing resource, premises, audit and internal controls for risk management.
- Curriculum and standards: considers curriculum matters, data and performance.
- Pay committee: considers the pay policies for groups of staff and the application of pay decisions.

- The day to day management of the academy is delegated to the principal who is the accounting officer. An academy leadership team meets twice weekly to advise the principal on strategic and operational areas of academy life. The leadership team consists of the principal, vice principal, three assistant principals and a business director.
- There are middle leaders within the staffing structure who manage particular curriculum areas or operational areas and the staff within them. In the financial year 2021-22 the total teachers were 35 (31 FTE), admin and support 33 (29 FTE) and management 6 (6 FTE).

Arrangements for setting pay and remuneration of key management personnel
The arrangements for setting the pay of the senior management team are in line with the School Teachers' Pay and Conditions Document. Senior leaders are paid on the Leadership Group Range as per the calculation set out in the STPCD in relation to school size. The trustees have approved the group ranges and approve pay decisions through the pay committee who meet annually.

Trade union facility time
The academy does not have any trade union facility time.

Related parties and other connected charities and organisations
The academy has a relationship with STEGTA Ltd, with whom the academy trust co-operates with for mutual benefit because the charity leases from the trust part of their buildings for the delivery of their business: an engineering apprenticeship agency. It is in the interests of the academy to co-operate with the charity because it is in the educational interests of the boys who leave the academy at 16 to have the opportunity to take on an apprenticeship through this agency as well as the income generation for the academy. The chief executive of STEGTA Ltd holds the office of trustee. A statement of assurance is retained on file from STEGTA Ltd confirming that their charges do not exceed the cost of the services provided. The full board of trustees has resolved and recorded in their meeting minutes that the relationship is in the best interests of Wellacre Technology Academy Trust's objectives.

The members, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims
The academy trust's 'Object' is set out in its articles of association, section 4, which states it 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 a whole school offering a broad and balanced curriculum".

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In accordance with the articles of association, the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

The specific aims of the academy in 2021-22 have been to provide excellence in education for all students across the academy including 'vulnerable' and 'disadvantaged' groups; to ensure there are strongly inclusive practices which promote fairness, equity and wellbeing for all; to secure high standards of behaviour, attendance and punctuality; to improve the impact of leadership and management at all levels, including trustees and to improve the academy environment to enhance students' learning. Lockdowns and Covid restrictions have meant a significant shift in focus to providing CPD around remote learning.

Objectives, strategies and activities

The main objectives for the year 2021-22 are categorised in five sections under the aims of the academy including the strategies for achieving them, which are taken directly from the Academy Improvement Plan:

Priority 1 – Quality of education

Objectives

1. Further develop a curriculum which enhances knowledge, skills, sequencing and key concepts and is equally ambitious for all students
2. Use Rosenshine's principles of instruction to embed retrieval practice, questioning, metacognition, independent learning, cognitive science and effect habits throughout the curriculum
3. Provide an extensive CPD programme which centres on Rosenshine's principles of instruction
4. Continue to use a targeted holistic intervention to support student outcomes
5. Extend the VESPA coaching model to improve whole school outcomes
6. Continue to improve progress across all subjects and student groups inc PP/SEN/More Able
7. Further develop the role of student subject leaders and ensure equity in opportunity for all
8. Embed whole academy approach to numeracy and literacy and the available catch up provision
9. Enhance primary liaison and transition activities to boost student numbers and fully prepare new students
10. Ensure consistency on application of feedback to students and parents in order that feedback impacts on student progress
11. Continue to diminish the difference for our disadvantaged students
12. Further develop RESPECT and SMSC provision including careers guidance for all year groups
13. Further develop key themes for Action Research projects
14. Use analysis of subject pedagogy and practice to enhance learning across the school
15. Work on the existing coaching model to provide more opportunities to all staff

Priority 2 - Welfare and wellbeing

Objectives

1. Ensure consistency of application of the Behaviour for Learning Policy across the school
2. Continue to strengthen staff/student relationships by providing ongoing CPD to all staff
3. Strengthen provision for staff and student MHWB
4. Continue to embed the core values across the school through our enacted norms
5. Ensure consistency through the exemplification of excellence in our context
6. Continue to set high expectations for attendance, punctuality, appearance and behaviour
7. Raise the profile of co and extra-curricular provision to support personal development
8. Continue to develop and further improve the mentoring and intervention support for students
9. Continue to provide a full suite of enrichment opportunities for all students

Priority 3 – Leadership at all levels

Objectives

1. Continue to promote a cost effective approach for the provision of education using integrated curriculum financial planning and principles of best value
2. Achieve the student leadership accreditation which will include the further use of student subject leaders for peer tutoring programmes and strategies to promote increased student democracy
3. Offer leadership CPD to provide development opportunities and build additional capacity within the existing leadership team
4. Consider and consult on the existing environment in respect of Dyslexia Friendly Schools (DFS). Work with staff, students and outside agencies to strengthen awareness and provide a whole school setting which fully observes the principles of a DFS
5. Assess the need for an ICT rolling replacement programme, taking account of future curriculum requirements
6. Formalise structures for sharing good practice, including opportunities for cross faculty and cross school collaboration and development
7. Ensure the inclusion of quality leadership coaching within the school's coaching model

Public benefit
In setting the academy trust's objectives and planning activities the trustees confirm that they have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements & performance
Headline Key Stage 4 results:

	2022	**National Results 2019 (boys only)**
Attainment 8 Score	44.05	44
Students achieving grade 4 or above in English	73.0%	69%
Students achieving grade 4 or above in Maths	73.9%	70%
Students achieving grade 5 or above in English	45.2%	52%
Students achieving grade 5 or above in Maths	42.6%	50%
Students achieving 4 or above in English and Maths	62.6%	61%
Students achieving 5 or above in English and Maths	33.9%	40%
EBACC Average Point Score	3.58	3.84

2019 National Data sources – DfE 2019 Provisional KS4 Performance, JCQ Provisional England Only. Not available for 2022 at time of writing.

The EBACC refers to a specific combination of subjects, it includes:

- english language and literature
- maths
- the sciences
- geography or history
- a language

Students at Wellacre are encouraged to complete the EBACC suite of subjects and the option process allows for these choices to be accommodated, however students are not compelled to do a modern foreign language or a humanities subject. This will change in 2022-23.

High quality impartial Careers Information and Guidance helps students to make informed choices about which courses suit their academic needs and aspirations. They are **well prepared for the next stage of their education, employment or training**, as evidenced by the Inspiring IAG Gold Award. This has led to a significantly low number of NEET's, with 96% of students going on to education, employment or training (98.5% in 2018 and 99.4% in 2019 and 99% in 2020). This is above the local and national average. Only one student from the 2021 leavers' cohort is failing to meet the DfE duty to participate in learning (Connexions 2021 Activity Survey).

Key financial performance indicators
The academy accepted 12 more students in September 2021 than in the previous year; the intake continues to rise as predicted. We expect this to increase as a result of the appointment of a Director of Transition on 1 September 2021. This member of staff works closely with the Principal to develop the strategic plan for marketing and primary liaison. This plan has been created following extensive research from and consultation with existing students and their parents, the local community and feeder primary schools. The intake from this year exceeded the outgoing Year 11 by 28 resulting in an overall increase in student numbers.

Incremental drift is addressed through the appointment of new qualified teachers, where appropriate. Additional pressures relating to the increase in staffing costs are included in the five year forecast. It was hoped that the academy would achieve an in-year balanced budget by 2022/23. This has now been delayed until 2023/24 due to rising energy costs and pay agreements, which are expected to be significantly higher than the 2% forecast.

Student recruitment data:

October Census 2021	Males	Females	Total
Year 07	145	N/A	145
Year 08	134	N/A	134
Year 09	123	N/A	123
Year 10	110	N/A	110
Year 11	115	N/A	115
Totals	**627**	N/A	**627**

Ofsted reports

Wellacre Academy remains a 'good' school following the Section 8 Ofsted inspection on 21 and 22 June 2022. Ofsted will return to Wellacre for a full Section 5 inspection over the next 12-18 months. Our areas to improve are:

- In some subjects, the organisation of the curriculum is not fully developed. This hinders teachers in designing learning that provides pupils with sufficient knowledge. **Leaders should ensure that teachers in these subjects are clear about the important and detailed knowledge that pupils require. This is so pupils know and remember more over time.**
- Some staff do not identify the most suitable activities in order to implement the curriculum. This means that some pupils, including some pupils with SEND, do not deepen their knowledge and understanding of subjects well enough. **Leaders should make sure that teachers understand how to deliver the subject curriculums well. This will help pupils to build on their prior learning and develop a rich body of knowledge.**
- In some subjects, some teachers do not check that pupils' knowledge is secure before moving on in delivering the curriculum. This means that some pupils move on to new learning before they are ready. Consequently, this hampers their progress through these curriculums. **Leaders should ensure that teachers assess pupils' understanding before introducing new knowledge.**

A full version of the report can be found through either the link on the academy website or via the Ofsted website.

COVID-19 Associate Grants

The academy has received the following grants:

Recovery Premium: £18596.25
National Tutoring Programme (NTP): £20250.01
Mass Testing & Vaccination: £16058.70

The staff worked exceedingly hard, throughout lockdown, to support our Year 11 students to continue their learning remotely when their learning was disrupted by Covid.

The percentage of students that were in the tutoring groups (NTP) and made one or more grades of progress in the final exam compared to the summer data capture in English, Science, Geography and French was 50%, 47%, 69% and 54% respectively.

Going concern

The academy is confident that it will retain 150 intake each year. Despite the additional financial pressures of rising energy prices and higher than expected pay settlements, the board of trustees has a reasonable expectation that the academy will have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

Financial review

The 2021/22 Budget Forecast Return indicated an in-year deficit of £130,884, this increased to £170,000. However, due to the strict management of funds, in-year salary savings, exam reimbursements during COVID-19, additional high needs funding and the interim payment of the school supplementary grant an in-year balanced budget is expected.

This has been achieved through the following:

1. The recruitment of Early Career Teachers, where possible, to replace more experienced, higher paid teachers.
2. Early identification of staffing savings and restructuring were necessary.
3. The effective use of teaching assistants to align with the receipt of high needs funding.
4. Appointment of a Director of Transition to further develop our marketing strategy to attract additional students.
5. The use of government catch-up grants.
6. Use of the interim payment of the school supplementary grant.
7. The continuation of school lettings and hire of redundant academy buildings.
8. Leadership consultancy in other schools.
9. Integrated curriculum financial planning is used throughout the year to assess staffing levels.

The repair and maintenance of buildings continues to cause concern, the school buildings are dated and require more large-scale repair. The area of the roof, in desperate need of repair, was completed this year through a successful bid for CIF funding. The programme of ongoing refurbishment, started last year, to rejuvenate the learning environment has continued. Substantial projects funded by the school budget have included the redecoration and floor refurbishment of the school gyms, redecoration and re-carpeting of the drama studio and large scale outside paintwork.

COVID-19 associated grants have been used for their intended purpose which included the provision of additional tutoring through in-school small group work, after school and during holiday periods.

Throughout 2021/22 the academy has worked hard to return to the pre-pandemic level of income for school meals and school lettings. One of our existing rental customers has taken on a larger area and our seminar rooms have attracted more customers from the education sector. School meals are as popular as they were before the pandemic, we have offered a varied menu which is set in consultation with the students.

We expected to use £170,000 of academy reserves this year to balance the budget. As previously explained, careful monitoring, early identification of savings and additional grants have meant that we are likely to achieve a balanced in-year budget for 2021/22. In 2022/23, it is forecast that the additional costs associated with energy price rises and higher than anticipated pay settlements will mean an in-year deficit. From 2023/24 onwards a consistent balanced in-year budget, with a surplus, will be achievable; this will allow the rebuild of the academy reserve pot.

We continue to progress the sale of surplus land, a Planning Promotion Agreement has been signed which allows the investigation into planning permission. The sale of the land will mean a significant injection of cash for the academy and an improvement of facilities for the academy and the local community.

The principal financial management policies adopted in the year are:

- accounting officer financial reviews of income and expenditure versus planned budgets on a monthly basis and termly at resource committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.
- Termly review of the academy risk register and implementation of strategies to manage existing risks or consider new risks.

The principal source of funding to the academy is from the Education and Skills Funding Agency (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 are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the ESFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

Reserves policy

The trustees review the reserves levels of the academy annually and also at their termly review meetings. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG general grant income in order to provide sufficient working capital to cover delays between spending and receipt of grant income to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This could be achieved in 2024/25 but is dependent on maintaining an intake of 150 and stability of energy prices and pay settlements.

The academy trust continues to recognise its share of the LGPS deficit for its support staff. The pension value as at 31 August 2022 has been determined by the actuary which is now showing the academy trust as having a pension asset as at 31 August 2022. This results in the academy trust showing a pension fund surplus as at 31 August 2022. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund of £20,609,000 and excluding the pension asset of £241,000 as at 31 August 2022) is £447,000. The deficit position of the pension scheme would result in a cash flow effect for the academy trust in the form of an increase of employers' pension contributions over a period of years.

Investment policy

The academy has an investment policy the purpose of which is:

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements.
- To ensure there is minimum risk of loss in the capital value of any cash funds invested.
- To optimise returns on invested funds.

Any investments will be carried out in accordance with this policy.

The trustees will continue to invest in the following for:

- Maintenance of the premises and development of the teaching environment.
- Planning for seamless department staff turnover

Investment of assets is something that the trustees will continue to review in 2022/23.

Principal risks and uncertainties

The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risks is a standing item on governing body committee agendas.

The financial risk to the academy for 2022/23 and beyond centres around the increase of student rolls, stability of energy prices, standardisation of pay settlements and insufficient government levels of funding.

The risk surrounding cyber security has now been addressed through the addition of this cover within the DfE Risk Protection Arrangement.

The major risks to which the academy trust is exposed as identified by the trustees have been reviewed during the financial year 2021-22 and the systems and procedures established to manage those risks have been considered on a regular basis throughout the year by management and trustees through the following mechanisms:

Risk:	Control:	By whom:
Disruption to education	Curriculum committee planning.	Trustees, principal, curriculum committee.
Damage to academy reputation	Good Ofsted and student outcomes, Marketing programme, leadership role in community and transition from primary school, robust behaviour and other student policies.	Principal, leadership team, all staff and trustees. Behaviour & Attitudes Committee.
Financial risk	Monthly management accounts, responsible officer checks, annual audit and preparation of accounts. Comprehensive insurance policies. Loss of funding through falling student roll managed through marketing strategy and Ofsted judgement. Savings strategies and curriculum efficiencies.	Resources committee, academy leadership team academy accountants and independent appointed auditors.
Physical risks to staff, students and public	Termly health and safety (including fire risk) audits. Robust safeguarding and child protection procedures and safety in recruitment. Disaster recovery policy.	Resources committee, academy leadership team, Safety to Business contractor.
Technological risks	Robust IT safety policies. Cyber security policies & tested back-up. Investment in infrastructure.	Resources committee through whole school IT strategy.
Damage to academy buildings and premises	Site management and security. Condition Improvement Fund. Disaster recovery policy. Estate Management using DfE tool - GEMS	Site team, leadership team, building surveyor and resources committee.

Trustees are kept fully up to date by Governorhub. All agendas, minutes, papers, reports and monthly management accounts are uploaded to this portal and trustees are informed of their availability by email. A noticeboard is offered which includes notification, links and relevant new items.

Fundraising
The academy participates in fundraising as follows:

- Named charity fundraising
- Fundraising for the academy
- A school lottery

The academy takes its responsibility for fundraising seriously and all projects are carried out in the best interest of the students or the named charity.

Individual projects are managed by a named person who works with the students to raise funds. Once the funds are raised they are checked, banked and forwarded to the named charity or cost centre by the finance team.

Whole school fundraising, which has included additional cycle storage, specialised equipment and extended learning opportunities, is facilitated using the school's online payment system. Once funds are received they are allocated to the appropriate cost centre.

Financial details of all fundraising are monitored apart from the main school budget but, monitored in the same way. All transactions are reported to the trustees in accordance with the Academies Financial Handbook. Volunteers are welcomed at the academy. We have a Friends of Wellacre group which helps out at social functions and uses the funds they raise to buy small items of equipment and resources following requests from staff; all requests are checked by the Principal. In addition to this group we use DBS checked volunteers for the following:

1. Reading assistance
2. Mentoring
3. Counselling

Plans for future periods
The second year of the pandemic has forced unexpected demands on staff and students. The academy has worked tirelessly with students, parents and outside agencies to ensure that students are safe and remain motivated in their learning. Full monitoring of student progress has continued throughout the pandemic and COVID-19 catch-up funding will be used to address any areas of need.

As we move into the new academic year the academy is fully committed to advancing educational opportunities and continuing to improve results for students as described in the aims and objectives section of this report and in accordance with the academy self-evaluation and improvement strategy 2021-24.

Trustees are currently working to raise funds, which will allow the development of academy facilities. Income generation plans include:

- Further rental of the former 6th form block
- Sale of land off the main courtyard, including a science block, which is no longer required
- Sale of land adjacent to the Astroturf

The academy continues to work with planning consultants on how best to achieve a favourable result for the school and the community.

Auditor
In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30 November 2022 and signed on its behalf by:

....
Mr A Young
Chair of trustees

WELLACRE TECHNOLOGY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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

As trustees, we have reviewed and taken account of the guidance DfE Governance Handbook and competency framework for governors.

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

Governance
The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The full board of trustees has met four times during the year. The curriculum and standards committee has met three times during the year and the resources committee has met three times during the year. The accounting officer (AO) and chief financial officer (CFO) use Governorhub to communicate with trustees throughout the year. Monthly budget monitoring reports, written by the CFO and analysed by the AO are uploaded onto the hub. Trustees are advised by email of the upload and invited to raise any queries.

Attendance during the meetings of the full board of members/trustees was as follows:

Name	Meetings	Out of possible
Mr M Harrison	1	1
Dr R Platonov	2	2
Cllr S Anstee	1	1
Mr J M Whitby	4	4
Mr J Khan	4	4
Mr A Young	4	5
Mr H Rayson	4	4
Mr L Baker	4	4
Mrs L Henry	4	4
Mrs M Radhakrishnan	3	4
Mr S Russell	4	4
Mr C Hinchcliffe	3	3
Miss R Pasare	1	3
Ms S Proctor	1	3
Mr T Fredrickson	2	2
Mr J Haughton	2	2
Mrs J O'Connor	1	1
Mrs J Sharrock	5	5

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to ensure that the resources of the academy are used for the education, attainment and progress of students on roll. The committee will balance key strategic decision making, in line with the core purpose, with their responsibility to ensure accountability and as such will carry out specific functions in relation to all academy resources.

Attendance during the meetings of the resources committee was as follows:

Name	Meetings attended	Out of possible
Mr J Khan	3	3
Mr A Young	2	3
Mr L Baker	3	3
Mrs M Radhakrishnan	2	3
Mrs J Sharrock	3	3
Mrs L Henry	3	3
Mr C Hinchcliffe	1	3
Mr S Russell	3	3

The Curriculum & Staffing Committee is a sub-committee of the main board of trustees. Its purpose is to hold the academy to account for the progress and achievement of all students and to ensure monies received for disadvantaged students has a positive impact on their outcomes.

Name	Meetings attended	Out of possible
Dr R Platonov	1	1
Mr J M Whitby	2	2
Mrs J Sharrock	2	2
Ms H Rayson	1	2
Mr A Young (guest)	2	2
Mr J Haughton	1	1
Mr T Fredrickson	1	1
Miss R Pasare	2	2
Ms S Proctor	1	2

Conflicts of interest
Members and trustees are asked to complete a Register of Interests each September; details are recorded on Governorhub and the academy website. In addition the academy has adopted a policy for conflict of interest which outlines the framework for ensuring that the decisions and the decision-making processes are free from personal bias and do not favour any individual or company connected to the Trust.

Key changes in the composition of the board of trustees and particular challenges:
The board of trustees continues to be focused on skills with further appointments this year in the field of education, local government, finance and the community. The team has an equal split of new and experienced governors on its committees. New governors are developing well and are beginning to feel more confident in their role. New governors from last year have elected to take on roles as link governors, thereby, increasing their knowledge and allowing them to offer meaningful contributions. The role of critical friend is evident with suitably knowledgeable professionals holding the academy to account in line with the articles of association. The board works closely with the principal to monitor the School Evaluation and Improvement Strategy 2021-24 to ensure that the strategic direction and statutory function of the school is maintained. Governors are appointed in accordance with the constitution and taking account of any gaps identified through the skills audit. SGOSS to recruit potential applicants; these applicants are invited as observers to the relevant meetings. The new board structure/Articles of Association gives a clear distinction between members and trustees.

Evaluation of the impact and effectiveness of the board of trustees
The academy received a 'Good' Ofsted report in May 2017. The effectiveness of leadership and management is rated 'Good'. Pages 4 to 5 of the report reading as follows:

Governance of the school

- The governing body has a good understanding of the challenges, strengths and weaknesses of the school. Trustees have a range of skills and provide effective support and challenge to school leaders. They are highly aspirational for students.
- The governing body has made good use of external expertise to review its effectiveness and the school's use of the student premium. They have acted on recommendations successfully.
- The committee structures promote communication and ensures that governors' skills are put to best use.
- Trustees' in-depth understanding of the school is informed by their 'deep dive' analyses of strengths and weaknesses in different subjects and the achievement of different groups of students.
- The pay committee is clear about how decisions on teachers' pay progression are made and work alongside a national leader of education to manage the principal's performance effectively.
- Finances are managed carefully. Trustees check the impact of additional student premium and catch-up funding carefully.
- Trustees are fully aware of risk management and audit requirements; the resource committee works hard to consider risk management and audit recommendations at each termly meeting.

In the June 2022 Section 8 inspection, Ofsted commented:

- Governors provide the expertise and ambition required to fulfil their statutory duties and to help strengthen the weaker aspects of the curriculum.
- Governors and senior leaders are determined to provide a broad and ambitious curriculum for all pupils, including those with SEND. For example, they are aware that few pupils choose to study the subjects at key stage 4 that make up the English Baccalaureate. Leaders are ambitious and doing whatever they can to ensure that more pupils study a suitable range of subject options.
- Governors complete an annual skills audit which is reviewed annually.

Review of value for money

As accounting officer, the principal has ensured that the academy trust has delivered good value in the use of public resources during the academic year 2021-22. 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 has considered how the trust's use of its resources has provided good value for money during the year by:

- Benchmarking the cost of staffing, contracts and educational resources against other similar schools.
- Carrying out full curriculum review.
- Integrated curriculum financial planning.
- Further negotiations on sale of land and rental of academy buildings.
- Organisational change including staff restructure as necessary.
- Performance management for all members of staff ensuring focused outcomes and performance related pay.

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 ongoing process designed to identify and prioritise the risks to the achievement of the academy's 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 for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, 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 on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework
The academy trust's system of internal 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 budget monitoring systems and key performance indicators.
- Integrated curriculum financial planning
- Regular reviews by the accounting officer and resources committee of performance against forecasts.
- Setting targets to measure performance.
- Clearly defined purchasing guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The board of trustees continued to use Red Rambler as their responsible officer during 2021/22. They have performed checks on the academy's process of financial controls, systems and risks.

Following the newly revised FRC Ethical Standard for auditors, the academy trust has appointed Red Rambler to carry out the academy trust's internal scrutiny checks from 1 September 2022.

Red Rambler's role includes giving advice on financial systems and other matters and performing a range of checks on the academy trust's financial and other systems.

In particular, the checks carried out in the current period included:

- Budget planning, monitoring and reporting
- Purchasing systems
- Receipt of income
- Payroll and personnel management
- Cash control & VAT

A separate audit has been carried out by Judicium on GDPR.

The report is presented to the resources committee with key findings, recommendations and conclusions. Actions are added alongside each recommendation by the chief finance officer.

The trustees' resources committee fulfils the functions of an audit committee.

The committee reviews the risks to internal financial control at the academy and works to address the risks and, so far as is possible, provide assurance to the external auditors.

The programme of risk review options includes the work of an internal audit service provided by Red Rambler.

The internal auditors performed their most recent review in January 2022 and reported there were no material control issues.

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

- The work of the academy leadership team who has responsibility for the development and maintenance of the internal control framework
- The work of the resources committee
- The work of the internal auditors
- The work of external auditors

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

Approved by order of the board of trustees on 30 November 2022 and signed on its behalf by:

....	....
Mr A Young	**Mrs J Sharrock**
Chair of trustees	**Accounting officer**

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Wellacre Technology Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

....

Mrs J Sharrock
Accounting officer

Date: 30 November 2022

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Wellacre Technology Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 30 November 2022 and signed on its behalf by:

....
Mr A Young
Chair of trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLACRE TECHNOLOGY ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Wellacre Technology Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees
As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

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

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- 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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the charitable company 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 (ie. gives a true and fair view).

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.

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

Use of our report

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

J.L.Whittick
....

John Whittick BSc FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham WA14 2UT

Date: 24/1/23...........

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLACRE TECHNOLOGY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 20 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellacre Technology Academy Trust during the period 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 Wellacre Technology Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Wellacre Technology Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wellacre Technology Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wellacre Technology Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wellacre Technology Academy Trust's funding agreement with the Secretary of State for Education dated 2 October 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 period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2022

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Mark W[illegible]
....

Haines Watts
Reporting Accountant
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: [illegible]

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £(000)	Restricted funds: General £(000)	Restricted funds: Fixed asset £(000)	Total 2022 £(000)	Total 2021 £(000)
Income and endowments from:						
Donations and capital grants	3	-	5	223	228	39
Charitable activities:						
- Funding for educational operations	4	-	3,905	-	3,905	3,902
Other trading activities	5	297	-	-	297	281
Total		297	3,910	223	4,430	4,222
Expenditure on:						
Raising funds	6	237	-	-	237	78
Charitable activities:						
- Educational operations	7	121	4,234	559	4,914	4,855
Total	6	358	4,234	559	5,151	4,933
Net expenditure		(61)	(324)	(336)	(721)	(711)
Transfers between funds	15	-	(3)	3	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	4,273	-	4,273	(680)
Net movement in funds		(61)	3,946	(333)	3,552	(1,391)
Reconciliation of funds						
Total funds brought forward		452	(3,649)	20,942	17,745	19,136
Total funds carried forward		391	297	20,609	21,297	17,745

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES *(CONTINUED)* INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2021 £(000)
Income and endowments from:					
Donations and capital grants	3	-	5	34	39
Charitable activities:					
- Funding for educational operations	4	-	3,902	-	3,902
Other trading activities	5	281	-	-	281
Total		281	3907	34	4,222
Expenditure on:					
Raising funds	6	78	-	-	78
Charitable activities:					
- Educational operations	7	44	4,258	553	4,855
Total	6	122	4,258	553	4,933
Net income/(expenditure)		159	(351)	(519)	(711)
Transfers between funds	15	(130)	130	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	17	-	(680)	-	(680)
Net movement in funds		29	(901)	(519)	(1,391)
Reconciliation of funds					
Total funds brought forward		423	(2,748)	21,461	19,136
Total funds carried forward		452	(3,649)	20,942	17,745

WELLACRE TECHNOLOGY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £(000)	2022 £(000)	2021 £(000)	2021 £(000)
Fixed assets					
Tangible assets	11		20,506		20,942
Current assets					
Debtors	12	144		150	
Cash at bank and in hand		496		427	
		640		577	
Current liabilities					
Creditors: amounts falling due within one year	13	(90)		(95)	
Net current assets			550		482
Net assets excluding pension liability			21,056		21,424
Defined benefit pension scheme asset/(liability)	17		241		(3,679)
Total net assets			21,297		17,745
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			20,609		20,942
- Restricted income funds			56		30
- Pension reserve			241		(3,679)
Total restricted funds			20,906		17,293
Unrestricted income funds	15		391		452
Total funds			21,297		17,745

The accounts were approved by the trustees and authorised for issue on 30 November 2022 and are signed on their behalf by:

....

Mr A Young
Chair of trustees

Company registration number: 07386228

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £(000)	2022 £(000)	2021 £(000)	2021 £(000)
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	**18**		(31)		64
Cash flows from investing activities					
Capital grants from DfE Group		218		14	
Capital funding received from sponsors and others		5		20	
Purchase of tangible fixed assets		(123)		(34)	
Net cash provided by/(used in) investing activities			100		-
Net increase in cash and cash equivalents in the reporting period			69		64
Cash and cash equivalents at beginning of the year			427		363
Cash and cash equivalents at end of the year			496		427

1 Accounting policies

The Wellacre Technology Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

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

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

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

<u>Donations</u>
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.

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

1 Accounting policies **(Continued)**

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 such assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

1 Accounting policies (Continued)

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

Land and buildings	50 years straight line (excluding land)
Computer equipment	3 years straight line
Fixtures, fittings & equipment	7 years straight line
Motor vehicles	25% reducing balance

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

1 Accounting policies **(Continued)**

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

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department for Education and the local authority.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

The trustees have considered the apportionment of depreciation between direct and support costs. The majority of fixed assets are almost entirely used for the provision of education and only a small part for support services. Therefore, a 90% direct cost and 10% support cost apportionment is considered appropriate.

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2022 £(000)	Total 2021 £(000)
Private sponsorship	-	5	5	5
Capital grants	-	223	223	34
	-	228	228	39

4 Funding for the academy trust's charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2022 £(000)	Total 2021 £(000)
DfE/ESFA grants				
General annual grant (GAG)	-	3,498	3,498	3,376
Other DfE/ESFA grants:				
- Pupil premium	-	125	125	126
- Others	-	110	110	177
	-	3,733	3,733	3,679
Other government grants				
Local authority grants	-	107	107	113
Special educational projects	-	-	-	10
	-	107	107	123
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	58	58	5
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	86
	-	58	58	91
Other incoming resources	-	7	7	9
Total funding	-	3,905	3,905	3,902

4 Funding for the academy trust's charitable activities **(Continued)**

Local authority income was £107,000 (2021: £113,000), this related to high needs and looked after children funding.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2022 £(000)	Total 2021 £(000)
Hire of facilities	97	-	97	53
Catering income	159	-	159	127
Parental contributions	17	-	17	21
Other income	24	-	24	80
	297	-	297	281

6 Expenditure

		Non-pay expenditure		Total	Total
	Staff costs £(000)	Premises £(000)	Other £(000)	2022 £(000)	2021 £(000)
Expenditure on raising funds					
- Direct costs	128	-	109	237	78
Academy's educational operations					
- Direct costs	2,562	503	324	3,389	3,212
- Allocated support costs	842	438	245	1,525	1,643
	3,532	941	678	5,151	4,933

Net income/(expenditure) for the year includes:

	2022 £(000)	2021 £(000)
Fees payable to auditor for:		
- Audit	7	7
- Other services	2	2
Operating lease rentals	6	30
Depreciation of tangible fixed assets	559	553
Net interest on defined benefit pension liability	63	48

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2022 £(000)	Total 2021 £(000)
Direct costs				
Educational operations	121	3,268	3,389	3,212
Support costs				
Educational operations	-	1,525	1,525	1,643
	121	4,793	4,914	4,855

Analysis of costs	2022 £(000)	2021 £(000)
Direct costs		
Teaching and educational support staff costs	2,562	2,527
Staff development	5	11
Depreciation	503	498
Technology costs	194	32
Educational supplies and services	69	100
Examination fees	36	44
Educational consultancy	9	-
Other direct costs	11	-
	3,389	3,212
Support costs		
Support staff costs	844	967
Depreciation	56	55
Maintenance of premises and equipment	75	85
Cleaning	121	137
Energy costs	104	62
Rent, rates and other occupancy costs	69	40
Insurance	11	17
Security and transport	-	20
Interest on defined benefit pension scheme	63	48
Other support costs	163	197
Governance costs	19	15
	1,525	1,643

8 Staff

Staff costs

Staff costs during the year were:

	2022 £(000)	2021 £(000)
Wages and salaries	2,238	2,100
Social security costs	429	487
Pension costs	803	867
Staff costs - employees	3,470	3,454
Agency staff costs	62	39
	3,532	3,493
Staff development and other staff costs	7	12
Total staff expenditure	3,539	3,505

Staff numbers

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

	2022 Number	2021 Number
Teachers	35	35
Administration and support	33	36
Management	6	6
	74	77

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 Number	2021 Number
Teachers	31	34
Administration and support	29	30
Management	6	6
	66	70

8 Staff **(Continued)**

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £484,000 (2021: £553,000).

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

M Wicks (principal and trustee - resigned 18.04.2021)
Remuneration £nil (2021: £65,001 - £70,000)
Employer's pension contributions £nil (2021: £15,001 - £20,000)

J Sharrock (principal and trustee - appointed 19.04.2021)
Remuneration £80,001 - £85,000 (2021: £30,001 - £35,000)
Employer's pension contribution £15,001 - £20,000 (2021: £5,001 - £10,000)

L Baker (staff trustee)
Remuneration £nil (2021: £40,001 - £45,000)
Employer's pension contribution £nil (2021: £10,001 - £15,000)

No travel and subsistence expenses were reimbursed to trustees in the year (2021: £nil). Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)
Cost					
At 1 September 2021	26,434	2,395	846	34	29,709
Additions	101	-	22	-	123
At 31 August 2022	26,535	2,395	868	34	29,832
Depreciation					
At 1 September 2021	5,599	2,354	784	30	8,767
Charge for the year	526	16	16	1	559
At 31 August 2022	6,125	2,370	800	31	9,326
Net book value					
At 31 August 2022	20,410	25	68	3	20,506
At 31 August 2021	20,835	41	62	4	20,942

The academy owns the freehold of the land and buildings.

12 Debtors

	2022	2021
	£(000)	£(000)
Trade debtors	2	3
VAT recoverable	11	10
Prepayments and accrued income	131	137
	144	150

13 Creditors: amounts falling due within one year

	2022	2021
	£(000)	£(000)
Accruals and deferred income	90	95

14 Deferred income

	2022 £(000)	2021 £(000)
Deferred income is included within:		
Creditors due within one year	36	18
Deferred income at 1 September 2021	18	18
Released from previous years	(18)	(18)
Resources deferred in the year	36	18
Deferred income at 31 August 2022	36	18

Deferred income as at 31 August 2022 is in relation to rates relief and trips income received in advance.

15 Funds

	Balance at 1 September 2021 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2022 £(000)
Restricted general funds					
General Annual Grant (GAG)	-	3,498	(3,495)	(3)	-
Pupil premium	-	125	(125)	-	-
Other DfE/ESFA COVID-19 funding	-	58	(16)	-	42
Other Coronavirus funding	30	-	(30)	-	-
Other DfE/ESFA grants	-	110	(110)	-	-
Other government grants	-	107	(104)	-	3
Other restricted funds	-	12	(1)	-	11
Pension reserve	(3,679)	-	(353)	4,273	241
	(3,649)	3,910	(4,234)	4,270	297
Restricted fixed asset funds					
Inherited on conversion	20,922	-	(525)	-	20,397
DfE group capital grants	20	223	(34)	3	212
	20,942	223	(559)	3	20,609
Total restricted funds	17,293	4,133	(4,793)	4,273	20,906
Unrestricted funds					
General funds	452	297	(358)	-	391
Total funds	17,745	4,430	(5,151)	4,273	21,297

15 Funds **(Continued)**

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

The pension value as at 31 August 2022 has been determined by the actuary which is now showing the academy trust as having a pension asset as at 31 August 2022. This results in the academy trust showing a pension fund surplus as at 31 August 2022. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy. Included within the restricted fixed asset fund is the net book value of fixed assets of £20,506,000 plus unspent capital grant income of £103,000.

Unrestricted general funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

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

15 Funds (Continued)

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

	Balance at 1 September 2020 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2021 £(000)
Restricted general funds					
General Annual Grant (GAG)	-	3,376	(3,506)	130	-
Pupil premium	-	126	(126)	-	-
Other DfE/ESFA COVID-19 funding	-	5	-	-	5
Other Coronavirus funding	-	86	-	-	86
Other DfE/ESFA grants	-	177	(177)	-	-
Other government grants	-	123	(184)	-	(61)
Other restricted funds	-	14	(14)	-	-
Pension reserve	(2,748)	-	(251)	(680)	(3,679)
	(2,748)	3,907	(4,258)	(550)	(3,649)
Restricted fixed asset funds					
Inherited on conversion	21,461	-	(539)	-	20,922
DfE group capital grants	-	34	(14)	-	20
	21,461	34	(553)	-	20,942
Total restricted funds	18,713	3,941	(4,811)	(550)	17,293
Unrestricted funds					
General funds	423	281	(122)	(130)	452
Total funds	19,136	4,222	(4,933)	(680)	17,745

16 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Restricted funds: Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	20,506	20,506
Current assets	481	56	103	640
Current liabilities	(90)	-	-	(90)
Pension scheme asset	-	241	-	241
Total net assets	391	297	20,609	21,297

16 Analysis of net assets between funds (Continued)

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	20,942	20,942
Current assets	547	30	-	577
Current liabilities	(95)	-	-	(95)
Pension scheme liability	-	(3,679)	-	(3,679)
Total net assets	452	(3,649)	20,942	17,745

17 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

17 Pension and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £568,000 (2021: £528,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £137,000.

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.

Total contributions made	**2022**	**2021**
	£(000)	**£(000)**
Employer's contributions	137	136
Employees' contributions	46	47
Total contributions	183	183

Principal actuarial assumptions	**2022**	**2021**
	%	**%**
Rate of increase in salaries	3.80	3.65
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

17 Pension and similar obligations (Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	20.3	20.5
- Females	23.2	23.3
Retiring in 20 years		
- Males	21.6	21.9
- Females	25.1	25.3

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2022	Approximate % increase to Employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	124
0.1% increase in the Pension Increase Rate	2%	113
0.1% increase in the Salary Increase Rate	0%	12
1 year increase in member life expectancy	4%	197

The academy trust's share of the assets in the scheme	2022 Fair value £(000)	2021 Fair value £(000)
Equities	3,569	3,539
Bonds	724	748
Property	466	349
Other assets	414	348
Total market value of assets	5,173	4,984

The actual return on scheme assets was £67,000 (2021: £813,000).

Amount recognised in the statement of financial activities	2022 £(000)	2021 £(000)
Current service cost	427	339
Interest income	(83)	(70)
Interest cost	146	118
Total operating charge	490	387

17 Pension and similar obligations **(Continued)**

Changes in the present value of defined benefit obligations	**2022**	**2021**
	£(000)	**£(000)**
At 1 September 2021	8,663	6,783
Current service cost	427	339
Interest cost	146	118
Employee contributions	46	47
Actuarial (gain)/loss	(4,289)	1,423
Benefits paid	(61)	(47)
At 31 August 2022	4,932	8,663

Changes in the fair value of the academy trust's share of scheme assets

	2022	**2021**
	£(000)	**£(000)**
At 1 September 2021	4,984	4,035
Interest income	83	70
Actuarial loss/(gain)	(16)	743
Employer contributions	137	136
Employee contributions	46	47
Benefits paid	(61)	(47)
At 31 August 2022	5,173	4,984

The pension value as at 31 August 2022 has been determined by the actuary which is now showing the academy trust as having a pension asset as at 31 August 2022. This results in the academy trust showing a pension fund surplus as at 31 August 2022. In accordance with applicable accounting standards, the asset value has been deemed to be recognisable on the basis that the academy trust has expectations of reduced future employer contributions at some point during the life of the plan. Although a pension asset is arising, this does not create an immediately realisable asset that can be expended for the specific purposes of the pension fund.

18 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2022 £(000)	2021 £(000)
Net expenditure for the reporting period (as per the statement of financial activities)		(721)	(711)
Adjusted for:			
Capital grants from DfE and other capital income		(223)	(34)
Defined benefit pension costs less contributions payable	**17**	290	203
Defined benefit pension scheme finance cost	**17**	63	48
Depreciation of tangible fixed assets		559	553
Decrease/(increase) in debtors		6	(4)
(Decrease)/increase in creditors		(5)	9
Net cash (used in)/provided by operating activities		(31)	64

19 Analysis of changes in net funds

	1 September 2021 £(000)	Cash flows £(000)	31 August 2022 £(000)
Cash	427	69	496

20 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £(000)	2021 £(000)
Amounts due within one year	40	34
Amounts due in two and five years	36	45
	76	79

21 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the academy received £52,498 (2021 - £45,967) from Stegta Limited, a company in which Mr J Whitby is the Chief Executive for the rental of premises. No amounts were owed to the academy trust at the end of the financial year.

In entering into the transaction, the academy has complied with the requirements of the Academy Trust Handbook 2021.

22 Members' liability

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