Company registration number 10473528 (England and Wales)

MOSAIC LEARNING TRUST

(FORMERLY MOSAIC ACADEMY TRUST)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

mha
MOORE & SMALLEY

MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
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MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr A P Hardy
Mr P Leadbetter
Mr C M Davis
Mr P Ogden
Mr S Dale (Appointed 14 November 2023)

Trustees

Mr A P Hardy (Chair)
Mr N Moore (Accounting officer) (Appointed 1 September 2022)
Mr S M Jones (Resigned 19 July 2023)
Mr M T Humphreys
Ms R Fairhurst
Ms A Patel
Ms P Jones (Resigned 23 February 2023)
Ms A Halliwell
Mr W S Pearson
Mrs K E Kirkwood
Dr J Swift

Senior management team

- Chief Executive Officer	Mr N Moore
- Chief Finance Officer	Mrs N Law
- Director of School Improvement	Mr M Heron
- Director of Operations	Ms H Logue
- Headteacher (Standish)	Mrs L Barker
- Senior Deputy Headteacher (Standish)	Mr S Peters
- Deputy Headteacher (Standish)	Mr N Walker
- Headteacher (Southlands)	Mr P Bousefield
- Deputy Headteacher (Southlands)	Ms N Winnard
- Deputy Headteacher (Southlands)	Ms L Hardman
- Headteacher (Golborne)	Mr A Hunt
- Principal Deputy Headteacher (Golborne)	Mrs R Baxter
- Deputy Headteacher (Golborne)	Mrs A Munro

Company secretary

Mrs N Law

Company registration number

10473528 (England and Wales)

Principal and registered office

Standish Community High School
Kenyon Road
Standish
Wigan
WN6 0NX

Academies operated	Location	Headteacher
Standish Community High School	Wigan	Mrs L Barker
Southlands High School	Chorley	Mr P Bousfield
Golborne Community Primary School	Wigan	Mr A Hunt

Independent auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Solicitors	Eversheds LLP 70 Great Bridgewater Street Manchester M1 5ES WorkNest Woodhouse Church Lane Aldford Chester CH3 6JD

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

The Trust was incorporated on 10 November 2016 and operates 3 academy schools, Standish Community High School, Southlands High School for pupils aged 11 – 16 and Golborne Community Primary School for pupils aged 4-11. The two high schools joined the Trust as part of incorporation on 13th December 2017. Golborne Community Primary School joined the Trust in July 2019.

Standish Community High School serves a catchment area in Wigan. It has a pupil capacity of 1300 (by the academic year 2022/23) and had a roll of 1,287 in the school census on October 2022. Southlands High School serves students in Chorley. It has a pupil capacity of 1,250 and had a roll of 958 in the school census on October 2022. Golborne Community Primary School has a capacity of 315 (excluding the nursery) and a roll of 302 (excluding the nursery) in the October 2022 census.

Structure, governance and management

Constitution

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

The charitable company is known as Mosaic Learning Trust, a change agreed by the members in October 2022.

The Trustees of Mosaic Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has taken out insurance which is under the Risk Protection Arrangement (RPA) from the ESFA. The Trust has been advised that this insurance provides unlimited cover for directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance cost relating to the Trustees is not separately identifiable and is included within the total cost for the RPA.

Method of recruitment and appointment or election of Trustees

Under Article 46 of the Memorandum and Articles the Members appoint seven Trustees to the Board, and when any of these become vacant the Members seek suitable new Trustees who have the skills required to serve on the Board. In addition to these seven appointed Trustees, the Chief Executive Officer is a Trustee, and there are up to five other Trustees who are co-opted by the Board. There are elected parent Governors on each of the local governing bodies for schools within the Trust, so there is no requirement to have elected parent Trustees on the Board.

Where co-opted Trustee positions become vacant the Board seeks to fill these by recourse to the skills required and then inviting potential trustees with those skills to join the Board. These potential Trustees may be identified by existing Trustees researching among those people in the local area with whom they have contacts or more recently by use of Governors for Schools services.

The new Trustees named by the Members are not subject to approval by the Board; where co-opted Trustees are being replaced those appointments are subject to approval by the full Board.

Policies and procedures adopted for the induction and training of Trustees

Where new Trustees are appointed they are invited to meet with the Chairman and Chief Executive Officer to clarify their roles and responsibilities and identify what areas of additional training may be needed. Many of the Trustees that have been appointed are already Trustees of charities (which are not financially associated with the MAT in any way) and so have familiarity with the roles and responsibilities that come with the role.

Copies of the Memorandum and Articles, Funding Agreement, Business Plan (which includes the Scheme of Delegation and Risk Register) are also provided to the new Trustees.

Organisational structure

The Chief Executive Officer is the Accounting Officer for the Trust and is responsible for the day-to-day management of the Trust. The Scheme of Delegation makes clear those areas for which additional consultation with the Trust Board is required and those which are reserved to the Trust Board, principally the appointment and remuneration of the Chief Executive Officer, Headteachers, their deputies and the Chief Finance Officer.

The Board has established a series of sub-boards, generally with five Trustees in each, to conduct detailed discussions on relation to Educational Improvement, Asset Management (staff, buildings and finance), Leadership Performance Review and Safeguarding. An Audit Committee is not separately required given the current size of the MAT budget. External Auditors are employed to give advice to the Board in respect of compliance with Accounting obligations.

The Board has recruited external, qualified advisors to assist it in discharging its Educational Improvement, Leadership Performance Review and Safeguarding functions.

Arrangements for setting pay and remuneration of key management personnel

None of the Trustees, with the exception of the Chief Executive Officer, are employed in any context by the MAT. Whilst legitimately incurred expenses may be reimbursed, no Trustee has to date made any such claim.

The pay and remuneration of the Chief Executive Officer is set by the Leadership Performance Review Board on an annual basis, after they have received external, independent advice on the extent to which the agreed objectives for the previous year have been achieved by the Chief Executive Officer. The Chief Executive Officer does not participate in the discussion or determination of their pay or any pay progression.

The Chief Executive Officer is involved, as a Trustee member of the Leadership Performance Review Board in the determination of pay for all other members of the SLT and direct employees of the MAT.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.10

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facilty time	-

Paid trade union activities

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

Engagement with employees

The Mosaic Academy Trust works with professional associations and trade unions and engages in consultation, as required, to ensure that all aspects of the Trust's performance affecting its employees are conveyed, discussed and consulted upon with them.

The Trust's Policy is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, making support resources available and through training and career development. Ramps and disabled toilets have been installed and door widths are adequate to enable access. Lifts have been included in upgraded buildings which have upper storeys; where access is not possible room allocations are amended to enable all students to participate in lessons.

The Trust has established consultation structures at each academy which ensure that Headteachers and staff are able to raise and resolve issues of concern in a constructive manner. This includes staff questionnaires, regular meetings with union representatives and a programme of staff wellbeing.

Staff are encouraged to take up the seats on each LGB which are reserved for them, which ensures that they have a chance to understand the influences on the MAT budget, targets that are set and the success of their academy.

In making all decisions in respect of staff employment the Trust Board have been able to abide by the undertakings given at the time of establishing the Trust to maintain their existing terms and conditions of employment. National pay awards for respective staff groups have been honoured.

Related parties and other connected charities and organisations

There are no connected organisations and no transactions with related parties were conducted during the period.

Objectives and activities

Objects and aims

The Objects and Aims of the Trust as set out in the Memorandum and Articles are:

- to advance for the public benefit education in the United Kingdom, in particular,by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum

- to promote for the benefit of the public in the United Kingdom the provision of facilities for recreation or other leisure time occupation of individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the economic conditions of the said inhabitants.

The Trustees have had due regard to the guidance on public benefit as published by the Charity Commission as they have exercised their powers and duties.

Objectives, strategies and activities

The objectives for the Trust during 2022/23 were to ensure all children can access a high quality, ambitious curriculum; establish partnership and accountability across all schools and develop sustainable, high quality, inspiring teaching, efficient and effective planning and management to ensure best learning opportunities for our students.

School Improvement strategic objectives:

- All Trust schools achieve an OFSTED grading of Good or better
- All learners from Early Years through to Key Stage 4, will receive a broad and balanced curriculum which meets the individual needs of the learners for the next stage of their education, training or employment.
- Ensure that leadership of teaching and learning is effective, resulting in learners receiving good or better teaching in all cases.
- Ensure Communities of School Improvement creates a culture of sharing and collaboration across schools and phases to continue to raise outcomes.
- Ensure that progress at all key stages is at least in line with national expectations
- All schools provide a safe and nurturing environment, with effective safeguarding polices and procedures.

Growth and Capacity strategic objectives:

- To grow sustainably and to ensure schools or post 16 providers meet joining criteria and share similar mission and values.
- Central Team has the business and finance capacity to support the growth of the Trust.

People and Resources strategic objectives:

- Ensure that all levels of governance have access to high quality professional development, support and information to enable them in their fulfilment of their functions.
- To create an inclusive, open culture that provides effective staff workload and well-being strategies, supported by the Human Resources central service to ensure consistent and supportive practice for schools.
- Trust achieves the financial KPIs, and each school delivers an annual surplus budget.

Public benefit

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

Strategic report

Achievements and performance

Standish Community High School is an agent for school improvement via school-to-school support in Wigan and the North West. It received an Ofsted judgement of ‘Good’ in December 2021. The results for 2023 place Standish as performing ‘above average’ nationally. The school judges itself as 'Good' and aspires to be 'Outstanding'.

Southlands High School received an Ofsted judgement of ‘Requires Improvement’ in January 2021. A September 2023 Ofsted monitoring visit confirmed the school is making progress following the previous inspection, especially around Behaviour and Attitudes and Personal Development. Outcome data for Southlands rose between 2017 and 2018. The results for 2023 place Southlands as performing ‘below average’. In 2016 it was ‘well below average.’ The school judges itself as 'Requires Improvement and aspires to be good in the next inspection.

- All schools have addressed, and continue to embed, well designed schemes of work and curriculum which meet the changes made to the Quality of Education in the new framework
- All schools have developed pedagogy and practice with colleagues

Golborne Primary School is placed ‘well above average’ by its data. The school received an Ofsted Inspection in February 2023 and was judged as ‘Good with Outstanding Features’. This accorded with the self-evaluation by the Headteacher and CEO.

Through greater collaboration and staff development, staff have access to bespoke CPD opportunities and access to professional qualification, for example the National Professional qualifications for future senior and middle leaders. The Trust wide Communities of School Improvement allow middle leader collaboration across the Trust to enhance teaching and learning. Successes and risks of each school are reported through the Governance structures and CEO report to Trustees. A new Governance Handbook has been implemented to ensure clear communication and accountability between the Board and Local Governing Bodies Trust and school leaders continue to contribute to their local education improvement consortia.

Key performance indicators

The key measures of success used by the Trust for the High Schools are based on SATs and GCSE exam results. Due to teacher assessment data used during the pandemic, comparisons have been made with 2019 pre pandemic data. In 2023 grade boundaries have returned to be in line with 2019 grade boundaries. Validated Progress 8 data will be available in the Autumn term 2023.

Standish Community High School

	2019	2022	2023
Basics English and Maths 4+	84%	83%	75%
Basics English and Maths 5+	61%	67%	58%
Attainment 8	54.7	56.3	53.2
Progress 8	0.21	0.19	0.05

Southlands High School

	2019	2022	2023
Basics English and Maths 4+	65%	57%	56%
Basics English and Maths 5+	36%	36%	32%
Attainment 8	44.7	40.4	40.1
Progress 8	-0.45	-0.72	-0.63

Golborne Community Primary School

KS2 Attainment	2019	2022	2023
Reading (Exp+/GD)	91% / 45%	67% / 27%	87% / 29%
Writing (Exp+/GD)	95% / 45%	78% / 27%	85% 41 %
Maths (Exp+/GD)	93% / 50%	78% / 27%	96 % / 31%
RWM (Exp+/GD)	86% / 30%	64% 16%	84% / 11%

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The Trust's total incoming resources during the year were £17,405,622. The majority of the Trust's income derives from central government funding via the Education and Skills Funding Agency, in the form of government grants. Total funding received for the Trust's educational operations in the period was £16,434,601 and further details are provided in note 4 to the accounts.

Total outgoing resources for the year were £17,704,633. All of the Trust's expenditure related to the direct provision of educational operations. The excess of expenditure over income was £312,418, however this included depreciation charges on inherited assets of £373,524.

At the period end the Trust's total reserves were in surplus by £22,098,141 including unrestricted funds of £812,061 and restricted fixed assets of £20,417,304. The remaining surplus on restricted funds of £868,776 relates to the General Annual Grant (GAG) and other government funding. Further detail is provided in note 20.

At 31 August 2023 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Trust.

On conversion the Trust inherited deficits totalling £2,080,000 in respect of the Local Government Pension Schemes, which many of the non-teaching staff belong to. This deficit has now been eliminated as the fund is reporting a credit balance at 31 August 2023, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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.

Reserves policy

Restricted GAG reserves

At 31 August 2023 the Trust had a surplus on GAG reserves of £699,856 (2022: £1,042,130).

Other restricted reserves

At 31 August 2023 the Trust held other restricted reserves totalling £168,920 (2022: £94,920).

Restricted Capital reserves
At 31 August 2023 the Trust held Capital reserves of £743,2731 (2022: £417,499) being CIF grant and DFC grant unspent at the year end.

Unrestricted Reserves
The Trust aspires to hold free reserves at a level of 3% of the GAG, excluding Pupil Premium and External income, in order to provide the Trust with a backup fund in the event of an exceptional circumstance arising such as essential building works or significant changes to funding. Where additional work is required within the schools this amount may increase in order for the works to be facilitated.

Reserves held as at 31 August 2023 were as follows:

	£
Total reserves	22,098,141
Unrestricted and general restricted funds	1,511,917
Free reserves	812,061

This represents approximately 5.6% of the GAG income for the year. Whilst this is higher than the 3% aspired to the balance will be used to support the changes in pupil numbers, pay and future funding uncertainties in coming years.

The Trust reviews the level of reserves throughout the year as part of management reporting.

Investment policy
Management of cash flow should ensure that there are always sufficient funds in the main bank account to cover operational costs. Trustees are committed to ensuring that all funds are managed in such a way as to maximise return whilst minimising risk, seeking to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. The approval of the Accounting Officer is required before any investment is made and a report is presented to the Asset Board.

Principal risks and uncertainties
The Trust has developed risk management procedures as outlined above. The Trustees have assessed the major risks to which the schools are exposed and a formal review of the Trust's risk management process is undertaken on an annual basis. Mitigations have been put in place to ensure continuity of business can be achieved and Health and Safety measures are in place to protect staff and students.

Principal risks include:

- reputational risks arising from health and safety issues or failure to safeguard students. Trustees continue to ensure child protection policies are updated and circulated to all members of staff in its academies. Trustees continue to monitor staff recruitment and development process in academies and training programmes. All Trustees and Governors have undertaken update training on KCSIE 2022
- risks associated with financial mismanagement and/or compliance failure. Trustees review procedures regularly to ensure that appropriate measures are in place to mitigate these risks.
- uncertainties around teachers' pay increases in future years and how these will be funded
- uncertainties around increases to the Teachers' Pension Scheme employer's contribution rates, how this will be funded, and for how long.
- uncertainties in respect of energy costs. Contracts have been reviewed and changed in year with support from the DfE procurement support to reduce costs
- Uncertainties in respect of cyber security. All staff have completed the NCIS training and investment in the Trust networks have been undertaken to mitigate against this risk.

Key controls are in place

- an organisational structure with defined roles, responsibilities and authorisation levels;
- use of Integrated Curriculum Financial Planning (ICFP) in setting the budget and staffing levels across the Trust
- terms of reference for the local governing bodies;
- financial planning, budgeting and monthly management reporting highlighting areas of financial risk
- formal written and published policies for employees
- vetting procedures as required by law for the protection of the vulnerable; and
- robust security systems including CCTV
- the Trust business continuity plan
- Annual Health and Safety inspections by an external advisor

Fundraising

Bids for funding from specific government departments for improvements to premises have been made.

The Trust has undertaken fundraising during 2022/23. Firstly, funds have been raised to support local and national charities. Traditional approaches to fundraising have been used, including non-uniform days and cakes sales. All funds are collected by the Finance Department and paid to the relevant charity via BACS or Cheque.

All fundraising activities are monitored by the Senior Leadership Team and are undertaken in accordance with regulations. The Trust does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities.

Plans for future periods

The Trust has set out strategic aims (2022-26) to ensure it is providing continued school improvement across the Trust schools and is committed to wider local and national collaboration and developing its high-quality central services team. The Trust retains its commitment to work with local and regional stakeholders to support the wider education opportunities for children. The strategic aims of the Trust:

School Improvement

To raise outcomes and improve pupil progress through increasing the quality of provision in all our schools, which is underpinned by research and effective pedagogy

Growth and Capacity

To sustainably grow the Trust and increase the diversity of provision

People and Resources

To develop the leadership and financial capacity of the Trust

Mosaic Learning Trust has gained approval to become, through Standish Community High School, a sponsor Academy Trust and is now in regular contact with the Northwest Regional Director to identify opportunities. The Trust is committed to its growth strategy based on success and capacity to deliver quality educational outcomes for all of its students.

Following the Ofsted Inspection, in November 2021, extensive developments have been undertaken to ensure the quality of provision is good across all areas of the school. A new Senior Leadership Team has been appointed to the school since previous inspection along with additional appointments to support the delivery of the core curriculum. The OFSTED monitoring visit in September 2023, acknowledged the significant work that had been undertaken to improve leadership, behaviour, personal development and ensuring the curriculum is broad and accessible to all children.

We will continue to submit CIF funding bids to enable the further upgrading of the learning environment in all our schools.

- Golborne Community Primary School Heating repair and upgrade
- Golborne Community Primary School Roofing upgrade
- Southlands High School Fire safety
- Standish Community High School Boiler repairs and BMS instillation

Auditor

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

MHA Moore and Smalley was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 19/12/2023..... and signed on its behalf by:

Adrian P. Hardy
.....

Mr A P Hardy
Chair

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Mosaic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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 4 times during the year.
Attendance during the year to 31 August 2022 at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	4	4
Mr N Moore (Accounting officer) (Appointed 1 September 2022)	4	4
Mr S M Jones (Resigned 19 July 2023)	3	4
Mr M T Humphreys	2	4
Ms R Fairhurst	3	4
Ms A Patel	3	4
Ms P Jones (Resigned 23 February 2023)	0	2
Ms A Halliwell	3	4
Mr W S Pearson	1	4
Mrs K E Kirkwood	4	4
Dr J Swift	3	4

Conflicts of interest

The Trust maintains an up-to-date and complete register of interests, at each meeting board members are asked to declare any interests. The CFO reviews for any transactions.

The Asset Board

The Asset Board is a sub-committee of the main Board of Trustees whose purpose is to monitor the use of finance, staff and premises across the Trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	3	3
Mr N Moore (Accounting officer) (Appointed 1 September 2022)	3	3
Mr S M Jones (Resigned 19 July 2023)	3	3
Ms R Fairhurst	3	3
Ms P Jones (Resigned 23 February 2023)	0	1
Mr W S Pearson	1	3

Education Improvement Board

The Education Improvement Board is a sub-committee of the main Board of Trustees. The group meet termly with the Headteacher of each Academy, to review progress being made by students across the curriculum, in all year groups and cohorts of students. They challenge the head in respect of this data, how robustly it has been generated and seek to establish performance criteria against which it will be possible to determine progress at their next meeting. The first meeting in September each year will be a thorough review of the outcome of the exam results in July and August for the respective KS group.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A P Hardy (Chair)	3	3
Mr N Moore (Accounting officer) (Appointed 1 September 2022)	3	3
Mr M T Humphreys	2	3
Ms A Patel	3	3
Ms A Halliwell	3	3
Mrs K E Kirkwood	2	3
Dr J Swift	3	3

Review of value for money

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

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

The budgeting process uses ICFP methodology to ensure budgets are set to deliver efficient and effective use of the School's funding. The 2023/24 budgets have been set to maximise the impact of the last tranche of recovery funding available and provide a robust recovery package to support our pupils who have been affected by the pandemic.

The Trust's financial procedures requires all trust staff to apply value for money processes in procuring goods and services. During the year the Trust has continued to move towards more centralised business processes and this has enabled negotiation of Trust-wide discounts for goods and services.

The Accounting Officer has also delivered improved value for money during the year by the successful applications for CIF funding of £0.6m for four CIF projects across the Trust and renegotiation of energy contracts saving over £0.1m per annum across the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level to achieve policies, aims and objectives, rather than to eliminate all risk of failure. 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 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 Mosaic Learning Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

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

The risk and control framework
The 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 Asset Board 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;
- the adoption of a comprehensive financial procedures' manual across the Trust;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external consultant as internal auditor.

This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Purchases and expenses
- Banking and Cash handling
- Payroll processes
- General ledger and budget monitoring
- Risk Management

On an annual basis, the internal auditor reports to the Board of Trustees, through the Asset Board, on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees. The Responsible Officer has delivered their schedule of work as planned and there are no material control issues arising as a result of this work.

Review of effectiveness
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

19/12/2023

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

Mr A P Hardy
Chair

Mr N Moore
Accounting officer

MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Mosaic Learning Trust, I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

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

Mr N Moore
Accounting Officer
19/12/2023
.....

The Trustees (who are also the directors of Mosaic Learning Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 19/12/2023..... and signed on its behalf by:

Mr A P Hardy
Chair

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

We identified the following areas as those most likely to have a material impact on the financial statements:

- Enquiries of management, those charged with governance, including directors,about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Reviewing the systems for recording revenue and to ensure income has been recognised in the correct period;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates , we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academy Trust Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

Use of our report

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

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

20/12/2023
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In accordance with the terms of our engagement letter dated 1 December 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mosaic Learning Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Mosaic Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mosaic Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mosaic Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mosaic Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mosaic Learning Trust's funding agreement with the Secretary of State for Education dated 30 November 2017 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

We have undertaken testing as appropriate in line with the guidance included in technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales. This includes an evaluation of the control environment of the school together with enquiry, analytical review and substantive testing.

Conclusion

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

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

20/12/2023
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MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	**3**	14,525	12,244	799,328	826,097	589,960
Charitable activities:						
- Funding for educational operations	**4**	117,085	16,317,516	-	16,434,601	15,302,486
Other trading activities	**5**	132,036	-	-	132,036	138,724
Investments	**6**	12,888	-	-	12,888	291
Total		276,534	16,329,760	799,328	17,405,622	16,031,461
Expenditure on:						
Charitable activities:						
- Educational operations	**9**	202,423	17,015,300	486,910	17,704,633	17,202,437
Total	**7**	202,423	17,015,300	486,910	17,704,633	17,202,437
Net income/(expenditure)		74,111	(685,540)	312,418	(299,011)	(1,170,976)
Transfers between funds	**19**	-	232,266	(232,266)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	**21**	-	185,000	-	185,000	6,911,000
Net movement in funds		74,111	(268,274)	80,152	(114,011)	5,740,024
Reconciliation of funds						
Total funds brought forward		737,950	1,137,050	20,337,152	22,212,152	16,472,128
Total funds carried forward	**19**	812,061	868,776	20,417,304	22,098,141	22,212,152

MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**14**		19,853,296		20,209,345
Current assets					
Debtors	**15**	876,487		685,908	
Cash at bank and in hand		2,706,627		3,229,167	
		3,583,114		3,915,075	
Current liabilities					
Creditors: amounts falling due within one year	**16**	(1,210,262)		(1,635,141)	
Net current assets			2,372,852		2,279,934
Total assets less current liabilities			22,226,148		22,489,279
Creditors: amounts falling due after more than one year	**17**		(128,007)		(203,127)
Net assets excluding pension liability			22,098,141		22,286,152
Defined benefit pension scheme liability	**21**		-		(74,000)
Total net assets			22,098,141		22,212,152
Funds of the Trust:					
Restricted funds	**19**				
- Fixed asset funds			20,417,304		20,337,152
- Restricted income funds			868,776		1,211,050
- Pension reserve			-		(74,000)
Total restricted funds			21,286,080		21,474,202
Unrestricted income funds	**19**		812,061		737,950
Total funds			22,098,141		22,212,152

The accounts on pages 24 to 49 were approved by the Trustees and authorised for issue on 19/12/2023 and are signed on their behalf by:

Brian P. Hardy

Mr A P Hardy
Chair

Company registration number 10473528 (England and Wales)

MOSAIC LEARNING TRUST
(FORMERLY MOSAIC ACADEMY TRUST)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	**22**		(1,107,543)		496,694
Cash flows from investing activities					
Dividends, interest and rents from investments		12,888		291	
Capital grants from DfE Group		799,328		578,190	
Purchase of tangible fixed assets		(130,861)		(91,119)	
Net cash provided by investing activities			681,355		487,362
Cash flows from financing activities					
Repayment of other loan		(96,352)		(23,296)	
Net cash used in financing activities			(96,352)		(23,296)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(522,540)		960,760
Cash and cash equivalents at beginning of the year			3,229,167		2,268,407
Cash and cash equivalents at end of the year			2,706,627		3,229,167

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

1 Accounting policies **(Continued)**

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

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds
This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation
Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

1 Accounting policies **(Continued)**

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

Land and buildings	2 - 10% straight-line, land is depreciated over 125 years
Computer equipment	33.33%
Fixtures, fittings & equipment	20%

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

1 Accounting policies **(Continued)**

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

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

2 Critical accounting estimates and areas of judgement (Continued)

Useful economic life of intangible fixed assets
The useful economic life of intangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 3 years is applied to computer software.

Useful economic life of tangible fixed assets
The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to leasehold land, 50 years for buildings, 3 years for computer equipment and 5 years for fixtures, fittings and equipment.

Impairment of fixed assets
At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of trade debtors
At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

Valuation of the Local Government Pension Scheme defined benefit liability
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 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement
Classification and valuation of long leasehold land and buildings
The Trust's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the Trust's business and are held within the Trust accounts.

The valuation used in the accounts has been estimated based upon the valuation provided by the ESFA at 31 August 2018 and 31 August 2019 respectively.

Subsequent purchases of land and buildings are initially measured at cost.

Classification of finance and operating leases
At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	799,328	799,328	578,190
Other donations	14,525	12,244	26,769	11,770
	14,525	811,572	826,097	589,960

The income from donations and capital grants was £826,097 (2022: £589,960) of which £14,525 was unrestricted (2022: £7,155), £12,244 was restricted (2022: £4,615) and £799,328 was restricted fixed assets (2022: £578,190).

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	14,595,279	14,595,279	13,624,371
Other DfE/ESFA grants:				
- UIFSM	-	31,367	31,367	29,710
- Pupil premium	-	696,051	696,051	652,692
- Others	-	353,264	353,264	301,311
	-	15,675,961	15,675,961	14,608,084
Other government grants				
Local authority grants	-	387,220	387,220	498,546
Other incoming resources	117,085	254,335	371,420	195,856
Total funding	117,085	16,317,516	16,434,601	15,302,486

The income from funding for educational operations was £16,434,601 (2022: £15,302,486) of which £117,085 was unrestricted (2022: £68,205) and £16,317,516 was restricted (2022: £15,234,281).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	70,344	-	70,344	63,125
Other income	61,692	-	61,692	75,599
	132,036	-	132,036	138,724

The income from other trading activities was £132,036 (2022: £138,724) of which £132,036 was unrestricted (2022: £138,724).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	12,888	-	12,888	291

The income from funding for investment income was £12,888 (2022: £291) of which £12,888 was unrestricted (2022: £291).

7 Expenditure

		Non-pay expenditure		Total	Total
	Staff costs £	Premises £	Other £	2023 £	2022 £
Academy's educational operations					
- Direct costs	10,594,858	38,294	1,618,855	12,252,007	11,301,151
- Allocated support costs	2,362,548	2,526,243	563,835	5,452,626	5,901,286
	12,957,406	2,564,537	2,182,690	17,704,633	17,202,437

Net income/(expenditure) for the year includes:	2023 £	2022 £
Operating lease rentals	4,800	2,020
Depreciation of tangible fixed assets	486,910	485,733
Amortisation of intangible fixed assets	-	1,226
Fees payable to auditor for:		
- Audit	17,275	17,275
- Other services	6,885	6,255
Net interest on defined benefit pension liability	(3,000)	109,000

8 Central services

The Trust has provided the following central services to its schools during the year:
Include list of services, such as:

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The Trust charges for these services based on 4.5% of each school's General Annual Grant funding.

The amounts charged during the year were as follows:	2023 £	2022 £
Standish Community High School	333,953	312,608
Southlands High School	257,218	245,681
Golborne Community Primary School	65,567	58,330
	656,738	616,619

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	87,117	12,164,890	12,252,007	11,301,151
Support costs				
Educational operations	115,306	5,337,320	5,452,626	5,901,286
	202,423	17,502,210	17,704,633	17,202,437

The expenditure on charitable activities was £17,704,633 (2022: £17,202,437) of which £202,423 was unrestricted (2022: £81,844), £17,015,300 was restricted (2022: £15,806,860) and £486,910 was restricted fixed assets (2022: £1,313,733).

	2023 £	2022 £
Analysis of support costs		
Support staff costs	2,362,548	2,924,980
Depreciation and amortisation	448,616	429,176
Premises costs	1,982,205	1,939,430
Legal costs	18,024	13,869
Other support costs	584,857	540,677
Governance costs	56,376	53,154
	5,452,626	5,901,286

10 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	9,361,358	8,537,679
Social security costs	967,565	910,064
Pension costs	2,152,563	2,775,775
Staff costs - employees	12,481,486	12,223,518
Agency staff costs	461,271	666,184
Staff restructuring costs	14,649	74,326
Total staff expenditure	12,957,406	12,964,028

Staff restructuring costs comprise:

Redundancy payments	14,649	46,195
Severance payments	-	28,131
	14,649	74,326

Severance payments

The Trust paid 6 severance and redundancy payments in the year, disclosed in the following bands:

£0 - £25,000	6

Staff numbers

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

	2023 Number	2022 Number
Teachers	134	134
Administration and support	115	118
Management	25	22
	274	274

10 Staff (Continued)

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

	2023 Number	2022 Number
Teachers	129	126
Administration and support	90	88
Management	26	22
	245	236

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	8	7
£70,001 - £80,000	4	4
£80,001 - £90,000	2	1
£90,001 - £100,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,848,919 (2022: £1,682,488).

11 Trustees' remuneration and expenses

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

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

N Moore (Executive Headteacher and Trustee):
Remuneration £120,000 - £125,000 (2022: £nil - £5,000)
Employer's pension contributions paid £25,000 - £30,000 (2022: £nil - £5,000)

A Pollard (Executive Headteacher and Trustee):
Remuneration £nil - £5,000 (2022: £115,000 - £120,000)
Employer's pension contributions paid £nil - £5,000 (2022: £25,000 - £30,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £nil were reimbursed to trustees (2022: £nil).

12 Trustees' and officers' insurance

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

13 Intangible fixed assets

	Computer software
	£
Cost	
At 1 September 2022 and at 31 August 2023	23,964
Amortisation	
At 1 September 2022 and at 31 August 2023	23,964
Carrying amount	
At 31 August 2023	-
At 31 August 2022	-

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2022	21,589,808	295,731	360,429	22,245,968
Additions	-	88,725	42,136	130,861
At 31 August 2023	21,589,808	384,456	402,565	22,376,829
Depreciation				
At 1 September 2022	1,673,312	258,923	104,388	2,036,623
Charge for the year	373,524	38,294	75,092	486,910
At 31 August 2023	2,046,836	297,217	179,480	2,523,533
Net book value				
At 31 August 2023	19,542,972	87,239	223,085	19,853,296
At 31 August 2022	19,916,496	36,808	256,041	20,209,345

14 Tangible fixed assets (Continued)

The net book value of land and buildings comprises:

	2023	2022
	£	£
Long leaseholds (over 50 years)	19,542,972	19,916,496

15 Debtors

	2023	2022
	£	£
Trade debtors	25,000	14,805
VAT recoverable	82,862	158,475
Other debtors	-	1,464
Prepayments and accrued income	768,625	511,164
	876,487	685,908

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other loans	25,442	46,674
Trade creditors	211,271	297,055
Other taxation and social security	234,153	220,230
Other creditors	231,208	219,455
Accruals and deferred income	508,188	851,727
	1,210,262	1,635,141

Included within other loans are Salix loans totalling £25,442 (2022: £46,674) which are interest free loans to be deducted biannually from the General Annual Grant.

17 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other loans	128,007	203,127

17 Creditors: amounts falling due after more than one year (Continued)

Analysis of loans	2023 £	2022 £
Wholly repayable within five years	153,449	249,801
Less: included in current liabilities	(25,442)	(46,674)
Amounts included above	128,007	203,127

Loan maturity		
Debt due in one year or less	25,442	46,674
Due in more than one year but not more than two years	27,486	35,361
Due in more than two years but not more than five years	70,695	107,829
Due in more than five years	29,826	59,937
	153,449	249,801

Included within other loans are Salix loans totalling £128,007 (2022: £203,127) which are interest free loans to be deducted biannually from the General Annual Grant.

18 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	24,016	65,902
Deferred income at 1 September 2022	65,902	49,994
Released from previous years	(65,902)	(49,994)
Resources deferred in the year	24,016	65,902
Deferred income at 31 August 2023	24,016	65,902

At the balance sheet date the Trust was holding funds received in advance in respect of trips due to take place after the year end.

19 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	1,042,130	14,595,279	(15,169,819)	232,266	699,856
UIFSM	-	31,367	(31,367)	-	-
Pupil premium	-	696,051	(696,051)	-	-
Other DfE/ESFA grants	-	353,264	(353,264)	-	-
Other government grants	165,750	387,220	(387,220)	-	165,750
Other restricted funds	3,170	266,579	(266,579)	-	3,170
Pension reserve	(74,000)	-	(111,000)	185,000	-
	1,137,050	16,329,760	(17,015,300)	417,266	868,776
Restricted fixed asset funds					
Inherited on conversion	19,916,496	-	(373,524)	-	19,542,972
DfE group capital grants	145,519	799,328	(6,654)	(361,127)	577,066
Capital expenditure from GAG	271,980	-	(105,773)	128,861	295,068
Private sector capital sponsorship	3,157	-	(959)	-	2,198
	20,337,152	799,328	(486,910)	(232,266)	20,417,304
Total restricted funds	21,474,202	17,129,088	(17,502,210)	185,000	21,286,080
Unrestricted funds					
General funds	737,950	276,534	(202,423)	-	812,061
Total funds	22,212,152	17,405,622	(17,704,633)	185,000	22,098,141

19 Funds **(Continued)**

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

General Annual Grant must be used for the normal running expenses of the Schools and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at the period end.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes Local Authority and Central Government funding for educational purposes which includes Special Educational Needs and other smaller grants for specific projects.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure.

The pension reserve represents the value of the Trust's share of the deficit in the Local Government Pension Scheme. The value of the deficits for each school inherited on conversion totalled £2,080,000 and has decreased to £nil at 31 August 2023.

Restricted fixed asset funds include funds invested in fixed assets and unspent capital grants. Depreciation is charged against the fund.

19 Funds **(Continued)**

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	938,499	13,624,371	(13,394,547)	(126,193)	1,042,130
UIFSM	-	29,710	(29,710)	-	-
Pupil premium	-	652,692	(652,692)	-	-
Catch-up premium	53,667	-	(53,667)	-	-
Other DfE/ESFA COVID-19 funding	29,660	-	(29,660)	-	-
Other DfE/ESFA grants	-	301,311	(285,791)	(15,520)	-
Other government grants	-	498,546	(332,796)	-	165,750
Other restricted funds	7,901	132,266	(136,997)	-	3,170
Pension reserve	(6,094,000)	-	(891,000)	6,911,000	(74,000)
	(5,064,273)	15,238,896	(15,806,860)	6,769,287	1,137,050
Restricted fixed asset funds					
Inherited on conversion	20,294,449	-	(377,953)	-	19,916,496
DfE group capital grants	346,249	578,190	(842,964)	64,044	145,519
Capital expenditure from GAG	286,167	-	(91,856)	77,669	271,980
Private sector capital sponsorship	4,117	-	(960)	-	3,157
	20,930,982	578,190	(1,313,733)	141,713	20,337,152
Total restricted funds	15,866,709	15,817,086	(17,120,593)	6,911,000	21,474,202
Unrestricted funds					
General funds	605,419	214,375	(81,844)	-	737,950
Total funds	16,472,128	16,031,461	(17,202,437)	6,911,000	22,212,152

19 Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:	2023 £	2022 £
Standish Community High School	1,023,764	1,010,000
Southlands High School	274,917	674,374
Golborne Community Primary School	408,879	456,524
Central services	(26,723)	(191,898)
Total before fixed assets fund and pension reserve	1,680,837	1,949,000
Restricted fixed asset fund	20,417,304	20,337,152
Pension reserve	-	(74,000)
Total funds	22,098,141	22,212,152

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Standish Community High School	5,163,761	1,124,132	737,716	1,175,471	8,201,080	7,710,745
Southlands High School	4,158,275	792,448	682,754	924,047	6,557,524	5,864,752
Golborne Community Primary School	1,243,549	187,864	159,404	369,118	1,959,935	1,621,862
Central services	35,506	258,104	38,983	172,827	505,420	643,457
	10,601,091	2,362,548	1,618,857	2,641,463	17,223,959	15,840,816

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	19,853,296	19,853,296
Current assets	812,061	2,163,742	607,311	3,583,114
Current liabilities	-	(1,166,959)	(43,303)	(1,210,262)
Non-current liabilities	-	(128,007)	-	(128,007)
Total net assets	812,061	868,776	20,417,304	22,098,141

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	20,209,345	20,209,345
Current assets	737,950	2,807,321	369,804	3,915,075
Current liabilities	-	(1,393,144)	(241,997)	(1,635,141)
Non-current liabilities	-	(203,127)	-	(203,127)
Pension scheme liability	-	(74,000)	-	(74,000)
Total net assets	737,950	1,137,050	20,337,152	22,212,152

21 Pension and similar obligations

The 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 Schemes (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund (Standish) and Lancashire County Pension Fund (Southlands). Both are multi-employer defined benefit schemes.

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

Contributions amounting to £231,208 (2022: £219,455) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

21 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £x,xxx,xxx (2022: £1,470,840).

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

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

Local Government Pension Scheme

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

The Trust had entered into an agreement to make deficit contributions towards the Lancashire County Pension Fund deficit. Amounts committed to April 22 to March 23 are £1,650.

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

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

Total contributions made	**2023**	**2022**
	£	**£**
Employer's contributions	451,000	408,000
Employees' contributions	146,000	126,000
Total contributions	597,000	534,000

Principal actuarial assumptions	**2023**	**2022**
	%	**%**
Rate of increase in salaries	3.9	4.0
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.2	4.3
Inflation assumption (CPI)	2.9	2.8

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

	2023	**2022**
	Years	**Years**
Retiring today		
- Males	20.4	21.0
- Females	23.4	23.8
Retiring in 20 years		
- Males	20.9	22.3
- Females	25.1	25.7

	2023	**2022**
	£'000	**£'000**
Discount rate + 0.1%	(241)	(72)
Discount rate - 0.1%	107	124
Mortality assumption + 1 year	197	237
CPI rate + 0.1%	222	179

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

The Trust's share of the assets in the scheme	2023 Fair value £	2022 Fair value £
Equities	4,619,000	4,432,000
Government bonds	12,000	591,000
Other bonds	631,000	142,000
Cash/liquidity	379,000	388,000
Property	648,000	731,000
Other assets	1,242,000	1,067,000
Total market value of assets	7,531,000	7,351,000

The actual return on scheme assets was £(352,000) (2022: £187,000).

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	114,000	782,000
Interest cost	(3,000)	109,000
Administration expenses	4,000	4,000
Total operating charge	115,000	895,000

Changes in the present value of defined benefit obligations	2023 £
At 1 September 2022	7,425,000
Current service cost	561,000
Interest cost	326,000
Employee contributions	146,000
Actuarial gain	(866,000)
Benefits paid	(61,000)
At 31 August 2023	7,531,000

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

Changes in the fair value of the Trust's share of scheme assets

	2023 £
At 1 September 2022	7,351,000
Interest income	329,000
Actuarial loss/(gain)	(681,000)
Employer contributions	451,000
Employee contributions	146,000
Benefits paid	(61,000)
Effect of non-routine settlements and administration expenses	(4,000)
At 31 August 2023	7,531,000

At the year end, based on the actuary's valuation of the defined benefit scheme, the scheme has not recognised an asset of £1,359,000 in these financial statements. The Trust has limited the pension valuation to £nil as the Trust does not have an unconditional right to receive this surplus in the future. This limitation has been arrived by amending the actuarial movement of the assumptions value within the obligations liability of the pension valuation.

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

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(299,011)	(1,170,976)
Adjusted for:			
Capital grants from DfE and other capital income		(799,328)	(578,190)
Investment income receivable	**6**	(12,888)	(291)
Defined benefit pension costs less contributions payable	**21**	114,000	782,000
Defined benefit pension scheme finance (income)/cost	**21**	(3,000)	109,000
Depreciation of tangible fixed assets		486,910	485,733
Amortisation of intangible fixed assets	**13**	-	1,226
(Increase)/decrease in debtors		(190,579)	452,375
(Decrease)/increase in creditors		(403,647)	415,817
Net cash (used in)/provided by operating activities		(1,107,543)	496,694

23 Analysis of changes in net funds

	1 September 2022	Cash flows	31 August 2023
	£	£	£
Cash	3,229,167	(522,540)	2,706,627
Loans falling due within one year	(46,674)	21,232	(25,442)
Loans falling due after more than one year	(203,127)	75,120	(128,007)
	2,979,366	(426,188)	2,553,178

24 Long-term commitments

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

	2023	2022
	£	£
Amounts due within one year	4,800	4,800
Amounts due in two and five years	9,600	14,400
	14,400	19,200

25 Capital commitments

	2023	2022
	£	£
Expenditure contracted for but not provided in the accounts	390,180	-

26 Related party transactions

No related party transactions took place in the period of account (other than certain Trustees remuneration and expenses already disclosed in note 1).

27 Members' liability

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