

Company Registration Number: 07652661 (England & Wales)

RAWLINS ACADEMY
(A company limited by guarantee)

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

RAWLINS ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs M Bezzano-Griffiths (resigned 27 June 2022) Mr G Cooke (appointed 1 May 2022) Mrs C Lewis, Diocese of Leicester Educational Trust Mrs H Marney (appointed 1 May 2022) Mr I Marron, Chair of Trustees Ms C Skilling, Thomas Rawlins Educational Foundation (appointed 1 May 2022) Miss E Walling, Thomas Rawlins Educational Foundation (resigned 1 May 2022) Mrs A-M Willett (resigned 13 January 2022)
Trustees	Mrs M Bezzano-Griffiths (resigned 27 June 2022) Rev D Bowler (resigned 31 October 2021) Mrs M Collins Mrs S Cook (resigned 17 November 2021) Miss C Darby, Principal & Accounting Officer Mrs R Evans Mrs R Lewin (resigned 5 September 2022) Mrs H Howells (appointed 3 February 2022) Mr I Marron, Chair Mr S Mitchell Mrs S Pinkus (appointed 3 February 2022) Dr C Shipway Miss E Walling Mrs A-M Willett
Company registered number	07652661
Company name	Rawlins Academy
Principal and registered office	Loughborough Road Quorn Loughborough LE12 8DY
Company secretary	Mrs L Daykin
Senior management team	Miss C Darby, Principal Miss C Robinson, Vice Principal Mr R Vasey, Vice Principal Mrs H Barton, Assistant Principal Miss G Brady, Assistant Principal Mr M Byrne, Assistant Principal Mrs R Dassu, Assistant Principal Mrs H Green, Assistant Principal

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors	Duncan & Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	NatWest Loughborough Leicestershire LE11 3NZ
Solicitors	Eversheds LLP Bridgewater Place Water Lane Leeds LS11 5DR

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The Trust operates an Academy Trust for pupils aged 11 to 19 serving a catchment area in North Charnwood, Leicestershire with a current school population of 1558 in the Autumn 2021 school census. Due to the rapid growth of housing in the vicinity, the school is aware from LA data that within the next 10 years there will be increased pressure for places at the school. Projections indicate a deficit of over 100 places for those who live in catchment by 2030. The school is also aware that other local schools are also at capacity.

In conjunction with the demographic increase on places at the school, Rawlins is also popular because it incorporates a unique SEND structure within the school. Currently the school has a large MLD Unit and Autism Base. The school also held the financial and HR responsibility for the North Charnwood Learning Partnership (NCLP) Behaviour Partnership, which was relinquished in February 2022.

Our MLD/Autism Unit provides for over 70 pupils with EHCPs and due to the nature of their educational needs, pupils often require a high level of TA support. Similarly, the NCLP Behaviour Partnership caters for a number of extremely vulnerable young people many with SEMH issues. Young people from 8 secondary schools in the Loughborough area attend to the provision. Pupils remain on-roll at their designated school, as do the examination results and all other accountability measures for these young people. However, the staffing for the facility and the funding has to be 'hosted' by one school according to the agreement with the Local Authority and this was Rawlins until earlier this year. As with the MLD/Autism Unit, this provision has a high ratio of staff to pupils due to the nature of the issues being addressed. As a consequence, whilst this enables the Academy Trust to provide a unique perspective on inclusion and equal opportunities for all, it does impact on the Academy Trust's staffing ratios and has cost implications on any benchmarking activity for the Academy Trust due to the anomaly of the inclusion of both of these units within our figures.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee (registration number 07652661) and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. During this year, the Academy Trust resolved to adopt latest Church of England Articles of Association, thereby effecting appropriate separation of Members and Trustees. New governance documentation took effect from January 2022.

The Trustees of Rawlins Academy ("the Academy Trust" and "Rawlins") are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company operates as Rawlins Academy.

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.

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

Structure, governance and management (continued)

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

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

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Academy Deed. The Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Principal or incumbents. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected. The Trustees who were in office at 31 August 2022 and who served during the year are listed on the Reference and Administrative Details pages.

Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Induction includes training on educational, legal and financial matters. All new Trustees are given the opportunity to tour the Academy Trust and meet with staff and pupils and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to support them in their role as Trustees. There is also a formal meeting with the Chair of Trustees, the Trustee responsible for training and the Principal. Trustees are able to access various training events through the Local Authority and other agencies and, occasionally, training events on key issues are organised for all Trustees. New Trustees are encouraged to undertake GSD induction training within their first year.

During the year the Board subscribed to the Governor Support and Development Service. Trustees and the Clerk benefitted from a wide range of training opportunities which continued during the pandemic via virtual platforms. The agreement also includes access to National Governance Association online training opportunities. The Board also subscribes to the Diocese Partnership Agreement which provides training opportunities. The Board continued a subscription with the Confederation of School Trusts from May 2022 – this service has proved invaluable during the pandemic.

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

Structure, governance and management (continued)

Organisational structure

During this year, the Academy Trust resolved to adopt the latest Church of England Articles of Association, thereby effecting appropriate separation of Members and Trustees. New governance documentation took effect from January 2022.

The Rawlins Board of Trustees operates through a series of meetings comprising Board, Finance & Organisational Capacity Committee, Quality of Education Committee and Inclusion & Intervention Committee. Currently the school is undertaking due diligence to join a local Multi-Academy Trust (MAT). These discussions have been overseen by the Strategy Group whom have reported to Trustees on a regular basis.

The Board of Trustees met seven times during the year; committees met between 3 and 6 times over the year and working parties met as and when required (Staff pay, Pupil disciplinary, Staff disciplinary, Principal's performance management); Meetings and other interaction between individual Trustees and staff included lesson walks, Trustee visits to monitor specific areas i.e. safeguarding/SEND, behaviour panels, meetings between the Chair of Trustees, Principal, and Clerk. It should be noted that the Coronavirus pandemic continued to significantly impact visits with Trustees/colleagues using online platforms for meetings/monitoring purposes.

The Board of Trustees agree the delegation of functions to Committees, Working Groups, Chair, Vice Chair, Trustees and Principal at the first meeting of the Board of Trustees each school year. The following functions cannot be delegated by the Governing Body: Removal of Chair or Vice Chair; Removal of Trustees; Appointment of the Company Secretary; Establishment of Committees and Working Groups; Scheme of Delegation.

The Trustees have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Principal and members of the senior leadership team. The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

All key management personnel are employed in accordance with the provisions of the School Teachers Pay and Conditions Document.

Principal

The Board assigns a 7 point Individual School Range (ISR) based on the academy group size, as determined by the School Teachers' Pay and Conditions document. A new Principal would be appointed on one of the first 4 points on the ISR. Progression on the ISR for the Principal is subject to a review of the Principal's performance set against the annual appraisal review.

Other Leadership Posts

The Board determines a 5 point pay range for all other leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document. The range for individual posts is determined according to the duties and responsibilities of the post and may vary between posts. On appointment a teacher paid on the leadership scale will be appointed on one of the first 3 points on the pay range. Progression on the pay range for a member of staff paid on the leadership scale is on a bi-annual basis and subject to a review of their performance set against the annual appraisal review.

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

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	1,267
Total pay bill	6,440,116
Percentage of total pay bill spent on facility time	0.02 %

Paid trade union activities

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

Objects and aims

The Academy Trust's object is in line with the Church of England's vision which is to provide an education for the 'common good of the whole community', by establishing, maintaining, managing and developing a school which offers a broad and balanced curriculum. The Academy Trust embraces excellence and academic rigour, but sets them in a wider framework ensuring the spiritual, physical, intellectual, emotional, moral and social development of children and young people through four basic elements; wisdom, hope, community and dignity. Alongside the school, the Academy Trust seeks to promote for the benefit of the inhabitants of Quorn and the surrounding areas, the provision of facilities for recreation. The Board of Trustees target outcomes are:

- A clear and ambitious vision for Rawlins as a Church of England Academy;
- School improvement which leads to improved educational outcomes for all;
- Effective functioning of the Board, including meeting all statutory requirements;
- Clear agreed delegation to committees and to the Principal

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

Objectives and activities (continued)

Objectives, strategies and activities

Trustees have worked collaboratively with the staff, pupils and parents to devise a vision statement for the school identifying the causes and issues that were most pertinent to them in the 21st Century; clarity and brevity were at the heart of the statements which are grounded in Christian theology. Further expansion of the vision statement can be found with the school's self-evaluation for SIAMS.

Our Vision: Developing Trust | Inspiring Hope | Building Success | Shaping the Future

Through Our Values: Compassion, Wisdom and Endurance

And via Our Motto: Act wisely and make the most of every opportunity (based on Colossians 4:5)

Key objectives for this period have been to:

- Improve the quality of teaching and learning;
- Improve outcomes at the end of Year 11, specifically the Progress 8 score;
- Improve outcomes for boys and pupils with SEND;
- Ensure strong recruitment into Year 12.

Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Strategic report

The Academy Trust was inspected by Ofsted in June 2022. In November 2022 the final report was issued. The report was completed after a number of appeals and whilst elements of the report were adapted and changed, the final judgement of Requires Improvement was not altered.

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

Achievements and performance

- 2022 results showed an improvement in the number of pupils obtaining the higher grades at A level
- GCSE results were in line with national averages
- The Progress 8 score, despite the impact of COVID, remains similar to 2019 results
- Recruitment into Year 12 remained positive and in-line with previous years.

Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Academy Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £1,214,853 (2021: £904,000). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 1,558, which is a slight decrease from the previous census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and Local Authority) for the year was 87% (2021: 89%) while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 86% (2021: 87%).

Going concern

The Trustees have considered the impact of COVID-19 into the new financial year, and provisions have been made for the loss of trading income and the extra costs expected to be incurred for covering staff absence.

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 at least the next 18 months. The Academy Trust has taken steps, in discussion with the ESFA/DfE, to address some of the long term financial constraints by considering a restructure and joining a MAT. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Financial review

The deficit for the year was £685,701 (2021: deficit of £166,165).

The majority of funding was provided by the Education and Skills Funding Agency. The Academy Trust's total incoming resources for the year amounted to £10,852,211 (2021: £11,257,411) of which £9,124,779 (2021: £8,881,856) related to ESFA revenue grants and £32,181 (2021: £173,543) of capital grants. Resources expended for the period totalled £11,537,912 (2021: £11,423,576).

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

Excluding the restricted pension and restricted fixed asset movements, the Academy Trust has achieved an in-year revenue surplus of £310,853 (2021: £626,000). Within this revenue surplus, a deficit of £169,000 (2021: £28,000) is in relation to the restricted Education Inclusion Partnership.

Reserves policy

Total revenue reserves at the 31 August 2022 are £1,214,853 (2021: £904,000). The total revenue reserves are made up of unrestricted funds of £545,222 (2021: £380,000), restricted general funds of £669,631 (2021: £524,000) and restricted funds of £nil (2021: £169,000) in respect of the Education Inclusion Partnership. The amount of reserves that can only be realised by disposing of tangible fixed assets as at 31 August 2022 is £11,299,859 (2021: £11,553,211).

At 31 August 2022, the Local Government pension scheme deficit was £1,300,000. Although the deficit is material, the Academy Trust is taking the advice of the actuary regarding repayment structure. Advised future contributions have also been included within the annual budget.

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the Academy Trust's primary objective is preserved. At the same time, the Academy Trust wishes to ensure that it uses its funding to benefit the pupils in its care which implies an imperative to consider actively the use of reserves to enhance educational provision. The Academy Trust will monitor levels of reserves in financial reports provided by the Finance Manager and in the annual financial statements prepared by the Auditor. Trustees will look to ensure a prudent level of reserve is built up and maintained, bearing in mind the recurrent spending needs to ensure high quality provision. Appropriate reserves for the period end are £1,000,000. In deciding the level of reserves Trustees will take into account the following:

- The Academy Trust's annual budget
- The need for any large project spend such as facilities development or building condition
- Any uncertainty, turbulence or expected reduction in funding arrangements
- Anticipated funding over the next 3 years

Investment policy

The aim of this policy is to ensure that funds which the Academy Trust does not immediately need to cover anticipated expenditure, are invested in such a way as to maximise income and minimise risk. Our aim is to spend the public monies with which we are entrusted for the direct education benefit of pupils as soon as is prudent. The Academy Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day-to-day capital requirements;
- To ensure there is no risk of loss in capital value of any cash funds invested;
- To optimise returns on invested funds

Guidelines:

- Surplus funds are swept into and out of a Special Interest Bearing Account by NatWest Bank each day. Interest is paid monthly at rate 0.3%

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

Principal risks and uncertainties

Risk management

Trustees conduct an annual review of major risks to which the Academy Trust is exposed.

The Trustees are responsible for overseeing the risks faced by the Academy Trust. Detailed consideration of risk is delegated to the senior leadership team. Risks are identified, assessed and controls established. Risk reviews are regularly scheduled using the Risk Register. Risk is managed under the headings of strategic and reputational risks, operational risks, compliance risks and financial risks as recommended in the DfE Academy Trust Handbook. Trustees are confident that major risks identified will be adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks will be adequately managed. Trustees acknowledge the Loughborough Inclusion Partnership (LIP) as a joint responsibility of all schools within the North Charnwood Learning Partnership (NCLP). Therefore, equitable risk across all schools. Rawlins ceased its tenure as lead school for the partnership during the academic year 2021-22. The responsibility was passed to another MAT in discussion with the Local Authority.

Currently the principal risks and uncertainties include:

- Progress and standards of Achievement declining
- Poor Ofsted report leading to a loss of reputation and consequently falling rolls
- Natural risks in particular flooding
- Technological risk – information security, virus leading to data corruption
- Estates Risk – the structural maintenance and ongoing risk due to the age and constraints of the site
- Failure to comply with health and safety legislation resulting in serious injury or death
- Financial control risk resulting in a serious budget deficit or fraud
- Failure to comply with employment law resulting in litigation and tribunals

Financial and risk management objectives and policies

The Academy Trust manages its risks appropriately. The Academy Trust's Financial Risk Register identifies key risks, such as the uncertainty over the LGPS deficit and increases in future employer's contribution rates, as main areas of concern. The Academy Trust has a Financial Procedures Policy and Scheme of Financial Delegation, to govern the financial activities and decisions of the Academy Trust, both of which have been adopted by the Trustees.

Fundraising

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

Plans for future periods

In addition to consolidating the position of Rawlins as an 11-19 Academy Trust with pupils from the full age range, the Academy Trust's key objectives for 2022-23 are:

- To continue to improve teaching and learning across the school to ensure progress is in line with national averages;
- To develop knowledge, understanding and appropriate pedagogy in relation to SEND;
- To reduce the progress gap at GCSE between gender, Pupil Premium and SEND pupils;
- To address the needs and constraints of the physical building.

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Duncan & Toplis Limited have indicated their willingness to be appointed for the academic year 2022–2023 as per their tender.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5/12/2022 and signed on its behalf by:



.....
Mr I Marron
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rawlins Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs M Bezzano-Griffiths	5	6
Rev D Bowler	0	1
Mrs M Collins	7	7
Mrs S Cook	0	1
Miss C Darby, Principal & Accounting Officer	7	7
Mrs R Evans	5	7
Mrs R Lewin	6	7
Mrs H Howells	1	3
Mr I Marron, Chair	7	7
Mr S Mitchell	7	7
Mrs S Pinkus	1	3
Dr C Shipway	6	7
Miss E Walling	7	7
Mrs A-M Willett	7	7

Trustees have worked strategically with members of the Senior Leadership Team ensuring the School Improvement Plan is strategic and appropriate.

The Board and Members continue to undertake due diligence in order for the Trust to join Embrace Multi-Academy Trust. Once approved (October 2022) Trustees have a planned transfer from a Trust Board to a Local Governing Board by March 2023.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Organisational Capacity Committee (incorporating the Audit Committee) is a committee of the main Board of Trustees. The Committee met on six occasions during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M Bezzano-Griffiths	6	6
Mrs C Darby	6	6
Mr I Marron	5	6
Mr S Mitchell	6	6
Miss E Walling	6	6
Mrs A-M Willet	6	6

During the pandemic the Quality Assurance programme undertaken by the Board was more restricted, however, during the academic year Trustees returned to face-to-face meetings and have started to re-visit school such as the monthly H&S checks. Plans are already established for visits during 2022-23.

Conflicts of interest

The Trustees are responsible for ensuring that, in its conduct and operation, the Academy Trust applies financial and other controls which conform with the requirements both of propriety and of good financial management. The Academy Trust has taken all necessary steps to ensure that any conflicts of interest are recorded within the register of interests and appropriately disclosed within financial statements. Transactions are completed at arms length and the related party has no involvement in decisions in which they have an interest. The Academy Trust's financial procedures include consideration of related party transactions, to ensure that staff are alert to the possibility of conflicts of interest and their impact.

Review of value for money

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

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

Improving educational results

- Undertaking Financial Curriculum Planning and continuing to review the implications of the outcome of the review in relation to the timetable and curriculum offer
- Establishing a professional development programme for staff to enable more accurate use and interpretation of data to improve examination results
- Reviewing all job vacancies to ensure the post is still required and benchmarked for remuneration.

Financial governance and oversight

- An Internal audit undertaken by external consultant to look at areas of risk management, payroll, bank and cash management, ordering and invoicing.

Income generation

- Operating a successful lettings programme which benefits the Academy Trust financially, and also the wider community, as our hirers offer classes and leisure activities to a wide range of community groups. Activities

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

range from: before and after school club, junior and senior football teams, disabled table tennis, adult and junior dance, BSL classes, gymnastics and many more. Following on from the pandemic both the lettings and Kid's Holiday Camp incomes have quickly returned to pre-pandemic levels.

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 Rawlins Academy for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. During 2021-22, the Board of Trustees undertook further reviews of the Risk Register at set points throughout the year to ensure appropriate references to the global pandemic had been included.

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and Organisational Capacity Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Day's Accountancy Service.

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:

- Management letter points: review areas highlighted from year end audit
- Income streams: Government and other sources of income; related policies
- Expenditure: tracking expenditure, capital contracts, expenses, restricted expenditure, capital bids, fraud, IR35 and related policies

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Payroll: HR record checks, expenses, Headteacher salary, monthly payroll and control accounts
- Bank Accounts: review of all accounts, ensuring reconciliation to accounting system
- Balance Sheet: control accounts, monitoring of assets and depreciation
- Governance: Trust Board and Committee minutes review, clerking, ensure relevant information as per the AFH is contained on website, training for Trustees is up to date, Trustee Skills audit, review of Members
- Statutory Accounts: Companies House filing, statutory ESFA returns, Directors Information, pecuniary interests
- General Finance Systems: Budgets, risk register, insurance, financial controls and management
- Investments: Review and policies.

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 the external auditor;
- the work of the internal auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the financial management and governance self-assessment process.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Organisational Capacity Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on
on their behalf by:

5/12/2022

and signed



.....
Mr I Marron
Chair of Trustees



.....
Miss C Darby
Accounting Officer

RAWLINS ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Rawlins Academy I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

Miss C Darby
Accounting Officer
Date:



5.12.2022

RAWLINS ACADEMY
(A company limited by guarantee)

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

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

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

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

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

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

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

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



.....
Mr I Marron
Chair of Trustees
Date:

5/12/2022

RAWLINS ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAWLINS ACADEMY**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy 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.

RAWLINS ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAWLINS ACADEMY (CONTINUED)**

Other Information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

RAWLINS ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAWLINS ACADEMY (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Trustees and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the Academy Trust is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements, (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimate and judgemental areas of the financial statements such as depreciation of tangible fixed asset, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates.

Secondly, the Academy Trust is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified Ofsted regulations, Health and Safety regulations, compliance with the Funding agreement and compliance with the Academy Trust Handbook as most likely to have such an effect.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal

RAWLINS ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAWLINS ACADEMY (CONTINUED)**

controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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



Allstair Main FCA (Senior statutory auditor)

for and on behalf of
Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date: 12th December 2022

RAWLINS ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 3 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rawlins Academy during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Rawlins Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Rawlins Academy's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Conclusion

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

RAWLINS ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RAWLINS
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**



Alistair Main FCA (Reporting Accountant)
Duncan & Topliss Limited
Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 12th December 2022

RAWLINS ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	21,782	3,039	32,181	57,002	367,924
Other trading activities		361,338	-	-	361,338	205,643
Investments	6	872	-	-	872	167
Funding for the Academy Trust's educational operations		343,829	10,089,170	-	10,432,999	10,683,677
Total income		727,821	10,092,209	32,181	10,852,211	11,257,411
Expenditure on:						
Raising funds		157,954	-	-	157,954	73,176
Academy Trust's educational operations	8	404,645	10,680,219	295,094	11,379,958	11,350,400
Total expenditure		562,599	10,680,219	295,094	11,537,912	11,423,576
Net Income/(expenditure)		165,222	(588,010)	(262,913)	(685,701)	(166,165)
Transfers between funds	18	-	(36,359)	36,359	-	-
Net movement in funds before other recognised gains/(losses)		165,222	(624,369)	(226,554)	(685,701)	(166,165)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	8,143,000	-	8,143,000	(1,525,000)
Net movement in funds		165,222	7,518,631	(226,554)	7,457,299	(1,691,165)
Reconciliation of funds:						
Total funds brought forward		380,000	(8,149,000)	11,670,000	3,901,000	5,592,165

RAWLINS ACADEMY
(A company limited by guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Net movement in funds	165,222	7,518,631	(226,554)	7,457,299	(1,691,165)
Total funds carried forward	545,222	(630,369)	11,443,446	11,358,299	3,901,000

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

The notes on pages 29 to 58 form part of these financial statements.

RAWLINS ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07662661

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	11,299,859	11,553,211
		<u>11,299,859</u>	<u>11,553,211</u>
Current assets			
Debtors	15	215,376	266,703
Cash at bank and in hand		1,440,293	1,260,989
		<u>1,655,669</u>	<u>1,527,692</u>
Creditors: amounts falling due within one year	16	(289,236)	(492,896)
Net current assets		<u>1,366,433</u>	<u>1,034,796</u>
Total assets less current liabilities		<u>12,666,292</u>	<u>12,588,007</u>
Creditors: amounts falling due after more than one year	17	(7,993)	(14,007)
Net assets excluding pension liability		<u>12,658,299</u>	<u>12,574,000</u>
Defined benefit pension scheme liability	26	(1,300,000)	(8,673,000)
Total net assets		<u><u>11,358,299</u></u>	<u><u>3,901,000</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	11,443,446	11,670,000
Restricted income funds	18	669,631	524,000
		<u>12,113,077</u>	<u>12,194,000</u>
Restricted funds excluding pension asset	18	12,113,077	12,194,000
Pension reserve	18	(1,300,000)	(8,673,000)
Total restricted funds	18	<u>10,813,077</u>	<u>3,521,000</u>
Unrestricted income funds	18	545,222	380,000
Total funds		<u><u>11,358,299</u></u>	<u><u>3,901,000</u></u>

RAWLINS ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07652661

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 24 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr I Marron
Chair of Trustees
Date:

5/12/2022

The notes on pages 29 to 58 form part of these financial statements.

RAWLINS ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	194,879	583,357
Cash flows from investing activities	22	(9,561)	(207,368)
Cash flows from financing activities	21	(6,014)	-
Change in cash and cash equivalents in the year		179,304	375,989
Cash and cash equivalents at the beginning of the year		1,260,989	885,000
Cash and cash equivalents at the end of the year	23, 24	<u>1,440,293</u>	<u>1,260,989</u>

The notes on pages 29 to 58 form part of these financial statements

RAWLINS ACADEMY
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

RAWLINS ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 Expenditure

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

- **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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

RAWLINS ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	-	50 years
Furniture and equipment	-	5 years
Computer equipment	-	20% straight line
Motor vehicles	-	10% 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.

1.7 Debtors

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

1.8 Cash at bank and In hand

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

1.9 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.

RAWLINS ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 Provisions

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

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

1.11 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

RAWLINS ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes.

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

1. Accounting policies (continued)

1.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	21,782	3,039	-	24,821	194,381
Capital Grants	-	-	32,181	32,181	173,543
	<u>21,782</u>	<u>3,039</u>	<u>32,181</u>	<u>67,002</u>	<u>367,924</u>
<i>Total 2021</i>	<u>-</u>	<u>194,381</u>	<u>173,543</u>	<u>367,924</u>	

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4. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Funding for the academy trust's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,652,901	8,652,901	8,132,766
Other DfE/ESFA grants				
Pupil Premium	-	252,066	252,066	250,498
Other DfE/ESFA Revenue grants	-	129,432	129,432	82,132
Teachers Pay and Pension grants	-	90,380	90,380	416,460
	-	9,124,779	9,124,779	8,881,856
Other Government grants				
SEN one to one funding	-	623,802	623,802	134,388
Other Local Authority revenue grants	-	168,925	168,925	1,181,772
Other government revenue grants	-	4,000	4,000	-
	-	796,727	796,727	1,316,160
Other income from the academy trust's educational operations	343,829	65,313	409,142	339,761
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	79,041	79,041	106,900
	-	79,041	79,041	106,900
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	23,310	23,310	39,000
	-	23,310	23,310	39,000
	343,829	10,089,170	10,432,999	10,683,677
	343,829	10,089,170	10,432,999	10,683,677
Total 2021	248,457	10,435,220	10,683,677	

The Academy Trust received £79,041 (2021: £106,900) of funding for catch-up premium and costs incurred in respect of this funding totalled £142,241 (2021: £22,000). The balance of £21,800 (2021: £85,000) has been carried forward at 31 August 2022.

The Academy Trust has also received £23,310 (2021: £39,000) for mass testing and costs incurred in

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4. Funding for the Academy Trust's charitable activities (continued)

respect of this funding totalled £23,310 (2021: £39,000). The balance of £nil (2021: £nil) has been carried forward at 31 August 2022.

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Receipts from staff insurance claims	-	-	34,466
Hire of Facilities	168,963	168,963	119,603
Other income	192,375	192,375	51,574
	<u>361,338</u>	<u>361,338</u>	<u>205,643</u>

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank interest	872	872	167

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

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Expenditure on fundraising trading activities:					
Direct costs	98,247	12,761	46,946	157,954	73,176
Funding for the Academy Trust's educational operations:					
Direct costs	6,512,808	279,566	452,423	7,244,797	8,272,228
Allocated support costs	2,536,524	436,664	1,161,973	4,135,161	3,078,172
	<u>9,147,579</u>	<u>728,991</u>	<u>1,661,342</u>	<u>11,537,912</u>	<u>11,423,576</u>
Total 2021	<u>9,060,628</u>	<u>555,000</u>	<u>1,807,948</u>	<u>11,423,576</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Funding for the Academy Trust's educational operations	404,645	10,975,313	11,379,958	11,350,400
Total 2021	<u>314,385</u>	<u>11,036,015</u>	<u>11,350,400</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Funding for the Academy Trust's educational operations	7,244,797	4,135,161	11,379,958	11,350,400
<i>Total 2021</i>	<i>8,272,228</i>	<i>3,078,172</i>	<i>11,350,400</i>	

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	6,512,808	6,512,808	7,470,486
Educational supplies	497,169	497,169	571,666
Technology costs	18,339	18,339	-
Examination fees	107,965	107,965	112,161
Staff development	21,966	21,966	18,292
Other costs	86,550	86,550	99,623
	7,244,797	7,244,797	8,272,228

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	2,536,524	2,536,524	1,532,168
Depreciation	295,094	295,094	289,981
Technology costs	8,752	8,752	62,000
Recruitment and support	19,252	19,252	5,761
Maintenance of Premises and equipment	175,310	175,310	263,917
Cleaning	21,255	21,255	10,014
Rent and rates	70,998	70,998	105,827
Energy costs	145,435	145,435	134,853
Insurance	30,343	30,343	52,087
Security	3,666	3,666	-
Transport	32,544	32,544	29,595
Telephone, postage and stationery	8,008	8,008	15,200
Catering	228,143	228,143	47,332
Other costs	205,825	205,825	230,727
Bank interest and charges	10,146	10,146	4,675
Operating leases - other	60,019	60,019	71,474
Auditors remuneration	13,823	13,823	13,778
Net pension	148,000	148,000	116,000
Professional fees	122,024	122,024	92,783
	4,135,161	4,135,161	3,078,172

During the year ended 31 August 2022, the Academy Trust incurred the following Governance costs:

£136,847 (2021 - £106,561) included within the table above in respect of Funding for the Academy Trust's educational operations.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	60,019	71,474
Depreciation of tangible fixed assets	295,094	289,981
Fees paid to auditors for:		
- audit	12,573	9,025
- other services	1,250	4,753

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	6,253,934	6,361,397
Social security costs	570,374	608,098
Pension costs	2,071,090	1,902,133
	8,895,398	8,871,628
Agency staff costs	245,112	127,000
Staff restructuring costs	7,069	62,000
	9,147,579	9,060,628

Staff restructuring costs comprise:

	2022	2021
	£	£
Redundancy payments	7,069	62,000
	7,069	62,000

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	95	98
Administration and support	122	131
Management	8	8
	225	237

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £722,302 (2021 - £645,570).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Miss C Darby, Principal	Remuneration	100,000 -	100,000 -
		105,000	105,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
Mrs S Cook (resigned 17 November 2021)	Remuneration	10,000 -	50,000 -
		15,000	55,000
	Pension contributions paid	0 - 5,000	10,000 -
			15,000

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

13. Trustees' and Officers' Insurance

The Academy Trust has opted into the Department of 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 membership.

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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	13,983,367	28,256	57,527	25,935	14,095,085
Additions	-	21,440	20,302	-	41,742
At 31 August 2022	13,983,367	49,696	77,829	25,935	14,136,827
Depreciation					
At 1 September 2021	2,479,771	16,123	26,980	19,000	2,541,874
Charge for the year	279,566	6,688	6,220	2,620	295,094
At 31 August 2022	2,759,337	22,811	33,200	21,620	2,836,968
Net book value					
At 31 August 2022	11,224,030	26,885	44,629	4,315	11,299,859
At 31 August 2021	11,503,596	12,133	30,547	6,935	11,553,211

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	4,574	6,775
Prepayments and accrued income	195,606	241,446
VAT recoverable	15,196	18,482
	215,376	266,703

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

16. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	5,000	5,000
Trade creditors	86,308	-
Other creditors	20,006	314,248
Accruals and deferred income	177,922	173,648
	289,236	492,896

The loan is in relation to a Salix loan which is provided on the following terms: zero interest and repayable over 8 years.

	2022	2021
	£	£
Deferred income at 1 September 2021	25,199	65,000
Resources deferred during the year	44,214	25,199
Amounts released from previous periods	(25,199)	(65,000)
	44,214	25,199

At the balance sheet date the Academy Trust was holding funds received in advance for educational trips of £43,422 and funds received in advance for contribution to education expenditure of £792.

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

	2022	2021
	£	£
Other loans	7,993	14,007

The loan is in relation to a Salix loan which is provided on the following terms: zero interest and repayable over 8 years.

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

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
ICT fund	39,000	-	-	11,500	-	50,500
3G fund	10,000	-	-	5,000	-	15,000
Kitchen refurbishment	10,000	-	-	10,000	-	20,000
Buildings	70,000	-	-	50,000	-	120,000
	<u>129,000</u>	<u>-</u>	<u>-</u>	<u>76,500</u>	<u>-</u>	<u>205,500</u>
General funds						
General Funds	<u>251,000</u>	<u>727,821</u>	<u>(562,599)</u>	<u>(76,500)</u>	<u>-</u>	<u>339,722</u>
Total Unrestricted funds	<u>380,000</u>	<u>727,821</u>	<u>(562,599)</u>	<u>-</u>	<u>-</u>	<u>545,222</u>
Restricted general funds						
General Annual Grant	207,000	8,652,901	(8,273,534)	(36,359)	-	550,008
Other DfE/ESFA Grant	-	219,812	(219,812)	-	-	-
Local Authority Grant	6,000	645,785	(645,001)	-	-	6,784
Pupil Premium	53,000	252,066	(221,066)	-	-	84,000
Education Inclusion Partnership	169,000	212,257	(381,257)	-	-	-
Donations	4,000	3,039	-	-	-	7,039
COVID catch up funding	85,000	79,041	(142,241)	-	-	21,800
Other COVID funding	-	23,310	(23,310)	-	-	-

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Other government revenue grants	-	3,998	(3,998)	-	-	-
Pension reserve	(8,673,000)	-	(770,000)	-	8,143,000	(1,300,000)
	<u>(8,149,000)</u>	<u>10,092,209</u>	<u>(10,680,219)</u>	<u>(36,359)</u>	<u>8,143,000</u>	<u>(630,369)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants	1,904,000	32,181	(15,736)	22,671	-	1,943,116
Capital expenditure from GAG	104,000	-	(2,630)	13,688	-	115,058
Main Academy Trust building	9,662,000	-	(276,728)	-	-	9,385,272
	<u>11,670,000</u>	<u>32,181</u>	<u>(295,094)</u>	<u>36,359</u>	<u>-</u>	<u>11,443,446</u>
Total Restricted funds	<u>3,521,000</u>	<u>10,124,390</u>	<u>(10,975,313)</u>	<u>-</u>	<u>8,143,000</u>	<u>10,813,077</u>
Total funds	<u>3,901,000</u>	<u>10,852,211</u>	<u>(11,537,912)</u>	<u>-</u>	<u>8,143,000</u>	<u>11,358,299</u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Other grants and income, which include other ESFA/DfE grants, Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Education Inclusion Partnership fund represents income and expenditure as part of the Academy Trust's involvement in partnership with publicly funded secondary schools in North Charnwood to support children and young people who present challenging behaviour and are struggling to access mainstream

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18. Statement of funds (continued)

education.

The pension reserve arises from the actuarial measurement of the Academy Trust's share of the Local Government Pension Scheme deficit. The deficit is recorded as a provision. The actuarial cost of employing staff during the period is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £770,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £8,143,000 actuarial decrease in the net pension fund deficit.

Restricted fixed asset fund represent the investment in fixed assets, net of accumulated depreciation and includes the value of fixed assets transferred to the Academy Trust on conversion of the School together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant was awarded.

The designated fund represents reserves that the Academy Trust has earmarked for future ICT and Building work.

The unrestricted fund represents the accumulated surplus generated by the Academy Trust on activities for generating funds.

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

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

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Designated funds						
ICT fund	52,000	-	-	77,000	-	129,000
General funds						
General Funds	175,000	546,000	(393,000)	(77,000)	-	251,000
Total Unrestricted funds	227,000	546,000	(393,000)	-	-	380,000
Restricted general funds						
General Annual Grant	28,000	8,133,000	(7,954,000)	-	-	207,000
Other DfE/ESFA Grant	-	82,000	(82,000)	-	-	-
Local Authority Grant	-	595,000	(589,000)	-	-	6,000
Pupil Premium	-	250,000	(197,000)	-	-	53,000
Education Inclusion Partnership	197,000	898,000	(926,000)	-	-	169,000
Teachers pension grant	-	308,000	(308,000)	-	-	-
Donations	-	17,000	(13,000)	-	-	4,000
COVID catch up funding	-	107,000	(22,000)	-	-	85,000
Teacher pay grant	-	109,000	(109,000)	-	-	-
Other COVID funding	-	39,000	(39,000)	-	-	-

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Pension reserve	(6,646,000)	-	(502,000)	-	(1,525,000)	(8,673,000)
	(6,421,000)	10,538,000	(10,741,000)	-	(1,525,000)	(8,149,000)
Restricted fixed asset funds						
DfE/ESFA Capital grants	1,745,000	174,000	(15,000)	-	-	1,904,000
Capital expenditure from GAG	104,000	-	-	-	-	104,000
Main Academy Trust building	9,937,000	-	(275,000)	-	-	9,662,000
	11,786,000	174,000	(290,000)	-	-	11,670,000
Total Restricted funds	5,365,000	10,712,000	(11,031,000)	-	(1,525,000)	3,521,000
Total funds	5,592,000	11,258,000	(11,424,000)	-	(1,525,000)	3,901,000

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	11,299,859	11,299,859
Current assets	545,222	953,867	156,580	1,655,669
Creditors due within one year	-	(284,236)	(5,000)	(289,236)
Creditors due in more than one year	-	-	(7,993)	(7,993)
Provisions for liabilities and charges	-	(1,300,000)	-	(1,300,000)
Total	545,222	(630,369)	11,443,446	11,358,299

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,553,211	11,553,211
Current assets	379,959	1,030,944	116,789	1,527,692
Creditors due within one year	41	(492,937)	-	(492,896)
Creditors due in more than one year	-	(14,007)	-	(14,007)
Provisions for liabilities and charges	-	(8,673,000)	-	(8,673,000)
Total	380,000	(8,149,000)	11,670,000	3,901,000

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

20. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(885,701)	(166,165)
Adjustments for:		
Depreciation	295,094	289,981
Capital grants from DfE and other capital income	(32,181)	(32,544)
Defined benefit pension scheme cost less contributions payable	622,000	386,000
Defined benefit pension scheme finance cost	148,000	116,000
Decrease in debtors	51,327	159,126
Decrease in creditors	(203,660)	(169,041)
Net cash provided by operating activities	194,879	583,357

21. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(6,014)	-
Net cash (used in)/provided by financing activities	(6,014)	-

22. Cash flows from Investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(41,742)	(239,912)
Capital grants from DfE Group	32,181	32,544
Net cash used in Investing activities	(9,561)	(207,368)

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23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,440,293	1,260,989
Total cash and cash equivalents	1,440,293	1,260,989

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,260,989	179,304	1,440,293
Debt due within 1 year	(5,000)	-	(5,000)
Debt due after 1 year	(14,007)	6,014	(7,993)
	1,241,982	185,318	1,427,300

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	173,499	174,000

26. Pension commitments

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

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

Contributions amounting to £ - were payable to the schemes at 31 August 2022 (2021 - £168,000) and are included within creditors.

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26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £801,922 (2021 - £967,000).

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

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

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

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £614,000 (2021 - £656,000), of which employer's contributions totalled £506,000 (2021 - £539,000) and employees' contributions totalled £108,000 (2021 - £117,000). The agreed contribution rates for future years are 27 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.55	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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
<i>Retiring today</i>		
Males	21.5	21.7
Females	24.0	24.2
<i>Retiring in 20 years</i>		
Males	22.4	22.6
Females	25.7	25.9

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26. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate -0.1%	240	417
Mortality assumption - 1 year increase	389	664
CPI rate +0.1%	221	373

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	5,143,520	4,602,880
Gilts	2,360,960	2,301,440
Corporate bonds	758,880	555,520
Property	168,640	476,160
Total market value of assets	8,432,000	7,936,000

The actual return on scheme assets was £(12,000) (2021 - £1,378,000).

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

	2022	2021
	£	£
Current service cost	(1,128,000)	(935,000)
Interest income	135,000	107,000
Interest cost	(283,000)	(223,000)
Total amount recognised in the Statement of financial activities	(1,276,000)	(1,051,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	16,599,000	12,644,000
Current service cost	1,128,000	925,000
Interest cost	283,000	223,000
Employee contributions	108,000	117,000
Actuarial (gains)/losses	(8,290,000)	2,796,000
Benefits paid	(106,000)	(106,000)
At 31 August	9,722,000	16,599,000

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

	2022 £	2021 £
At 1 September	7,936,000	6,008,000
Interest income	135,000	107,000
Actuarial (losses)/gains	(147,000)	1,271,000
Employer contributions	506,000	539,000
Employee contributions	108,000	117,000
Benefits paid	(106,000)	(106,000)
At 31 August	8,432,000	7,936,000

27. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	85,939	76,000
Later than 1 year and not later than 5 years	139,442	120,000
	225,381	196,000

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28. Members' liability

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

29. Related party transactions

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

During the year, the Academy Trust paid amounts totalling £Nil (2021: £789) to the Leicester Diocesan Board of Education in respect of training provided to staff and trustees. The Leicester Diocesan Board of Education are represented on the Board of Trustees by an appointed Member and Trustees.

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021, the Academy Trust received £17,232 (2021: £25,848) and disbursed £21,889 (2021: £13,064) from the fund. An amount of £11,601 (2021: £17,170) is included in other creditors relating to the undistributed funds that are repayable to ESFA.