

Company Registration No. 08168813 (England and Wales)

OLD BASFORD SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

OLD BASFORD SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities including income and expenditure account	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the accounts including accounting policies	31 - 53

OLD BASFORD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Lawson (Resigned as member 14 December 2021)
D Appleby
E Pagliacci
S Rae
S Salmon
K Barnes (Appointed 7 November 2022)

Trustees

S Salmon (Resigned 6 December 2022)
C Eaglesfield (Resigned 10 August 2022)
D Appleby
D Eniola (Resigned 7 March 2022)
J Ross
K Priddy
M Adewoye
N James
N Cole (Resigned 15 March 2022)
S Brownlie
S Makings (Resigned 31 July 2022)
Y Blair
D Lawson
V Shaw (Accounting officer from 22 March 2022)
C Aldrich (Appointed 5 July 2022)
S Maher (Appointed 10 May 2022)
A Adedipe (Appointed 5 October 2022)

Senior management team

- Head teacher V Shaw (Accounting Officer from 22 March 2022)
- Deputy head L Duffin (Accounting Officer to 22 March 2022))
- Assistant head teacher S Priddle
- Assistant head teacher J Thomas
- Assistant head teacher C Tee

Company secretary

T Green

Company registration number

08168813 (England and Wales)

Principal and registered office

Percy Street
Old Basford
Nottingham
NG6 0GF

OLD BASFORD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers

Lloyds Bank
12-16 Parliament Street
Nottingham
NG1 3DA

Solicitors

Nottingham City Council
Legal Department
Loxley House
Nottingham

OLD BASFORD SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

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

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Basford. It has a pupil capacity of 430 in school plus 80 (40 morning & 40 afternoon) in Nursery. The census for October 2021 was 427 in school plus 31 in Nursery. Nursery starts lower in September and then builds up through the year as children reach 3 years old.

Structure, governance and management

Constitution

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

The charitable company operates as Old Basford School.

The trustees of Old Basford School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

For the financial year 2021/2022, the trustees have liability insurance with the ESFA's RPA effective date 1st September 2021. There is unlimited indemnity.

Method of recruitment and appointment or election of trustees

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

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body.

We have delegated to the Head Teacher the overall responsibility for organising the election and to also undertake the role of returning officer. At any one time the structure of the governing body must be:

- Up to 5 Parent Governors
- Up to 6 Community Governors
- Up to 3 Staff Governors
- Head Teacher

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of trustees

New governors are invited to meet the Head teacher and the Chair of Governors before their first meeting.

All new governors are provided with Induction Training (generally sourced via Nottingham City Council LA Governors section). Governors are provided with ongoing training throughout their role.

Organisational structure

The full Governing Body meets each half term.

There is also an Audit & Finance Committee which meets once per term. The purpose of this committee is to consider all financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, monitoring of expenditure and considering audit reports.

Arrangements for setting pay and remuneration of key management personnel

The pay range for the Leadership Team is set by the Governing body and pay is reviewed by the Pay Committee on an annual basis.

When setting the pay range, governors consider national pay scales plus the needs of the school re recruitment and retention in order to attract and retain the very best candidates.

Trade Union Facility Time

For the period, no employees took paid or unpaid time off to undertake duties and activities as a Trade Union Representative and Old Basford School incurred no costs in relation to the above.

Related parties and other connected charities and organisations

Old Basford School is a member of the Primary 6 Partnership (P6P), which works with 3 other primary schools in the local area (Rosslyn Park, Heathfield, and Hempshill Hall schools).

The Academy is also a member of the Nottingham Schools Trust.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

We are an aspirational school for all of our pupils. Each one of them is valued as a unique individual and we set ourselves the goal of ensuring that they each meet their utmost academic potential and, in addition to this, unearth an individual talent beyond the academic curriculum.

Old Basford School passionately believes that ALL of our children are entitled to an inspiring curriculum that prepares them for life using The 4 E's.

We are PROUD to be a part of the Old Basford Community and through our curriculum we strive to deliver high quality learning and experiences.

THE 4 E's

- Empower
- Educate
- Equip
- Enrich

Old Basford School also stand for Opportunities Bring Success.

Our creative curriculum, coupled with our impressive extra curricula provision, provides a broad, rounded, and rich educational journey which allows all of our pupils to develop independence, a love of learning, resilience, aspirations for the future and self-confidence.

Each of our classrooms focuses on challenge, engagement, enjoyment and achievement through high quality teaching. Learning is celebrated by staff and pupils in a supportive, safe and nurturing environment where children believe they can achieve.

Pupils' wellbeing is a priority for our school, as is their spiritual, moral, social and cultural development which go together hand in hand. Effective and strategic pastoral support and interventions are a real strength of the school across our 3 key stages.

Our school is a committed body of forward thinking energetic staff, constantly seeking to develop their teaching in line with outward facing evidential best practice. To support them in this quest, strategic professional development opportunities are made available and enthusiastically participated in by all, enabling constant improvement of their professional practice. We work together as a collective team to relentlessly ensure high quality provision, ensuring that children receive an education that is thorough, rounded and prepares them with enthusiasm for the next stage in their academic journey.

We are an inclusive learning community and highly value the support of parents, governors, partnership schools and the Old Basford community who contribute to our success throughout each year. We challenge ourselves, our children, our governors, and our extended family to create a culture where we are all role models and conscientious, modern British citizens within our school and the wider community of Old Basford.

At the heart and very core of everything we do is a love for children. That love is unashamedly ambitious and fully committed to raising the aspirations and self-belief of our pupils to enable them to enter the next phase of their education as enthusiastic and successful learners who are able to do anything they put their minds to.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

The principal object of the Academy is the operation of Old Basford School to provide education for pupils of different abilities between the ages of 3 and 11 providing a broad and balanced curriculum.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and skills. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

To provide a safe, caring and inclusive school environment, which welcomes all children from our community.

To provide high quality teaching and learning experiences for every child, allowing all children to enjoy their time and reach their full potential whilst at Old Basford School.

To provide a challenging, motivating and relevant curriculum, which is matched to the needs of our learners, offering an excellent foundation of basic skills, whilst also enriching learning with a range of varied and creative experiences.

To allow all pupils to feel valued, regardless of gender, race and ability, continually encouraging respect for others, and ensuring that any discrimination or racism are always challenged.

To work in partnership with parents, governors and the community.

To foster an understanding and respect for the local and wider community, including the global community and our environment.

To develop an understanding of healthy lifestyles.

To encourage each child to grow in confidence and ability, enabling each person to continue their learning and successes in the future.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

The academy has continued to provide a wide range of extra-curricular activities, and a Breakfast Club and an Afterschool club, for the benefit of its pupils and the school community. Extra-curricular after school clubs are provided free of charge in order to be totally inclusive and both the Breakfast and Afterschool Clubs are run as a non-profit making service.

Strategic report

Achievements and performance

The Academy looks to promote for the benefit of the inhabitants of Old Basford and the surrounding area: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

The last Ofsted inspection was in 2010 at which the school was judged Outstanding.

OLD BASFORD SCHOOL RESULTS - ACADEMIC YEAR 2021-22

EYFS

	Maths Number	Maths Numerical Patterns	Word Reading	Comprehension	Writing	GLD
Expected	66%	66%	66%	71%	61%	53%

Phonics

	OBS Scores - Threshold (32+/40)	National 2019
Year 1	65%	82%
Year 2	92%	91%

Key Stage 1

	Maths	Reading	Writing
Expected (& above)	70%	66%	48%
Greater Depth	7%	12%	7%

Key Stage 2

	Maths	Reading	Writing	GPS	Combined
Expected (& above)	69%	75% Teacher Assessment	61%	80%	56%
Greater Depth	13%	25% Teacher Assessment	8%	31%	7%

The STA lost the reading test results so our reading results are teacher assessed. Meaning combined results are also in part teacher assessed.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and after making appropriate enquiries, have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future.

The school is over-subscribed and holds an excellent reputation in the community. This, together with careful financial management has resulted in the school having a positive reserve position. It is for these reasons in which the Trustees have concluded there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 Statement of Accounting Policies.

Financial review

The Academy is funded by the Education & Skills Funding Agency (ESFA) using the Nottingham City Local Authority Funding Formula. In addition, the Academy receives ESG funding from the ESFA. There were no major building works during the year.

During the year ended 31 August 2022, incoming resources totalled £2,601,153 (2021: £2,542,170) and total expenditure was £2,883,847 (2021: £2,558,719) creating a deficit of £282,694 (2021: deficit of £16,549). When the movements on the local government pension scheme gain of £2,204,000 (2021: loss £167,000) are considered there was a surplus of £1,921,306 (2021: deficit of £183,549).

An in-year deficit, excluding the fixed asset restricted fund and pension reserve, is £56,489 (2021: in-year surplus of 184,784). Total reserves at 31 August 2022, excluding fixed asset fund and pension reserve, were £459,326 (2021: £515,815).

At 31 August 2022, the net book value of fixed assets was £3,726,575 (2021: £3,724,780) and movements in tangible fixed assets are shown in note 12 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The pension reserve held within restricted funds was in deficit by £822,000 at 31 August 2022 (2021: £2,798,000). This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

The academy has a reserves policy which is reviewed annually. This policy states that it is prudent to maintain reserves of a minimum of £100,000 each year as a contingency for unexpected expenditure plus funds for any major planned expenditure. Total funds held at 31 August 2022 were £3,363,901. The total of unrestricted and restricted general reserves held at the end of 2021/22 was £459,326.

The governors are aware of the high percentage of carry forward reserves into 2022/23 and that it is significantly above the level of reserves that has been determined for the ongoing needs of the academy. However, it is anticipated that during 2022/23 works are to be carried out upgrading the school building and site and the carry forward reserves are expected to be used towards these costs.

The governors continue to consider additional activities related to the academy's objectives to which any excess reserves may be applied.

The level of reserves held considers the unexpected nature of income and expenditure streams. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Governors will keep this level under review.

The pension reserve held within restricted funds was in deficit by £822,000 at 31 August 2022 (2021: £2,798,000). This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary.

Investment policy

Due to the nature of the funding cycle, the academy may at times hold large cash balances which may not be required for immediate use. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised. There have been no investments in the year.

Principal risks and uncertainties

The academy has a policy for Risk Management which includes the Risk Register, and this is reviewed on an annual basis.

Currently, the major risks are loss of key personnel, appointing good quality teaching staff, decline in pupil numbers, changes to the funding formula, rising costs and damage/loss to the structure of the building which would necessitate the need to implement the emergency plan.

To mitigate these, the governing body encourages and monitors succession planning; monitors pupil numbers; retains funds in reserves for emergency maintenance and rising salary costs.

The Academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is managing as advised by Barnett Waddingham, the pension actuarial experts.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

Funding for the operation and activities of the school is provided in the main by Government or other grants. There are minimal fundraising activities carried out and are minor in nature and carried out within the school community to raise funds for an activity within the school.

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

Plans for future periods

The school priorities for 22/23 will continue to address the impact of pandemic on attainment and progress, as well as the mental health and wellbeing of all pupils. It focuses on quality first teaching, CDP and the successful integration of a number of early career staff who are new to our school.

Quality of Education:

- Accelerate progress and improve outcomes in RWM by improving use of AFL, differentiation and challenge to meet needs of all learners and increase % of GD
- Ensure progress and improve outcomes of bottom 20%, closing gaps for PP and vulnerable groups in specific years
- Improve writing standards in all years focusing on spelling, handwriting and vocabulary development and providing a range of opportunities for writing across the curriculum
- Implement monitor and evaluate new phonics scheme ensuring consistency across years
- Extend creative teaching and learning opportunities in the foundation subjects supported by range of enrichment opportunities

Behaviour and Attitudes:

- Enhance pupil's behaviour for learning characteristics to accelerate learning, engagement and enthusiasm for learning
- Implement and evaluate programmes for support for specific children with EBD to improve their emotional wellbeing and impact on attainment and learning
- Raise whole school attendance (back to pre-Covid standards) to 96+%

Leadership and Management:

- Develop role and skills of middle and subject leaders including monitoring and evaluation skills to improve quality of curriculum provision and creative practices
- Mentor and coach new and newly qualified staff to ensure quality of T&L and consistency of approach in meeting the needs of all learners
- Update all safeguarding training as required and train new staff in establishing a context of vigilance
- Plan programme of active participation for governors in key roles

EYFS - Quality of Education:

- Improve provision and teaching of PSED across the EYFS
- Ensure provision and quality support matches needs for SEND learners
- Improve continuous provision enhancements in reading/writing/maths to increase EYFS standards

Personal Development:

- Extend personal development programmes and enrichment opportunities to develop skills, talents and interests for all learners
- Improve health and emotional wellbeing for targeted children and families

Funds held as custodian trustee on behalf of others

The Academy Trust does not hold funds on behalf of others.

OLD BASFORD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

In so far as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2022 and signed on its behalf by:

D Lawson

Chair of Governors

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Old Basford School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Salmon (Resigned 6 December 2022)	5	6
C Eaglesfield (Resigned 10 August 2022)	2	6
D Appleby	6	6
D Eniola (Resigned 7 March 2022)	1	3
J Ross	6	6
K Priddy	5	6
M Adewoye	5	6
N James	6	6
N Cole (Resigned 15 March 2022)	2	4
S Brownlie	5	6
S Makings (Resigned 31 July 2022)	3	6
Y Blair	3	6
D Lawson	6	6
V Shaw (Accounting officer from 22 March 2022)	3	3
C Aldrich (Appointed 5 July 2022)	1	1
S Maher (Appointed 10 May 2022)	2	2
A Adedipe (Appointed 5 October 2022)	0	0

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance review

Following the previous exceptionally difficult year, this academic year has been spent working to get the school back to some sense of normality but against a continuing backdrop of changing Government guidance and staff and pupil absence, the staff have relentlessly delivered high levels of teaching and learning to its pupils.

The Board of Trustees has worked with the Senior Leadership and school staff to ensure that the school operates as effectively and efficiently as possible.

- Priority 1 – Quality of Education – Effective teaching and learning
- Priority 2 – Behaviour & Attitudes – Wellbeing and Resilience
- Priority 3 – Leadership and Management – Effective Deployment and Development of Middle Leaders
- Priority 4 – Quality of Education – Early Years Foundation Stage

The governors' primary role in this area is participating in identifying areas of improvement and agreeing the strategic objectives of the school, then monitoring the impact of agreed actions. The governors carried out this role in various ways, seeking to triangulate evidence to support their judgements. This included their own monitoring through virtual monitoring visits, reviewing planning and the impact of managers' planning and training on other staff's planning teaching etc., receiving and interrogating/challenging reports from the headteacher and curriculum leads and importantly from the independent School Improvement Advisor appointed through the Nottingham Schools Trust, and the review of data.

Governors produce reports on their monitoring, presenting them at Governing Body meetings and holding the school leaders to account for meeting their targets.

The Audit and Finance Committee is a sub-committee of the main governing body. Its purpose is to discuss financial matters including preparation of draft budget, approving journals and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure and considering audit reports. Approval of the budget, Best Value Statement and journals over £50,000 will remain the responsibility of the Full Governors.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
D Lawson	3	3
S Salmon	3	3
M Adewoye	1	3
D Appleby	3	3
V Shaw	2	2
L Duffin	3	3
S Brownlie	0	3

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

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

Old Basford School recognises its responsibility to achieve value for money from all its activities, however they may be funded. We are committed to the pursuit of economy, efficiency and effectiveness and seek to adopt good practice, and incorporate value for money principles in all our activities. Equipment, materials and services will be deployed to provide pupils and staff with resources that support quality of teaching and learning by ensuring:

- A high level of awareness and ownership of value for money in all functions and activities throughout the school in order to maximise the benefits to pupils whilst minimising cost;
- That all directors and staff have responsibility for promoting value for money principles; active consideration of value for money in the planning and delivery of Old Basford School's Development and Financial Plans; service delivery methods, including partnership working; and budget and resource allocation.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

The E's Principle

Achieving value for money can be described in terms of three E's – Economy, Efficiency and Effectiveness.

- Economy – minimising the cost of resources for an activity (doing things at the right price)
- Efficiency – performing tasks with reasonable effort (doing things in the right way)
- Effectiveness – the extent to which objectives are met (doing the right things)

Having the 'right people' is also an important aspect of ensuring value for money. Obtaining the best outcomes for pupils, within available resources, is the key to achieving value for money.

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

In order to achieve good value for money, Old Basford has:

- Double accounting and checking of all invoices and cheques signed three quotes obtained and governors Finance and Audit committee making final decisions on all purchases over £10,000.
- The Head Teacher ensuring that reasonable steps have been taken to obtain best value on all purchases between £1,500 to £10,000
- Clearly minuted ratification of the school budget for the Financial year
- Detailed financial reports for governors, including Pupil Premium
- Ensured that the Finance committee has regard to value for money in its discussions and decisions
- An efficient and effective staffing structure to facilitate the achievement of its strategic aims and objectives
- Ensured value for money principles are taken fully into account within existing management, planning and review processes
- Adopted and recognised good practice where it is appropriate to do so
- Responded to opportunities to enhance the economy, efficiency and effectiveness of activities
- Observed the need for price quotations and for tender invitations according to the limits prescribed in Old Basford School's internal finance policies
- Ensured that all administrative systems and processes are designed to maximise integration and eliminate duplication and delay
- Promoted a culture of continuous improvement by all stakeholders
- Ensured that all staff recognise their continuing obligation to seek value for money for Old Basford School as part of their day to day activities.

Purchasing

Procedures are in place for assessing need, and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. These include competitive tendering procedures for goods and services where appropriate, procedures for accepting best value quotes and purchasing certain goods or services from known, reliable suppliers.

Pupils Welfare

The quality of the school environment and ethos is reviewed to provide a supportive atmosphere conducive to learning and recreation.

Health & Safety

The quality of the school's buildings and equipment is kept under review, carrying out risk assessments where appropriate, in order to provide a safe working environment for all pupils, staff and visitors.

Monitoring

Examples of monitoring for best value include:

- In house monitoring by the governors, accounting officer and finance staff
- Annual budget planning
- Governors regular financial review
- Minutes of all governors' meetings
- Responsible Officer reports
- Audit reports
- Analysis of school performance data
- Analysis of DfE pupil performance data e.g. RAISEonline
- OFSTED inspection reports

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Old Basford School for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has decided to employ Hobsons Chartered Accountants & Business Advisors as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Cash and Cash Control, Income, Catering and Assets
- Payroll

The subsequent reports were emailed directly to the School Business Manager and forwarded to both the Headteacher and Chair of Governors. Reports were also presented to the Audit and Finance Committee.

The reviewer has completed their schedule of works.

OLD BASFORD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 16 December 2022 and signed on its behalf by:

D Lawson
Chair of Governors

V Shaw
Accounting Officer

OLD BASFORD SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Old Basford School, 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 Academies Financial 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 Academies Financial 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.

V Shaw
Accounting Officer

16 December 2022

OLD BASFORD SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Old Basford School 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 16 December 2022 and signed on its behalf by:

D Lawson
Chair of Governors

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BASFORD SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2022**

Opinion

We have audited the accounts of Old Basford School for the year ended 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BASFORD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BASFORD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to:

- child protection,
- the funding agreement,
- Academies Accounts Direction 2021-2022,
- the Academy Trust Handbook 2021.
- employment and health and safety regulation,
- anti-bribery, corruption and fraud,

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BASFORD SCHOOL
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and surplus. Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- enquiries of management,
- testing of journals and evaluating whether there was evidence of bias by the senior leadership team that represented a risk of material misstatement due to fraud
- evaluation of 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.
- review of correspondence and reports to the regulator, including correspondence with the Education and Skills Funding Agency and
- review of internal audit reports in so far as they related to the financial statements.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLD BASFORD SCHOOL
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

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.

**Elizabeth Searby (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

16 December 2022

**Chartered Accountants
Statutory Auditor**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OLD BASFORD SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 19 July 2021 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 Old Basford School 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 Old Basford School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Old Basford School 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 Old Basford School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Old Basford School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Old Basford School's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial 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 OLD BASFORD SCHOOL AND THE EDUCATION AND SKILLS
FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review of enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

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.

Reporting Accountant

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Dated: 16 December 2022

OLD BASFORD SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	-	-	9,253	9,253	33,499
Charitable activities:						
- Funding for educational operations	4	-	2,454,483	-	2,454,483	2,411,520
Other trading activities	5	56,809	80,533	-	137,342	97,090
Investments	6	75	-	-	75	61
Total		<u>56,884</u>	<u>2,535,016</u>	<u>9,253</u>	<u>2,601,153</u>	<u>2,542,170</u>
Expenditure on:						
Raising funds	7	9,077	14,192	-	23,269	16,364
Charitable activities:						
- Educational operations	8	-	2,760,887	99,691	2,860,578	2,542,355
Total	7	<u>9,077</u>	<u>2,775,079</u>	<u>99,691</u>	<u>2,883,847</u>	<u>2,558,719</u>
Net income/(expenditure)		47,807	(240,063)	(90,438)	(282,694)	(16,549)
Transfers between funds	16	-	(92,233)	92,233	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	2,204,000	-	2,204,000	(167,000)
Net movement in funds		<u>47,807</u>	<u>1,871,704</u>	<u>1,795</u>	<u>1,921,306</u>	<u>(183,549)</u>
Reconciliation of funds						
Total funds brought forward		<u>116,860</u>	<u>(2,399,045)</u>	<u>3,724,780</u>	<u>1,442,595</u>	<u>1,626,144</u>
Total funds carried forward		<u>164,667</u>	<u>(527,341)</u>	<u>3,726,575</u>	<u>3,363,901</u>	<u>1,442,595</u>

OLD BASFORD SCHOOL

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

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2021 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	500	-	32,999	33,499
Charitable activities:					
- Funding for educational operations	4	-	2,411,520	-	2,411,520
Other trading activities	5	8,329	88,761	-	97,090
Investments	6	61	-	-	61
Total		<u>8,890</u>	<u>2,500,281</u>	<u>32,999</u>	<u>2,542,170</u>
Expenditure on:					
Raising funds	7	7,489	8,875	-	16,364
Charitable activities:					
- Educational operations	8	848	2,450,932	90,575	2,542,355
Total	7	<u>8,337</u>	<u>2,459,807</u>	<u>90,575</u>	<u>2,558,719</u>
Net income/(expenditure)		553	40,474	(57,576)	(16,549)
Transfers between funds	16	-	(29,246)	29,246	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(167,000)	-	(167,000)
Net movement in funds		553	(155,772)	(28,330)	(183,549)
Reconciliation of funds					
Total funds brought forward		<u>116,307</u>	<u>(2,243,273)</u>	<u>3,753,110</u>	<u>1,626,144</u>
Total funds carried forward		<u>116,860</u>	<u>(2,399,045)</u>	<u>3,724,780</u>	<u>1,442,595</u>

OLD BASFORD SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		3,726,575		3,724,780
Current assets					
Debtors	13	51,579		46,553	
Cash at bank and in hand		676,804		682,017	
		<u>728,383</u>		<u>728,570</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(269,057)		(212,755)	
Net current assets			459,326		515,815
Net assets excluding pension liability			4,185,901		4,240,595
Defined benefit pension scheme liability	18		(822,000)		(2,798,000)
Total net assets			<u>3,363,901</u>		<u>1,442,595</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			3,726,575		3,724,780
- Restricted income funds			294,659		398,955
- Pension reserve			(822,000)		(2,798,000)
Total restricted funds			<u>3,199,234</u>		<u>1,325,735</u>
Unrestricted income funds	16		164,667		116,860
Total funds			<u>3,363,901</u>		<u>1,442,595</u>

The accounts on pages 27 to 53 were approved by the trustees and authorised for issue on 16 December 2022 and are signed on their behalf by:

D Lawson
Chair of Governors

Company Number 08168813

OLD BASFORD SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		86,945		219,772
Cash flows from investing activities					
Dividends, interest and rents from investments		75		61	
Capital grants from DfE Group		9,253		9,270	
Purchase of tangible fixed assets		(101,486)		(38,516)	
Net cash used in investing activities			(92,158)		(29,185)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(5,213)		190,587
Cash and cash equivalents at beginning of the year			682,017		491,430
Cash and cash equivalents at end of the year			676,804		682,017

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

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.

Grants

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

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

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

Sponsorship income

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

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	Over 120 years
Leasehold buildings	2% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	20% straight line

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

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

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. Under FRS102 the discount rate is determined by reference to market yields at the year-end date on high quality corporate bonds. On this basis the trust's actuary has calculated a discount rate of 4.25% at 31 August 2022 which is significantly higher than the discount rate used at 31 August 2021. The impact of the movement in the discount rate is to decrease the defined benefit obligations by approximately 47% compared to 2021. This decrease has a direct impact on the quantification of the overall pension deficit reported in these financial statements at 31 August 2022. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Changes in the discount rate have a particularly significant impact on the calculation of the defined benefit obligation. 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.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	-	-	23,729
Capital grants	-	9,253	9,253	9,270
Other donations	-	-	-	500
	-----	-----	-----	-----
	-	9,253	9,253	33,499
	=====	=====	=====	=====

Donations and capital grants in year ended 31 August 2022 totalled £9,253 (2021: £33,499) of which £Nil related to unrestricted funds (2021: £500) and £9,253 related to restricted fixed assets (2021: £32,999).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,956,386	1,956,386	1,810,332
Other DfE / ESFA grants:				
UIFSM	-	50,463	50,463	49,573
Pupil premium	-	184,651	184,651	168,713
Teachers Pay grants	-	2,131	2,131	22,569
Teachers Pension grants	-	6,023	6,023	64,037
PE and Sports grant	-	19,730	19,730	21,914
Others	-	81,413	81,413	26,859
	-----	-----	-----	-----
	-	2,300,797	2,300,797	2,163,997
	=====	=====	=====	=====
Other government grants				
Local authority grants	-	23,583	23,583	28,420
Early Years	-	130,103	130,103	176,921
	-----	-----	-----	-----
	-	153,686	153,686	205,341
	=====	=====	=====	=====
Exceptional government funding				
Coronavirus exceptional support	-	-	-	42,182
	-----	-----	-----	-----
	-	-	-	42,182
	=====	=====	=====	=====
Total funding	-	2,454,483	2,454,483	2,411,520
	=====	=====	=====	=====

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations (Continued)

Funding for academy trust's education operations in year ended 31 August 2022 totalled £2,454,483 (2021: £2,411,520) of which £Nil (2021: £Nil) was unrestricted and £2,454,483 was restricted (2021: £2,411,520).

Teachers pay and pension grants are included in the General Annual Grant for the year ended 31 August 2022.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Catering income	-	24,348	24,348	16,851
Other income	56,809	56,185	112,994	80,239
	<u>56,809</u>	<u>80,533</u>	<u>137,342</u>	<u>97,090</u>

The income from other trading activities was £137,342 (2021: £97,090), of which £56,809 was unrestricted (2021: £8,329) and £80,533 was restricted (2021: £88,761).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	<u>75</u>	<u>-</u>	<u>75</u>	<u>61</u>

Investment income in year ended 31 August 2022 totalled £75 (2021: £61), of which £75 (2021: £61) related to unrestricted funds and £Nil related to restricted funds (2021: £Nil).

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2022	2021
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	9,077	-	14,192	23,269	16,364
Academy's educational operations					
- Direct costs	1,741,342	75,006	84,873	1,901,221	1,810,415
- Allocated support costs	434,726	169,909	354,722	959,357	731,940
	<u>2,185,145</u>	<u>244,915</u>	<u>453,787</u>	<u>2,883,847</u>	<u>2,558,719</u>

Expenditure in year ended 31 August 2022 totalled £2,883,847 (2021: £2,558,719), of which £2,185,145 (2021: £2,043,218) related to staff costs, £244,915 (2021: £226,190) related to premises costs and £453,787 (2021: £289,311) related to other expenditure.

Net income/(expenditure) for the year includes:	2022	2021
	£	£
Fees payable to auditor for audit services	9,750	8,950
Operating lease rentals	3,262	3,423
Depreciation of tangible fixed assets	100,302	90,575
Net interest on defined benefit pension liability	47,000	40,000
	<u>150,314</u>	<u>142,948</u>

8 Charitable activities

	2022	2021
	£	£
All from restricted funds:		
Direct costs		
Educational operations	1,901,221	1,810,415
Support costs		
Educational operations	959,357	731,940
	<u>2,860,578</u>	<u>2,542,355</u>

OLD BASFORD SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****8 Charitable activities (Continued)**

	2022	2021
	£	£
Analysis of support costs		
Support staff costs	434,726	340,851
Depreciation	24,685	15,569
Technology costs	32,909	41,167
Premises costs	145,224	135,615
Legal costs	38,771	24,761
Other support costs	269,139	167,887
Governance costs	13,903	6,090
	<u>959,357</u>	<u>731,940</u>

9 Staff**Staff costs**

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	1,501,040	1,427,130
Social security costs	143,541	136,179
Pension costs	520,490	461,049
	<u>2,165,071</u>	<u>2,024,358</u>
Staff costs - employees	2,165,071	2,024,358
Agency staff costs	12,761	13,311
	<u>2,177,832</u>	<u>2,037,669</u>
Staff development and other staff costs	7,313	5,549
	<u>2,185,145</u>	<u>2,043,218</u>

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Staff numbers

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

	2022	2021
	Number	Number
Teachers	22	20
Administration and support	37	35
Management	5	6
	<u>64</u>	<u>61</u>

Higher paid staff

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

	2022	2021
	Number	Number
£60,001 - £70,000	1	2
	<u>1</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £351,130 (2021: £433,973).

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

N James (Governor)

Remuneration £20,000 - £25,000 (2021: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2021: £Nil - £5,000)

V Shaw (Governor)

Remuneration £35,000 - £40,000 (2021: £60,000 - £65,000)

Employer's pension contributions £10,000 - £15,000 (2021: £15,000 - £20,000)

K Priddy (Governor)

Remuneration £40,000 - £45,000 (2021: £40,000 - £45,000)

Employer's pension contributions £10,000 - £15,000 (2021: £5,000 - £10,000)

J Ross (Governor)

Remuneration £30,000 - £35,000 (2021: £30,000 - £35,000)

Employer's pension contributions £5,000 - £10,000 (2021: £Nil - £5,000)

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

11 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.

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Tangible fixed assets

	Leasehold buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2021	4,289,939	-	195,472	32,003	4,517,414
Additions	-	78,452	19,978	3,056	101,486
At 31 August 2022	4,289,939	78,452	215,450	35,059	4,618,900
Depreciation					
At 1 September 2021	636,771	-	140,240	15,623	792,634
Charge for the year	75,006	427	20,823	3,435	99,691
At 31 August 2022	711,777	427	161,063	19,058	892,325
Net book value					
At 31 August 2022	3,578,162	78,025	54,387	16,001	3,726,575
At 31 August 2021	3,653,168	-	55,232	16,380	3,724,780

13 Debtors

	2022	2021
	£	£
Other debtors	5,873	4,584
Prepayments and accrued income	45,706	41,969
	51,579	46,553

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	34,922	30,528
Other creditors	41,320	37,825
Accruals and deferred income	192,815	144,402
	269,057	212,755

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Deferred income

	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	86,029	97,583
	<u> </u>	<u> </u>
Deferred income at 1 September 2021	97,583	92,929
Released from previous years	(97,583)	(92,929)
Resources deferred in the year	86,029	97,583
	<u> </u>	<u> </u>
Deferred income at 31 August 2022	86,029	97,583
	<u> </u>	<u> </u>

At the balance sheet date, the academy trust was holding funds of £86,029 (2021: £97,583) received in advance for educational funding relating to the upcoming financial year. The deferred income provision includes Universal Infant Free School Meals grant, rates relief funding, HLN funding, Early Years and SEN funding.

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	353,643	1,956,386	(1,970,978)	(92,233)	246,818
Teachers Pay grants	-	2,131	(2,131)	-	-
UIFSM	-	50,463	(50,463)	-	-
Pupil premium	28,578	184,651	(182,122)	-	31,107
Other DfE / ESFA grants	-	107,166	(107,166)	-	-
Other government grants	-	153,686	(153,686)	-	-
Other restricted funds	16,734	80,533	(80,533)	-	16,734
Pension reserve	(2,798,000)	-	(228,000)	2,204,000	(822,000)
	<u>(2,399,045)</u>	<u>2,535,016</u>	<u>(2,775,079)</u>	<u>2,111,767</u>	<u>(527,341)</u>
Restricted fixed asset funds					
Inherited on conversion	3,232,407	-	(65,072)	-	3,167,335
DfE group capital grants	71,166	9,253	(12,739)	-	67,680
Capital expenditure from GAG	390,858	-	(17,690)	92,233	465,401
Donated fixed assets	19,774	-	(3,955)	-	15,819
Private sector capital sponsorship	10,575	-	(235)	-	10,340
	<u>3,724,780</u>	<u>9,253</u>	<u>(99,691)</u>	<u>92,233</u>	<u>3,726,575</u>
Total restricted funds	<u>1,325,735</u>	<u>2,544,269</u>	<u>(2,874,770)</u>	<u>2,204,000</u>	<u>3,199,234</u>
Unrestricted funds					
General funds	<u>116,860</u>	<u>56,884</u>	<u>(9,077)</u>	<u>-</u>	<u>164,667</u>
Total funds	<u>1,442,595</u>	<u>2,601,153</u>	<u>(2,883,847)</u>	<u>2,204,000</u>	<u>3,363,901</u>

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

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

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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency / Department for Education where the asset acquired or created is held for a specific purpose. A transfer of £92,233 (2021:£29,246) was made from the GAG fund to the restricted fixed asset fund to cover capital expenditure not covered by capital grant income.

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

The restricted fund balance of £16,734 relates to the school funds account held at 31 August 2022.

The pension reserve held within restricted funds was in deficit by £822,000 at 31 August 2022 (2021: £2,798,000). This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary.

The academy trust is not subject to GAG carried forward limits.

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	170,196	1,810,332	(1,597,639)	(29,246)	353,643
Teachers Pay grants	-	22,569	(22,569)	-	-
UIFSM	-	49,573	(49,573)	-	-
Pupil premium	27,791	168,713	(167,926)	-	28,578
Other DfE / ESFA grants	-	112,810	(112,810)	-	-
Other government grants	-	247,523	(247,523)	-	-
Other restricted funds	16,740	88,761	(88,767)	-	16,734
Pension reserve	(2,458,000)	-	(173,000)	(167,000)	(2,798,000)
	<u>(2,243,273)</u>	<u>2,500,281</u>	<u>(2,459,807)</u>	<u>(196,246)</u>	<u>(2,399,045)</u>
Restricted fixed asset funds					
Transfer on conversion	3,297,479	-	(65,072)	-	3,232,407
DfE group capital grants	65,519	9,270	(3,623)	-	71,166
Capital expenditure from GAG	379,302	-	(17,690)	29,246	390,858
Donated fixed assets	-	23,729	(3,955)	-	19,774
Private sector capital sponsorship	10,810	-	(235)	-	10,575
	<u>3,753,110</u>	<u>32,999</u>	<u>(90,575)</u>	<u>29,246</u>	<u>3,724,780</u>
Total restricted funds	<u>1,509,837</u>	<u>2,533,280</u>	<u>(2,550,382)</u>	<u>(167,000)</u>	<u>1,325,735</u>
Unrestricted funds					
General funds	<u>116,307</u>	<u>8,890</u>	<u>(8,337)</u>	<u>-</u>	<u>116,860</u>
Total funds	<u>1,626,144</u>	<u>2,542,170</u>	<u>(2,558,719)</u>	<u>(167,000)</u>	<u>1,442,595</u>

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	3,726,575	3,726,575
Current assets	164,667	563,716	-	728,383
Creditors falling due within one year	-	(269,057)	-	(269,057)
Defined benefit pension liability	-	(822,000)	-	(822,000)
Total net assets	164,667	(527,341)	3,726,575	3,363,901

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	3,724,780	3,724,780
Current assets	116,860	611,710	-	728,570
Creditors falling due within one year	-	(212,755)	-	(212,755)
Defined benefit pension liability	-	(2,798,000)	-	(2,798,000)
Total net assets	116,860	(2,399,045)	3,724,780	1,442,595

18 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 the Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £41,320 were payable to the schemes at 31 August 2022 (2021: £37,762) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 2023.

The employer's pension costs paid to the TPS in the period amounted to £236,501 (2021: £224,049).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.3% for employers and 5.5 to 7.5% for employees.

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

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations (Continued)

Total contributions made	2022	2021
	£	£
Employer's contributions	103,000	95,000
Employees' contributions	29,000	27,000
	<u> </u>	<u> </u>
Total contributions	132,000	122,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment/inflation	3.0	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3	2.9
Commutation of pensions to lump sums	50%	50%
	<u> </u>	<u> </u>

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

	2022	2021
	Years	Years
Retiring today		
- Males	21.7	21.6
- Females	24.4	24.3
Retiring in 20 years		
- Males	23.0	22.9
- Females	25.8	25.7
	<u> </u>	<u> </u>

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

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

	2022	2021
	£	£
Discount rate + 0.1%	(63,000)	(107,000)
Discount rate - 0.1%	65,000	109,000
Mortality assumption + 1 year	91,000	219,000
Mortality assumption - 1 year	(88,000)	(210,000)
CPI rate + 0.1%	60,000	97,000
CPI rate - 0.1%	(58,000)	(95,000)
Salary increase + 0.1%	6,000	11,000
Salary increase - 0.1%	(6,000)	(10,000)

Defined benefit pension scheme net liability

	2022	2021
	£	£
Scheme assets	2,162,000	2,112,000
Scheme obligations	(2,984,000)	(4,910,000)
Net liability	(822,000)	(2,798,000)

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

	2022	2021
	Fair value	Fair value
	£	£
Equities	1,267,000	1,373,000
Bonds	149,000	133,000
Gilts	51,000	69,000
Cash	124,000	86,000
Property	313,000	216,000
Other assets	258,000	235,000
Total market value of assets	2,162,000	2,112,000

The actual return on scheme assets was a loss £14,000 (2021: £262,000 gain)

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	284,000	228,000
Interest income	(35,000)	(29,000)
Interest cost	81,000	69,000
Administration expenses	1,000	1,000
	<u>331,000</u>	<u>269,000</u>

Changes in the present value of defined benefit obligations

	2022	2021
	£	£
At 1 September 2021	4,910,000	4,271,000
Current service cost	284,000	228,000
Interest cost	81,000	68,000
Employee contributions	29,000	27,000
Actuarial (gain)/loss	(2,253,000)	400,000
Benefits paid	(67,000)	(84,000)
	<u>2,984,000</u>	<u>4,910,000</u>

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

	2022	2021
	£	£
At 1 September 2021	2,112,000	1,813,000
Interest income	35,000	29,000
Actuarial loss/(gain)	(49,000)	233,000
Employer contributions	103,000	95,000
Employee contributions	29,000	27,000
Benefits paid	(67,000)	(84,000)
Administration expenses	(1,000)	(1,000)
	<u>2,162,000</u>	<u>2,112,000</u>

OLD BASFORD SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****19 Reconciliation of net expenditure to net cash flow from operating activities**

	2022	2021
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(282,694)	(16,549)
Adjusted for:		
Capital grants from DfE and other capital income	(9,253)	(32,999)
Investment income receivable	(75)	(61)
Defined benefit pension costs less contributions payable	181,000	133,000
Defined benefit pension scheme finance cost	47,000	40,000
Depreciation of tangible fixed assets	99,691	90,575
(Increase) in debtors	(5,026)	(4,471)
Increase in creditors	56,302	10,277
Net cash provided by operating activities	<u>86,945</u>	<u>219,772</u>

20 Analysis of changes in net funds

	1 September	Cash flows	31 August
	2021		2022
	£	£	£
Cash	682,017	(5,213)	676,804
	<u>682,017</u>	<u>(5,213)</u>	<u>676,804</u>

21 Long-term commitments, including operating leases

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

	2022	2021
	£	£
Amounts due within one year	3,212	3,212
Amounts due in two and five years	8,030	11,242
	<u>11,242</u>	<u>14,454</u>

OLD BASFORD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Capital commitments

	2022	2021
	£	£
Expenditure contracted for but not provided in the accounts	3,400	-
	<u> </u>	<u> </u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. No related party transactions took place in the financial period.

Expenditure Related Party Transactions

C Pile, spouse of D Pile (governor, resigned 29 April 2021), is employed by the academy as a midday supervisor. In the prior year, up to 29 April 2021 she received payments of £2,972, after this point she is not considered to be a related party. No amounts were outstanding at the balance sheet date (2021: £Nil). She is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

EMPSN Services Limited, a company in which S Salmon (a governor) is a director. The school is a customer of this company for broadband services. Broadband costs posted totalled £2,371 (2021: £2,166).

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their prior approval where required, and with the Academy Trusts financial regulations and normal procurement procedures relating to connected and related party transactions.

24 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.