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SPECIALIST SCHOOLS TRUST LTD

(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENT

Year ending 31 August 2023

COMPANY REGISTRATION NUMBER 07667999





Specialist Schools Trust Ltd – Annual Report & Financial Statement – Year ending 31st August 2023

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SPECIALIST SCHOOLS TRUST LTD
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ending 31 August 2023

Contents

Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Assurance Report on Regularity	25
Statement of Financial Activities (incorporating Income & Expenditure Account)	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements	30

Reference and Administrative Details

Company Name	Specialist Schools Trust Ltd (formerly known as Rosewood School Ltd)	
Company Registration Number	07667999	
Principal and Registered Office	Rosewood Free School, Alder Moor Road, Southampton, SO16 5NA	
Trustees	Anthony Boyle (Chair) Scott Ashmore * (resigned 18 September 2023) Pradeep Athwal (appointed 6 February 2023) Zoé Evans (Headteacher and Accounting Officer)* Rosemary Gregory Juno Hollyhock (resigned 26 September 2022) Nicola Le Prevost Liz McCaughey Malcolm Smith * Jane Williams (appointed 4 October 2023) Susan Williams * members of the Finance Committee	
Members	Scott Ashmore (appointed 18 September 2023) Anthony Boyle Carol Dixon Liz McCaughey Nick Vaughan (Chair) Sheena Williams	
Senior Management Team	Rosewood Free School Head Teacher Zoé Evans Deputy Head Teacher Sarah Clarke Great Oaks School Head Teacher Andrew Evans Head of School Geraldine Lindsay Trust Chief Financial Officer Jen Frost	

Independent Auditor	Hopper Williams & Bell Limited Highland House, Mayflower Close, Chandlers Ford, Eastleigh, Hampshire, SO53 4AR
Bankers	Lloyds Bank Plc. 77 Shirley High Street, Shirley, Southampton, SO15 3TX Aldermore Bank Plc, First Floor, Block B, Western House, Lynchwood, Peterborough, PE2 6FZ Hampshire Trust Bank, PO Box 73115, London, EC4P 4GP Nationwide Building Society, PO Box 3, 5-11 St. Georges Street, Douglas Isle of Man, IM99 1AS
Solicitors	Paris Smith LLP, 1 London Road, Southampton, SO15 2AE

Trustees' Report

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

Rosewood Free School aims to provide education to all students aged 2-16 with Profound and Multiple Learning Difficulties ("PMLD"), complex health needs and life limiting conditions and to students aged 16-19 with Severe Learning Difficulties ("SLD") and physical difficulties including PMLD.

Great Oaks School aims to provide education to students aged 11-19 with Moderate to Severe Learning Difficulties (MLD, SLD).

Structure, Governance and Management

Constitution

Specialist Schools Trust Ltd (SST) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The Trustees of SST are also the Directors of the charitable company for the purposes of company law. The charitable company is also known as Rosewood Free School and Great Oaks School.

Details of the Trustees who served throughout the year except as noted 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 school has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. More details are provided in note 11 to the financial statements.

Method of Recruitment and Appointment or Election of Trustees

The recruitment and appointment of Trustees is the responsibility of the members. They aim to represent the range of stakeholders involved in the schools and reflect the different skills and experience required. The members, governors and trustees complete an annual audit to identify gaps in skills and expertise. The constitution and makeup of the Trustees was approved by the Regional School Commissioners in August 2017 at the formation of the MAT.



Policies and Procedures Adopted for the Induction and Training of Trustees

Initial Trustee induction training is provided by Southampton Governor Services. Subsequent training is organised as required. Trustees and Governors receive Safeguarding training.

Organisational Structure

The Trustees are responsible and accountable for the strategic planning and policy making that enables the day-to-day task of managing the school to be effectively delegated to the Headteachers. Specifically, this requires the committees of the board of trustees to undertake the responsibilities listed below within each academic year.

Powers have been delegated to the Headteachers in respect of internal organisation, management and control of the school, the implementation of all policies approved by the Trustees and for the direction of teaching and the curriculum.

Full Trustees

- Approval of a written scheme of delegation of financial powers and duties to the Finance Committee, the Headteachers and other staff in order to ensure that adequate financial controls are in place and operate in conjunction with the trust's Finance Manual.
- Formally approve the annual schools' budgets at least two months prior to the start of each financial year.
- Consider budgetary reports from the Finance Committee at every meeting.
- Receive the reports of the external auditor.
- Receive the reports of the Accounting Officer on the use of resources, systems of internal financial control and discharge of financial responsibilities.
- Approval of the Trust Improvement Plan and School Improvement Plan (delegated to LGBs).
- Monitoring of safeguarding and Child Protection procedures.

The board of trustees has established a sub-committee to which it delegates certain responsibilities:

Finance Committee

- Review the annual budget and recommend it to the board of trustees for approval;
- Review updated budget forecasts, at least every term;
- Regularly monitor actual expenditure and income against budget;
- Ensure that the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
- Authorise orders and the award of contracts over £25,000;
- Authorise changes to the school personnel establishment;
- Review management accounts on a regular basis and ensure that variances from budget are explained satisfactorily and that the schools will have adequate funds to meet their obligations in the year ahead; and
- Review the reports on the effectiveness of the financial procedures and controls. These reports must also be reported to the board of trustees.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have delegated the performance management of each Head teacher to the Local Governing bodies. An external advisor is appointed to review the targets and improvement plans of the school. The Governors then make a recommendation to the Trustees who review salary and decide on incremental salary increases.

Head Teachers are informed of these decisions by letter from the Chair of Trustees.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.8

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£539
Total pay bill	£8.7m
Percentage of the total pay bill spent on facility time	0.006%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

The Trust has related party transactions which have been in place since before 2019, specifically with Signalong, the Communication Charity (“Signalong”) which provides training and resources which enable communications skills for the pupils in Great Oaks School. The offering from this company is unique in the marketplace and the Trust would not be able to source this service from any other provider. The Headteacher of Great Oaks is a Trustee of Signalong.

Engagement with employees (including disabled persons)

- For disabled employees – Both Schools encourage applications for employment from disabled persons and do not discriminate against any employee with a disability in respect of training, career development and promotion. The Trust is committed to promoting equal opportunities and this is demonstrated by our Equal Opportunities Policy.
- For employee consultation – In both Schools the Senior Leadership Team engage regularly with employees on day-to-day matters by issuing daily briefings, weekly updates, and newsletters. Communications (either face to face and/or in writing) and formal consultations take place on matters specifically affecting employee terms and conditions or changes in working practice.

Objectives and activities

TRUST VISION STATEMENT

Individual schools with a shared focus on transforming lives through educational excellence

Individual Schools

- Every school within SSET will have an ethos which puts the learners at the centre and reflects these needs in their own establishment.
- Each school will determine the philosophy and principles that are the foundation to providing excellent teaching and learning for their pupils.
- The leadership of each school will have delegated freedoms within budgets to meet the specific needs of their learners.
- The leadership team in each school will lead the learning and determine the curriculum development and direction for their school.
- Every school will develop a school community where learners and their families feel valued
- We believe that as individuals, schools and communities we achieve better outcomes working in supportive partnerships
- We value the experience skills and knowledge of all stakeholders within our trust and believe we can all learn from each other
- We will work to ensure shared services work to benefit of all members of the trust and facilitate excellence in teaching and learning and ensure value for money
- We will collaborate as school leaders to develop opportunities for the expansion of professional progression and the sharing of expertise across the trust



Educational Excellence

- We will as trust members contribute to education research both external and action research based
- We will expect all staff to be working towards attaining excellence in teaching and learning
- We will ensure that all schools demonstrate the specialist nature of their school and promote exemplary practice across the trust
- We will ensure that all schools maintain a wide perspective on educational development and look to use external advisors and/or trainers to develop new areas of expertise
- We will promote collaboration with schools and professionals external to the trust to the mutual benefit of all learners with SEND
- We will as a trust advocate for the learners and their families across a range of services

Strategies to support development include:

- On-going curriculum review and development.
- Personalised learning pathways for all students.
- Rigorous monitoring and evaluation processes to track individual progress with opportunities for planned targeted interventions where necessary.
- Regular multi-disciplinary meetings to support individuals.
- Regular and appropriate medical interventions planned across the school day.
- Regular and appropriate therapeutic interventions planned throughout the school day.
- Access to technologies to develop control skills.
- Regular parent teacher meetings to review progress and individual needs.

The schools produce comprehensive School Improvement Plans annually which provide detailed information on all priorities which are monitored by the LGBs. The Trust also produces an Improvement Plan.

Transforming Lives Through Educational Excellence

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The Trust promotes education for the benefit of the local communities of Southampton and Hampshire.

Strategic Report

Achievements and Performance

Rosewood Free School was inspected by Ofsted in May 2018 and the leadership team has maintained the outstanding quality of education in the school.

Key Findings

- The school has grown in stature and as a result of the terrific leadership team, now wields significant influence in championing principled and high education for pupils with profound and multiple learning difficulties.
- Children attending part-time sessions in the Nursery and full-time in Reception make excellent progress. They settle into school well, are prepared for learning and to proceed to the next stage in their education.
- Teachers and support staff sustain high levels of engagement with pupils and this enables pupils to achieve well.
- First class relationships with parents assist greatly and enable the school to get to most out of pupils to secure good attendance. A fundamental foundation of the school's successful curriculum is teachers' well-planned and thoughtful approach to developing pupil's acquisition of communication skills and developing incrementally their cognitive development.
- The schools' work to keep pupils safe and secure is excellent and extends far beyond the school gate.
- In recent times, and following the formation of the MAT, new and well-considered governance structures have been agreed which include a key role for the local governing body.
- Rosewood was inspected on the 11th and 12th October 2023 and are waiting for the formal letter confirming category however the verbal feedback was Outcome 1: the school continues to be outstanding.
- Great Oaks School was inspected in November 21 and received the following judgement: Great Oaks School continues to be a good school. There is enough evidence of improved performance to suggest that the school could be judged outstanding if the inspectors were to carry out a section 5 inspection now. The school's next inspection will be a section 5 inspection.

Recommendations

Due to the COVID-19 pandemic and increasing pupil numbers, currently, some aspects of the aspirational wider curriculum offer are not available to all pupils. Consequently, not all pupils are able to participate in the wide range of rich experiences which have previously been offered to all. Leaders should ensure that they are able to consistently promote the extensive personal development of all pupils.

Due to the learning difficulties and special educational needs of the young people who attend Great Oaks and Rosewood schools they are all working well below age related expectations. However, pupils in both schools make significant progress towards their individual learning goals.

Key Performance Indicators

The board of trustees has reviewed the schools' performance against key performance indicators:

- Staff turnover - – this is monitored monthly and termly by the Personnel Committee. Turnover of teaching staff is 5.88% at Rosewood (1 teacher) and 9.84% at Great Oaks (6 teachers). Support Staff turnover at RWS is 8.79% and GO is 16.37% (including bank staff).
- Income streams – ESFA (Education Skills & Funding Agency) grants and Local Authority funding, alongside any other dedicated sources of income are monitored termly by the board of trustees. The schools prepare yearly budgets and rolling forecasts. The schools aimed to achieve a surplus before actuarial gains and losses and has achieved this for the year to 31 August 2023. Opportunities to generate additional income are constantly sought and this is generally in the form of sharing expertise with other special schools through the provision of training. There are a small number of regular lettings arrangements that produce a small income for the Trust.
- Number of students – The Headteachers lead the schools' marketing strategies.
- Rosewood Free School currently have 63 pupils on roll expected to rise to 70 by the end of the year. Great Oaks School currently has 340 pupils on roll.
- Great Oaks School have 2 offsite provisions – Green Lane and Bugle House. The number of pupils attending these offsite provisions is 74 (9 at Bugle House and 70 at the Green Lane site).
- The Trustees had requested both schools monitor staff absence and at 31st August 2022 RWS absence is 6.73% and GO absence is 5.01%.
- Achievement and Attainment – The Headteachers lead the schools' rigorous monitoring and evaluation programme to ensure that standards are challenged and improving. The schools have good reputations both locally and nationally.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the schools have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review



The schools are currently in a satisfactory financial position.

The actuarial report on the Local Government Pension scheme (LGPS) currently does not identify a funding deficit under FRS102 and this difference can be seen on the balance sheet. The Trustees are aware that this is a balance sheet exercise and any asset or liability stated on the balance sheet is out of the control of the Trust. Any "past service" element will be included in monthly employer contributions following the Fund Valuation in 2019. The "past service" element of contributions is part of a 25-year recovery plan which was put in place following

the 2010 Fund Valuation. In the opinion of the Trustees the current level of funding by the schools is sufficient to meet known future pension contributions. This funding level is reviewed on a triennial basis.

The Trust has reviewed the structure of its administrative support in both schools, in an attempt to control the increased costs and maximise efficiency and regulation in the face of expanding numbers in Great Oaks School. There has been a saving made this year of almost £16k. The Trustees continue to review forecast income and expenditure during the year and take any necessary action to ensure that funds available are sufficient to meet educational needs. The Local Authority granted a small uplift in Top Up funding again, backdated to April 2023 and this is reflected in the in-year surplus amounts being more than forecast. Again, this is still not sufficient to keep in line with the proposed pay reviews expected to be announced at the beginning of the 2023-24 academic year and the Trust will continue to engage with the Local Authority regarding Top-up funding.

The forecast reduction in inflation is good news but costs are still rising. Budgets are scrutinised via the Management Accounts each month, which are now in line with the Standardised Academies Chart of Accounts. Key Performance Indicators are brought to the attention of the Trustees as they become an issue and discussed.

Recovery Funding continues to be received and goes towards providing PPE, on which spending is still higher than pre-pandemic levels. Extra cleaning by external agencies has not finished, but classroom teams have taken that responsibility.

The Trust has implemented a new Finance System this year, Xero for Education, along with Approval Max, which is an electronic authorisation system. This has revolutionised our finance processes ensuring time and effort is saved. All Finance processes are paperless, and all authorisations are collected before invoices are available for payment. Paperwork is attached to each transaction making Audit quicker and easier, negating the need for storage solutions in our offices. Not only has this system added value through these measures, it is also cheaper than our old Finance System. Migration and training have gone smoothly during the year, and we will continue to embed and expand the value as we continue to use it.

The Trust underwent an external review of Finance and Governance by the DfE towards the end of the Summer Term this year, which involved engaging with an Assurance Officer and providing a comprehensive range of evidence requested. This went well, resulting in three points for improvement, which have been implemented. This gives comfort that the Trust is progressing well towards full compliance with the Academy Trust Handbook

Reserves Policy

The Trustees will allocate a proportion of any surplus generated during the year to a contingency reserve. The purpose of the contingency reserve is to enable the Trust to meet any unexpected change in funding levels or unexpected costs that need to be incurred for educational purposes. The Trustees have agreed a target level of reserves of a minimum £75,000 per school.

The reserves as at 31 August 2023 were:

- Unrestricted (free) reserves of £395,193 (2022: £355,417)
- A restricted fixed asset fund of £12,934,885 (2022: £13,051,699), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £nil (2022: £1,167,000)
- Other restricted funds of £618,853 (2022: £261,468)
- Total funds of £13,948,931 (2022: £12,501,584)

Investment Policy

It is the Trust's policy to invest any funds not needed for the foreseeable future in interest bearing immediate access savings accounts. Currently our forecast for 2024-25 academic year is uncertain due to unconfirmed funding levels, so we may delay moving any cash into other accounts until we have a discussion with the DfE in November 2023.

Principal Risks and Uncertainties

The Trust has a relatively low exposure to financial risks. There are effective systems in place for control of debtors and the Finance Team work closely with debtors where issues arise. The Trust do not use any financial instruments and there is no material exposure to credit risk. Based on the Trustee Improvement Plan, the Trustees have undertaken a comprehensive review of the risks to which the Trust is exposed. Systems and procedures are in place to mitigate these risks where possible and they are listed explicitly on the Trust Risk Register.

The Trust has carried out two Internal Audit Reviews focusing on Finance and Governance, which has resulted in action points for development of systems, and also Health & Safety Audits carried out by the Local Authority and a local company for a Fire Risk Assessment across both schools. Regular Legionella, Electrical and Mechanical inspections are carried out throughout the Trust and any recommendations acted upon. Development of GEMS (Good Estates Management Systems) will be taking place over the next 12 months.

Key areas include:

- Government Funding: The Trust has considerable reliance on continued Government and Local Authority funding through the education sector funding bodies. There can be no assurance that Government policy or practice will remain consistent, and that funding will continue at these levels, or increase in line with the needs of the school populations. Funding is linked most consistently to student numbers and level of need.
- The risk is mitigated by:
 - Ensuring the Trust is rigorous in delivering high quality Attainment and Achievement – Rosewood Free School's outcomes are rated outstanding by OFSTED and strong monitoring and evaluation systems are in place to maintain these standards. These outcomes mitigate the risk of reduction of student numbers. Rosewood has been asked to investigate an increase of PAN to 77 from September 2023.
 - Maintaining strong recruitment strategies and a quality curriculum offer to attract and maintain student numbers, with the aim of an overall student body of approximately 70 students in Rosewood Free School and 325 in Great Oaks School, rising to 340 in the next academic year as requested by the Local Authority.
- Reputational Risk – strong systems for Safeguarding, and Acceptable Use of information technology are in place to allay these risks.
- Health and Safety – strong policies and procedures including risk assessment processes and appropriate training are in place to allay these risks.
- Premises - appropriate insurances are in place to support the Trust against damage or theft to property.
- Pupil Numbers – complex health needs of pupils with life limiting conditions often lead to pupil deaths at Rosewood - this is a risk to the school that cannot be mitigated.

Estates Management

- The Executive Team are addressing the need for a long-term estates improvement plan prioritising areas of concern. This will be the focus of the newly recruited Chief Operating Officer starting at the beginning of the 2023-24 Academic year.
- The MAT buys into the Local Authority Health & Safety and estates SLA and is audited yearly by an external health and safety expert to ensure compliance with relevant regulations. Action plans are developed from these reports and work is prioritised and carried out as necessary. Rosewood Free School also benefits from an on-site independent Site Management Expert who assists with the day-to-day Estates issues and wider Health & Safety processes.
- Health and safety issues, including near misses, are logged, and addressed on each site separately. These feed into the H&S Report which is discussed and addressed during the Health & Safety committee meetings that take place each term, with representatives from each school, the Governing Body and the Trustees. These meetings are minuted to keep track of agreed actions.
- Members of the estates team complete ongoing training to ensure all sites continue to be safe and well maintained. At a Trust level, the CPD ambition for the Site Team to be compliant with the GEMS Guidance and have the relevant training dependent upon their job role.
- Senior Management complete regular site walkarounds to identify any health and safety issues which need to be addressed with the Estates Team.
- An independent inspection was carried out to identify whether any RAAC concrete may have been used anywhere in the Trust. The inspection found no issues in the Trust with RAAC.

Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through raffles, cake sales, non-uniform days, Christmas Fayres etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families.

We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Academy Trust during the year.

Plans for future periods

Rosewood Free School has been judged “Outstanding” by Ofsted for the fifth time. Both schools work very hard to raise standards in the education of children with MLD, SLD, PMLD and Sensory and Physical Difficulties. The unique assessment and curriculum (ImPACTS) devised by Rosewood has been adopted by many schools both nationally and internationally. This is helping schools to really understand how children learn and with more schools using ImPACTS we are now able to use comparative data to analyse progress. Great Oaks have had a recent Ofsted and are awaiting confirmation of a positive outcome.

Both schools are relentless in the pursuit of excellence in education. They continue to develop quality of teaching of learning through well considered and evaluative school improvement plans.

The Trust currently has an application in with DfE to run a third academy as part of Hampshire’s successful free school bid for a an SLD school in Whiteley.

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2023 and signed on the board's behalf by:

A handwritten signature in blue ink, appearing to read 'A Boyle', is positioned above the name of the signatory.

Anthony Boyle
Chair of Trustees

Governance Statement

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher of Rosewood School, 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 Specialist Schools Trust Ltd 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Name	Type	20/09/2022	06/12/2022	28/03/2023	25/04/2023	04/07/2023
Tony Boyle - Chair	Member	Attended	Attended	Attended	Attended	
Liz McCaughey	Member	Attended	Attended	Attended	Attended	Attended
Zoé Evans	Trustee	Attended	Attended	Attended	Attended	Attended
Nicola Le Prevost	Trustee	Attended	Attended	Attended	Attended	
Sue Williams	Trustee	Attended	Attended	Attended	Attended	Attended
Pardeep Athwal	Trustee			Attended		
Scott Ashmore	Trustee		Attended	Attended		
Malcolm Smith	Trustee		Attended	Attended		
Rosemary Gregory	Trustee	Attended	Attended	Attended	Attended	Attended

Governance (continued)

The Chair of Trustees and Chair of Governors have been in regular contact with the Head teachers of each school. An additional piece of work was completed by the Chair of trustees and Chair of Rosewood Governing Body looking at the funding implications for Rosewood School. A meeting was then held with Southampton LA.

Governance Review

The Governance structure of the MAT has been strengthened over the last 12 months. Following a skills audit a clear structure of accountability between Governors and Trustees was been developed and is being followed.

Local governing bodies have a clear focus on standards of teaching and learning but also have a standing item of questions to and from the Trustees which is then mirrored in the Trustee meeting format.

The Trust has a permanent Clerk, purchased via Hampshire Governing Services who has been able to ensure due process, the overall organisation of Trustee communication has remained with the Headteachers and Chief Financial Officer.

Conflicts of interests

An up-to-date register of interest is maintained and is available to view on the Trust website. At the commencement of each trustees meeting, attendees are asked to declare any conflicts of interest and this is minuted. Details of interests declared are added to the register if not already present. If any conflicts are identified, the trustee/manager is asked to leave the meeting to avoid being involved in any decision making and this is also detailed in the minutes. Senior management and any other staff with interests to declare are required to complete annual declaration forms in September each year.

Finance committee meetings 2022/2023

Name	11/10/2022	13/12/2022	31/01/2023	28/02/2023	02/05/2023	27/06/2023
Scott Ashmore - Chair		Attended	Attended	Attended	Attended	Attended
Malcolm Smith	Attended	Attended	Attended	Attended	Attended	Attended
Zoé Evans	Attended	Attended	Attended	Attended	Attended	Attended
Neville Button	Attended	Attended	Attended	Attended	Attended	Attended
Jen Frost	Attended	Attended	Attended	Attended	Attended	Attended
Andy Evans	Attended		Attended	Attended	Attended	
Prad Athwal			Attended		Attended	
Tony Boyle	Attended					

Review of Value for Money

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

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

- Achieving an uplift for all support staff working in Rosewood to gain equal pay to staff at Great Oaks
- Working with Special heads to raise with the LA the need for an uplift; although only 4% on top-up it was only actioned when Great Oaks head alerted all colleagues of central payment given to the LA
- Benchmarked both schools with similar schools and presented information to the LA on levels of top up funding.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of school 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 at the Trust during the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. Comprehensive Internal Audits have been carried out during the period and Action Plans relating to the findings of these audits are being collated and will be shared as appropriate in the Finance Committee Meetings.

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 on-going 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 financial statements. 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 Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has delegated this function to the Finance Committee. The Committee decided to buy-in an internal audit service and internal audits were implemented during 2022/23 comprehensively covering many areas of identified risk. The Audit findings are being compiled into an action plan to be followed during the 2023-24 academic year. Plans are for two visits per year going forward in the Spring and Summer terms.

Review of Effectiveness

As Accounting Officer, the Headteacher of Rosewood Free School has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Chief Financial Officer and the finance administration team
- The work of the monitoring and challenge undertaken by the Finance Committee;
- The work of the external and internal auditors.

The Accounting Officer has been advised of the implications of the results of a review of the system of internal control undertaken by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2023 and signed on its behalf by:



Anthony Boyle
Chair of Trustees



Mrs Z Evans
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Specialist Schools Trust Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.



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



Mrs Z Evans
Accounting Officer

12 December 2023

Statement of Trustees' Responsibilities

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

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

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

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

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

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

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



Anthony Boyle
Chair of Trustees

Independent Auditor's Report on the Financial Statements

Opinion

We have audited the financial statements of Specialist Schools Trust Ltd ('the charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- 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 properly prepared in accordance with the Charities SORP 2019 and 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of the Trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academy Trust Handbook 2022, and the Academies Accounts Direction 2022 to 2023.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.
- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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



G Brown FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

18 Dec 2023

Date

Independent Reporting Accountant's Assurance Report on Regularity

In accordance with the terms of our engagement letter dated 1 September 2022 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 Specialist Schools Trust Ltd 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 Specialist Schools Trust Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Specialist Schools Trust Ltd and the 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 the Specialist Schools Trust Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Specialist Schools Trust Ltd's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Specialist Schools Trust Ltd's funding agreement with the Secretary of State for Education dated 24 August 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2022) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

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.



G Brown FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

18 Dec 2023

Date

Specialist Schools Trust Ltd

Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Income and endowments from:							
Donations and capital grants	2	-	1,765	-	132,741	134,506	62,127
Other trading activities	4	37,827	36,223	-	-	74,050	74,652
Investments	5	1,949	-	-	-	1,949	677
Charitable activities:							
Funding for the academy trust's educational operations	3	-	10,482,294	-	-	10,482,294	8,707,527
Total		39,776	10,520,282	-	132,741	10,692,799	8,844,983
Expenditure on:							
Raising funds	6	-	166,675	-	-	166,675	120,899
Charitable activities:							
Academy trust educational operations	7	-	9,797,238	261,000	448,539	10,506,777	9,929,873
Total		-	9,963,913	261,000	448,539	10,673,452	10,050,772
Net income / (expenditure)		39,776	556,369	(261,000)	(315,798)	19,347	(1,205,789)
Transfers between funds	17	-	(198,984)	-	198,984	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	25	-	-	1,428,000	-	1,428,000	5,520,000
Net movement in funds		39,776	357,385	1,167,000	(116,814)	1,447,347	4,314,211
Reconciliation of funds							
Total funds brought forward		355,417	261,468	(1,167,000)	13,051,699	12,501,584	8,187,373
Total funds carried forward		395,193	618,853	-	12,934,885	13,948,931	12,501,584

The notes on pages 30 to 55 form part of these financial statements.

Specialist Schools Trust Ltd

Balance Sheet as at 31 August 2023

Company Number 07667999

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12		12,934,885		13,051,699
Current assets					
Stock	13	9,873		9,078	
Debtors	14	2,690,336		537,286	
Investments	15	50,000		50,000	
Cash at bank and in hand		<u>1,106,718</u>		<u>2,225,839</u>	
		3,856,927		2,822,203	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(2,842,881)</u>		<u>(2,205,318)</u>	
Net current assets			<u>1,014,046</u>		<u>616,885</u>
Total assets less current liabilities			13,948,931		13,668,584
Defined benefit pension scheme liability	25		-		(1,167,000)
Total net assets			<u>13,948,931</u>		<u>12,501,584</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	12,934,885		13,051,699	
Restricted income fund	17	618,853		261,468	
Pension reserve	17	<u>-</u>		<u>(1,167,000)</u>	
Total restricted funds			13,553,738		12,146,167
Unrestricted income funds	17		395,193		355,417
Total funds			<u>13,948,931</u>		<u>12,501,584</u>

The financial statements on pages 27 to 55 were approved by the Trustees and authorised for issue on 12 December 2023 and are signed on their behalf by:



Anthony Boyle
Chair of Trustees

The notes on pages 30 to 55 form part of these financial statements.

Specialist Schools Trust Ltd

Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(922,086)	1,103,173
Cash flows from investing activities	21	(197,035)	(126,415)
Change in cash and cash equivalents in the reporting period		<u>(1,119,121)</u>	<u>976,758</u>
Cash and cash equivalents at 1 September 2022		2,225,839	1,249,081
Cash and cash equivalents at 31 August 2023	22	<u>1,106,718</u>	<u>2,225,839</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

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.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

Going Concern

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

Income

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

- 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.

- Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

Income (continued)

- Other Income
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.
- Donated goods, facilities and services
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)
Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Expenditure

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

- Expenditure on Raising Funds
This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- Charitable Activities
These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

Tangible Fixed Assets

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

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

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

Leasehold Land and Buildings	7 to 50 years straight line on buildings; not provided on land
Furniture and Equipment	5 years straight line
Computer Equipment	3 to 5 years straight line
Motor Vehicles	8 years straight line

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Liabilities

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

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

Provisions

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

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

Leased Assets

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

Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

Financial Instruments

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

Financial assets

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

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

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.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

Taxation

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

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

Pensions Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(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.

A defined benefit plan asset is recognised only to the extent that the Academy Trust expects to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions 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 2022 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.

The assumptions used are disclosed in note 25.

Critical areas of judgement

There are no other critical areas of judgement.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	127,836	127,836	23,440
Donated fixed assets	-	4,905	4,905	19,569
Other donations	-	1,765	1,765	19,118
	-	134,506	134,506	62,127
<i>Total 2022</i>	<i>1,478</i>	<i>60,649</i>	<i>62,127</i>	

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,957,059	3,957,059	3,555,898
Pupil Premium	-	164,100	164,100	141,569
UFSM	-	2,482	2,482	2,498
Rates reclaim	-	-	-	23,130
PE and sports grant	-	16,260	16,260	16,230
Teachers' pay grant	-	67,904	67,904	61,501
Teachers' pension grant	-	176,180	176,180	166,281
Other DfE grants	-	197,941	197,941	83,734
	-	4,581,926	4,581,926	4,050,841
Other government grants				
Local authority grants	-	5,724,778	5,724,778	4,508,651
Other government grants	-	105,939	105,939	6,257
	-	5,830,717	5,830,717	4,514,908
Other income from the Academy Trust's educational operations				
Trip income	-	1,290	1,290	1,765
Other income	-	68,361	68,361	140,013
	-	69,651	69,651	141,778
	-	10,482,294	10,482,294	8,707,527
<i>Total 2022</i>	<i>-</i>	<i>8,707,527</i>	<i>8,707,527</i>	

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	6,924	-	6,924	5,592
Uniform income	3,331	-	3,331	5,995
Catering income	2,170	36,223	38,393	29,585
Other trading income	25,402	-	25,402	33,480
	<u>37,827</u>	<u>36,223</u>	<u>74,050</u>	<u>74,652</u>
<i>Total 2022</i>	<i>45,067</i>	<i>29,585</i>	<i>74,652</i>	

5 Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	1,949	-	1,949	677
	<u>677</u>	<u>-</u>	<u>677</u>	
<i>Total 2022</i>	<i>677</i>	<i>-</i>	<i>677</i>	

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2022/23 £	Total 2021/22 £
		Premises £	Other £		
Expenditure on raising funds	36,580	-	130,095	166,675	120,899
Academy's educational operations:					
Direct costs	7,669,904	-	756,290	8,426,194	6,896,420
Allocated support costs	1,024,252	620,760	435,571	2,080,583	3,033,453
	<u>8,730,736</u>	<u>620,760</u>	<u>1,321,956</u>	<u>10,673,452</u>	<u>10,050,772</u>
<i>Total 2022</i>	<i>8,268,168</i>	<i>562,603</i>	<i>1,220,001</i>	<i>10,050,772</i>	

Net income/(expenditure) for the period includes:

	2022/23 £	2021/22 £
Operating lease rentals	42,883	18,559
Depreciation	448,539	366,580
Fees payable to auditor for:		
Audit	10,010	9,090
Other services	<u>4,590</u>	<u>6,220</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Gifts made by the Academy Trust	250	-	-

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

7 Charitable activities

	2022/23	2021/22
	Total	Total
	£	£
Direct costs – educational operations	8,426,194	6,896,420
Support costs – educational operations	2,080,583	3,033,453
	<u>10,506,777</u>	<u>9,929,873</u>

Analysis of support costs:

	Educational operations	2022/23	2021/22
		Total	Total
	£	£	£
Support staff costs	1,024,252	1,024,252	2,075,499
Technology costs	82,878	82,878	52,138
Premises costs	620,760	620,760	562,603
Other support costs	331,071	331,071	323,853
Governance costs	21,622	21,622	19,360
Total support costs	<u>2,080,583</u>	<u>2,080,583</u>	<u>3,033,453</u>
<i>Total 2022</i>		<u>3,033,453</u>	<u>3,033,453</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

8 Staff

a) Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£	£
Wages and salaries	6,544,843	5,403,605
Social security costs	584,646	479,781
Pension costs	1,549,022	2,354,621
	<u>8,678,511</u>	<u>8,238,007</u>
Agency staff costs	52,225	30,161
	<u>8,730,736</u>	<u>8,268,168</u>

b) Staff numbers

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

	2022/23	2021/22
	No.	No.
Teachers	64	56
Administration and support	230	194
Management	7	8
	<u>301</u>	<u>258</u>

c) Higher paid staff

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

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	3	1
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-

d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £533,653 (2022: £834,687).

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

9 Related Party Transactions – Trustees’ remuneration and expenses

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

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

		2022/23	2021/22
		£000	£000
Zoé Evans	Remuneration	90-95	85-90
(CEO and Accounting Officer)	Employer’s pension contributions paid	20-25	20-25

During the period ended 31 August 2023, travel and subsistence expenses totalling £70 were reimbursed or paid directly to one Trustee (2022: £91 to one Trustee).

10 Trustees’ and officers’ insurance

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

11 Central Services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

12 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2022	14,413,070	534,468	262,220	118,487	15,328,245
Acquisitions	211,416	76,881	43,428	-	331,725
At 31 August 2023	<u>14,624,486</u>	<u>611,349</u>	<u>305,648</u>	<u>118,487</u>	<u>15,659,970</u>
Depreciation					
At 1 September 2022	1,661,685	345,638	159,444	109,779	2,276,546
Charged in year	318,401	66,640	57,510	5,988	448,539
At 31 August 2023	<u>1,980,086</u>	<u>412,278</u>	<u>216,954</u>	<u>115,767</u>	<u>2,725,085</u>
Net book values					
At 31 August 2022	12,751,385	188,830	102,776	8,708	13,051,699
At 31 August 2023	<u>12,644,400</u>	<u>199,071</u>	<u>88,694</u>	<u>2,720</u>	<u>12,934,885</u>

13 Stock

	2022/23 £	2021/22 £
Other stocks	<u>9,873</u>	<u>9,078</u>

14 Debtors

	2022/23 £	2021/22 £
Trade debtors	2,384,450	248,896
VAT recoverable	65,929	61,688
Other debtors	20,536	10,036
Prepayments and accrued income	219,421	216,666
	<u>2,690,336</u>	<u>537,286</u>

15 Current asset investments

	2022/23 £	2021/22 £
Bank deposits	<u>50,000</u>	<u>50,000</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

16 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	192,698	176,717
Other taxation and social security	138,136	115,777
Other creditors falling due within one year	158,786	137,688
Accruals and deferred income	2,353,261	1,775,136
	<u>2,842,881</u>	<u>2,205,318</u>

	2022/23	2021/22
	£	£
Deferred income at 1 September 2022	1,681,821	1,332,757
Released from previous years	(1,681,821)	(1,332,757)
Resources deferred in the year	2,204,606	1,681,821
Deferred income at 31 August 2023	<u>2,204,606</u>	<u>1,681,821</u>

At the balance sheet date the academy trust was holding funds received in advance for grant funding which relates to the forthcoming financial year.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	261,468	3,957,059	(3,400,690)	(198,984)	-	618,853
Pupil premium	-	164,100	(164,100)	-	-	-
UIFSM	-	2,482	(2,482)	-	-	-
PE and sports grant	-	16,260	(16,260)	-	-	-
Teachers' pay grant	-	67,904	(67,904)	-	-	-
Teachers' pension grant	-	176,180	(176,180)	-	-	-
Other DfE grants	-	197,941	(197,941)	-	-	-
Local authority grants	-	5,724,778	(5,724,778)	-	-	-
Other government grants	-	105,939	(105,939)	-	-	-
Other educational activities	-	107,639	(107,639)	-	-	-
	261,468	10,520,282	(9,963,913)	(198,984)	-	618,853
Pension reserve	(1,167,000)	-	(261,000)	-	1,428,000	-
	(905,532)	10,520,282	(10,224,913)	(198,984)	1,428,000	618,853
Restricted fixed asset funds						
Fixed asset fund	13,051,699	-	(448,539)	331,725	-	12,934,885
ESFA capital grants (DFC)	-	72,755	-	(72,755)	-	-
Other capital grants	-	55,081	-	(55,081)	-	-
Donated fixed assets	-	4,905	-	(4,905)	-	-
	13,051,699	132,741	(448,539)	198,984	-	12,934,885
Total restricted funds	12,146,167	10,653,023	(10,673,452)	-	1,428,000	13,553,738
Total unrestricted funds	355,417	39,776	-	-	-	395,193
Total funds	12,501,584	10,692,799	(10,673,452)	-	1,428,000	13,948,931

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2022/23	2021/22
	£	£
Great Oaks School	237,469	47,453
Rosewood Free School	776,577	569,432
Total before fixed assets and pension reserve	1,014,046	616,885
Restricted fixed asset fund	12,934,885	13,051,699
Pension reserve	-	(1,167,000)
Total	13,948,931	12,501,584

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2022/23 Total £	2021/22 Total £
Great Oaks School	6,000,422	556,507	276,431	1,021,264	7,854,624	7,114,234
Rosewood Free School	1,669,482	504,325	31,320	165,162	2,370,289	2,569,958
	7,669,904	1,060,832	307,751	1,186,426	10,224,913	9,684,192

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

17 Funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	-	3,555,898	(3,167,338)	(127,092)	-	261,468
Pupil premium	-	141,569	(141,569)	-	-	-
UIFSM	-	2,498	(2,498)	-	-	-
Rates reclaim	-	23,130	(23,130)	-	-	-
PE and sports grant	-	16,230	(16,230)	-	-	-
Teachers' pay grant	-	61,501	(61,501)	-	-	-
Teachers' pension grant	-	166,281	(166,281)	-	-	-
Other DfE grants	-	83,734	(83,734)	-	-	-
Local authority grants	-	4,508,651	(4,508,651)	-	-	-
Other government grants	-	6,257	(6,257)	-	-	-
Other educational activities	-	189,003	(189,003)	-	-	-
	-	8,754,752	(8,366,192)	(127,092)	-	261,468
Pension reserve	(5,369,000)	-	(1,318,000)	-	5,520,000	(1,167,000)
	(5,369,000)	8,754,752	(9,684,192)	(127,092)	5,520,000	(905,532)
Restricted fixed asset funds						
Fixed asset fund	13,248,178	-	(366,580)	170,101	-	13,051,699
ESFA capital grants (DFC)	-	23,440	-	(23,440)	-	-
Donated fixed assets	-	19,569	-	(19,569)	-	-
	13,248,178	43,009	(366,580)	127,092	-	13,051,699
Total restricted funds	7,879,178	8,797,761	(10,050,772)	-	5,520,000	12,146,167
Total unrestricted funds	308,195	47,222	-	-	-	355,417
Total funds	8,187,373	8,844,983	(10,050,772)	-	5,520,000	12,501,584

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

18 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	12,934,885	12,934,885
Current assets	395,193	3,461,734	-	-	3,856,927
Current liabilities	-	(2,842,881)	-	-	(2,842,881)
Total net assets	<u>395,193</u>	<u>618,853</u>	<u>-</u>	<u>12,934,885</u>	<u>13,948,931</u>

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

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	13,051,699	13,051,699
Current assets	355,417	2,466,786	-	-	2,822,203
Current liabilities	-	(2,205,318)	-	-	(2,205,318)
Pension scheme liability	-	-	(1,167,000)	-	(1,167,000)
Total net assets	<u>355,417</u>	<u>261,468</u>	<u>(1,167,000)</u>	<u>13,051,699</u>	<u>12,501,584</u>

19 Long-term commitments, including operating leases

Operating leases

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

	2022/23 £	2021/22 £
Amounts due within one year	58,915	18,274
Amounts due between one and five years	<u>166,562</u>	<u>36,462</u>
	<u>225,477</u>	<u>54,736</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

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

	2022/23	2021/22
	£	£
Net income / (expenditure) for the reporting period	19,347	(1,205,789)
Adjusted for:		
Depreciation	448,539	366,580
Capital grants from DfE and other capital income	(132,741)	(43,009)
Interest receivable	(1,949)	(677)
Defined benefit pension scheme cost less contributions payable	210,000	1,232,000
Defined benefit pension scheme finance cost	51,000	86,000
(Increase) / decrease in stocks	(795)	2,590
(Increase) / decrease in debtors	(2,153,050)	153,148
Increase in creditors	637,563	512,330
Net cash (used in) / provided by Operating Activities	<u>(922,086)</u>	<u>1,103,173</u>

21 Cash flows from investing activities

	2022/23	2021/22
	£	£
Dividends, interest and rents from investments	1,949	677
Purchase of tangible fixed assets	(326,820)	(150,532)
Capital grants from DfE Group	72,755	23,440
Capital funding received from sponsors and others	55,081	-
Net cash used in investing activities	<u>(197,035)</u>	<u>(126,415)</u>

22 Analysis of cash and cash equivalents

	2022/23	2021/22
	£	£
Cash at bank and in hand	<u>1,106,718</u>	<u>2,225,839</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

23 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2023 £
Cash	2,225,839	(1,119,121)	-	-	-	1,106,718
Total	<u>2,225,839</u>	<u>(1,119,121)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,106,718</u>

24 Member liability

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

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £157,862 were payable to the schemes at 31 August 2023 (2022: £136,473) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four 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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

25 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £685,100 (2022: £591,354).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was as follows:

	2023	2022
	£	£
Employer's contributions	711,000	575,000
Employees' contributions	216,000	172,000
	<u>927,000</u>	<u>747,000</u>

The agreed contribution rates for future years are 17.9% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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.

Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	4.0%	3.7%
Rate of increase for pensions in payment/inflation	3.0%	2.7%
Discount rate for scheme liabilities	5.2%	4.0%
Inflation assumption (CPI)	3.0%	2.7%
Commutation of pensions to lump sums	<u>70.0%</u>	<u>70.0%</u>

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

	2023	2022
<i>Retiring today</i>		
Males	22.1	22.9
Females	<u>24.7</u>	<u>25.4</u>
<i>Retiring in 20 years</i>		
Males	22.6	24.7
Females	<u>25.7</u>	<u>27.1</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

25 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2023	2022
	£	£
Discount rate +0.1%	(174,000)	(201,000)
Discount rate -0.1%	174,000	201,000
Mortality assumption – 1 year increase	266,000	194,000
Mortality assumption – 1 year decrease	(266,000)	(194,000)
CPI rate +0.1%	171,000	187,000
CPI rate -0.1%	(171,000)	(179,000)

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

	2023	2022
	£	£
Equities	3,921,000	3,480,000
Gilts	2,126,000	914,000
Property	399,000	469,000
Cash and other liquid assets	199,000	54,000
Other	-	1,093,000
Total market value of assets	<u>6,645,000</u>	<u>6,010,000</u>

The actual return on scheme assets was a loss of £217,000 (2022: £379,000).

Amount recognised in the Statement of Financial Activities

	2022/23	2021/22
	£	£
Current service cost	921,000	1,807,000
Interest income	(257,000)	(103,000)
Interest cost	308,000	189,000
Total amount recognised in the SOFA	<u>972,000</u>	<u>1,893,000</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

25 Pension and similar obligations (continued)

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

	2022/23	2021/22
	£	£
At 1 September	7,177,000	11,083,000
Current service cost	921,000	1,807,000
Interest cost	308,000	189,000
Employee contributions	216,000	172,000
Actuarial gain	(1,902,000)	(6,002,000)
Benefits paid	(75,000)	(72,000)
At 31 August	<u>6,645,000</u>	<u>7,177,000</u>

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

	2022/23	2021/22
	£	£
At 1 September	6,010,000	5,714,000
Interest income	257,000	103,000
Actuarial loss	(474,000)	(482,000)
Employer contributions	711,000	575,000
Employee contributions	216,000	172,000
Benefits paid	(75,000)	(72,000)
At 31 August	<u>6,645,000</u>	<u>6,010,000</u>

Specialist Schools Trust Ltd

Notes to the Financial Statements for the Year Ended 31 August 2023

26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period:

The Rose Road Association – a charitable company in which Z Evans (Accounting Officer) is a trustee:

- The Academy Trust purchased services from The Rose Road Association totalling £80,419 (2022: £93,997) during the period. £11,253 was outstanding to The Rose Road Association at 31 August 2023 (2022: £25,688).
- The academy trust made sales to The Rose Road Association totalling £15,796 (2022: £4,848) during the period. £1,897 was outstanding from The Rose Road Association at 31 August 2023 (2022: £nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Z Evans neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022.
- The element above £2,500 has been provided 'at no more than cost' and The Rose Road Association Limited has provided a statement of assurance confirming this.

Avenues College Limited – a charitable company in which Z Evans (Accounting Officer) is a trustee:

- The Academy Trust purchased services from Avenues College Limited totalling £96 (2022: £nil) during the period. £96 was outstanding to Avenues College Limited at 31 August 2023 (2022: £nil).
- The Academy Trust made sales to Avenues College Limited totalling £79,829 (2022: £78,858) during the period. £83,667 was outstanding from Avenues College Limited at 31 August 2023 (2022: £17,058).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Z Evans neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022.

Signalong, the Communication Charity ("Signalong") – a charitable company in which A Evans (a member of key management personnel and close family member of Z Evans) is a trustee:

- The Academy Trust made purchases from Signalong totalling £3,253 (2022: £4,636) during the period. There were no amounts outstanding at 31 August 2023 (2022: £nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which A Evans neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022.
- The element above £2,500 has been provided 'at no more than cost' and Signalong has provided a statement of assurance confirming this.