

Company Registration Number: 07892732 (England & Wales)

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Feltons
Chartered Accountants

Birmingham
B1 3JR

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Fiona Dennis-Stephens Greg Scott-Cook Helen Scott-Cook (resigned 12/7/2023) Manjit Shellis Robert Harvey (resigned 25/5/2023)
Trustees	Greg Scott-Cook, Chair ¹ Aalia Akram ¹ Vinod Patel (appointed 8/2/2023) ² Mahboob Hussain ² Satnam Nazran ³ Robert Harvey (resigned 25/5/2023) ² Karen Slater, Headteacher and Accounting Officer Isobel Simmons (appointed 28/9/2022) ² Shahin Vohra (resigned 24/3/2023) ¹ Zubina Ziebeck ³ Helen Scott-Cook (resigned 12/7/2023) ¹ Fiona Dennis-Stephens ⁴ Manjit Shellis ² ¹ Parent trustee ² Community trustee ³ Staff trustee ⁴ Parent/Community Trustee
Company registered number	07892732
Company name	Hall Green Secondary School
Principal and registered office	Southam Road Hall Green Birmingham B28 0AA
Company secretary	Michael Hosfield
Senior management team	Karen Slater, Headteacher Andrew Simson, Deputy Headteacher Michael Hosfield, Deputy Headteacher Shelley Paxton-Gault, Assistant Headteacher Juan Rodriguez, Assistant Headteacher Jo Hill, Senior Leader: Inclusion and SENCo (appointed 01/01/2023) Cazz McLoughlin, Senior Leader: Inclusion and SENCo (resigned 12/12/2022)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Independent auditors	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank plc The Cross Worcester WR1 3PY
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

HALL GREEN SECONDARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in Hall Green, Birmingham. It has a pupil capacity of 900 and had a roll of 920 in the school census on 5 October 2023.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The trustees of Hall Green Secondary School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Hall Green Secondary School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of trustees

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff trustees are elected by employees of the academy trust.

The above selection procedures are organised around parent ballots for all parental trustees and staff ballots for staff representatives on the Governing Body.

e. Policies adopted for the induction and training of trustees

The board of trustees has a service level agreement with School and Governor Support, a traded service provided by Birmingham Local Education Authority to provide training, advice and support to the board of trustees. Training is also available through The Key for School Leaders and the School's HR provider.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs.

One of the trustees is appointed as link trustee, attends relevant training and provides information to trustees following such training. The link trustee also manages the training of the Governing Body as a whole to ensure that there are sufficient skills and expertise within the Governing Body to hold the school to account.

The Designated Safeguarding Lead ensures that trustees are provided with opportunities to receive training in accordance with safeguarding requirements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

f. Organisational structure

The Governing Body has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance & General Purposes Committee
- Audit and Risk Committee
- Pay Committee
- Pastoral & Curriculum

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The Governing Body also appoints an External Auditor and this role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to whole school matters are reserved for the board of trustees. Those responsibilities delegated to management include whole school spending within certain limits according to the Scheme of Delegation.

g. Arrangements for setting pay and remuneration of key management personnel

The Governing Body agrees the Academy Pay Policy every year using the annual School Teachers' Pay and Conditions Document (STPCD) issued by the Department for Education. The Senior Leadership Team pay is calculated using the guidance in STPCD based on the size of the school. The Governing Body also agrees the school Teacher and Support Staff Appraisal Policies which describe how pay increments are agreed for the Senior Leadership Team. Trustees that are not employed by the school do not receive payment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	3,889
Total pay bill	5,287,884
Percentage of total pay bill spent on facility time	0.074 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.035 %
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i. Related parties and other connected charities and organisations

There was one related party as shown in note 27.

Objectives and activities

a. Objects and aims

The strategic goal of Hall Green Secondary School is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

Hall Green Secondary School is a school that continually seeks to build on the successes of the past and adapt to the needs of the future. Our vision for the future, and the way we work, day to day, is based on strong foundations. Hall Green Secondary School is a popular, vibrant and successful school with a track record of high standards and excellent outcomes for pupils of all backgrounds and abilities. The diversity of the school population enriches the lives of all the community and has earned the school an enviable reputation for inclusion.

We place great emphasis on pupils achieving excellent qualifications as well as developing high quality personal and social skills, enabling pupils to be respectful, engaged, and happy citizens. This focus on the holistic development of each and every pupil is central to everything we do and based on our CARE values: Compassion, Ambition, Responsibility, and Excellence.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Our Governing Body and staff are committed to providing the very best for the children in our care.

Long term aims of the academy are:

1. Develop a wide variety of high quality, inclusive academic, personal, and social opportunities to enable all pupils to achieve their full potential, developing ambition in their choices when they leave school.
2. Ensure those with barriers to success, whether due to internal or external factors, are provided with the support needed to be successful and achieve excellence.
3. Develop a Hall Green identity and feeling of belonging through developing pupils' sense of individual and collective responsibility.
4. Develop a culture focused upon positive pupil and staff wellbeing, encouraging compassion for all.

b. Objectives, strategies and activities

The main objective for the year is:

Develop an excellent learning ethos and attitude across the whole community.

This will be achieved through developing: -

- a. High quality curriculum
- b. High quality intervention

The strategies adopted for achieving these objectives are:

- Develop a high quality curriculum
- Develop high quality intervention

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Continuing to implement high quality provision.
- Implementing additional intervention programmes to support pupils who have been disadvantaged due to the pandemic.
- Providing additional mental and wellbeing support for all pupils.
- Development of the layout of offices and the welfare area to improve efficiency, effectiveness, and confidentiality
- Development of the pupil toilets to improve privacy for individuals by increasing the ability for adult supervision to enhance pupils' safety.
- Increase the attendance rates of pupils.
- Development of our IT systems to improve the efficiency and effectiveness.
- Ensuring school budget is on track through an unpredictable year

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Hall Green Secondary School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour, age or sexual orientation

Strategic report

Achievements and performance

a. Key performance indicators

The School continues to evolve and adapt to the ever-changing educational environment. The School is committed to continual improvement, which is achieved in a number of ways, including improvement planning, reviews, continual professional development, lesson observations, appraisal, self-evaluation, data analysis and action planning. The particular achievements during the year ended 31 August 2023 were as follows:

- The school continues to be oversubscribed with 920 on roll and a waiting list for each year group.
- The school was judged to be 'good' in the latest Ofsted inspection in October 2019.
- Attendance rates tracked very close to national rates through 2022/23 with an award for the autumn term received for being in the top 25% of schools nationally.
- Attendance for our disadvantaged pupils exceeds that of disadvantaged pupils nationally and the gap between disadvantaged pupils and others is also smaller.
- In 2022 our Progress 8 was +0.33 and placed the school in the top third of all schools nationally; the school has been on an upward trajectory for 7 years.
- In the 2022 IDSR, our basics at 9-4 and 9-5 in 2022 are above national averages for all schools (58.5% 9-5 in English & maths and 75.6% in 9-4 English and maths). Pupil Premium basics are 49.1% 9-5 English and maths and 65.2% 9-4 English and maths. This rises to 56.4% 9-5 EnMa and 70.9% 9-4 English and maths when outliers are excluded.
- In 2023, 9-4 English and maths has remained in line with the national average.
- The School was selected by the Social Mobility Commission as excelling in closing the disadvantaged gap and identified the quality and experience of staff as the school's 'hidden resource'.
- GL Assessments in KS3 show pupils consistently performing above national averages in the basics and have caught up with lost learning caused by the pandemic. 2023 GLS – Y7 English 101.7, Y8 English 102.3, Maths 102.1 Y9 101.4 English, 100.7 Maths.
- In line with the Gatsby Benchmarks of Quality Careers Guidance pupils experience a very high quality careers programme.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

- NEET figures for departing Y11 are consistently low. The school's NEET figure as at the October after they have left Y11 is consistently no more than 1%.
- Attendance at extracurricular clubs has seen a 44.8% rise during the year 2022-23 with strategic targeting of underachieving boys.
- There has been a significant increase in the number of leadership opportunities for pupils, with specific targeting of those who are reluctant to put themselves forward.

b. Financial metrics

- Direct costs as a percentage of total costs were 71.5% (2022 : 70.4%)
- Support costs as a percentage of total costs were 28.5% (2022 : 29.6%)
- Total payroll costs as a percentage of recurring income were 82.9% (2022 : 88.4%)

c. Going concern

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

Financial review

The financial results of Hall Green Secondary School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted and requirements are laid down by the Academy Trust Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2023 total resources expended were £7,025,295 and the surplus of income over expenditure was £73,174 which included depreciation of £164,996.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes. The aim is to maintain a contingency fund of at least 10% of the total income of the school. Any additional surplus is directed towards the infrastructure and maintenance schedule for the school or significant time-limited initiatives to support the school's development plan.

The academy had total funds at 31 August 2023 of £9,252,958 which included £1,117,794 restricted funds not available for general purposes of the academy trust and £8,385,164 which can only be realised by the disposal of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £9,502,958.

In addition, the deficit on the restricted pension fund of £250,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary. This will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years.

Restricted general reserves at 31 August 2023 represent 1.9 months of income.

b. Investment policy

Any surplus funds are invested with Lloyds Bank in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

c. Principal risks and uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focused on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. As part of the risk management of the school, the board of trustees has also commissioned a visit from external consultants to audit the health and safety provision of the school and provide advice on managing future risks.

Educational and Pupil Numbers

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate the risk of standards dropping, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. There is a nominated safeguarding link Trustee.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes to the National Funding Formula for schools. Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme(s), and premises costs will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balanced budgets in the future. The Trustees examine the financial health of the Academy Trust 6 times a year, reviewing performance against budgets and overall expenditure by means of regular update reports at Finance and General Purpose Committee meetings.

Staffing

The success of the Academy Trust is reliant on its staff so the Trustees monitor and review policies and procedures to ensure development and training of staff as well as ensuring there is clear succession planning and effective recruitment procedures in place.

Fundraising

The academy trust does not use any external fundraisers.

Plans for future periods

The school's aims as set out in the School Development Plan and on the school website. They are:

1. Develop a wide variety of high quality, inclusive academic, personal, and social opportunities to enable all pupils to achieve their full potential, developing ambition in their choices when they leave school.
2. Ensure those with barriers to success, whether due to internal or external factors, are provided with the support needed to be successful and achieve excellence.
3. Develop a Hall Green identity and feeling of belonging through developing pupils' sense of individual and collective responsibility.
4. Develop a culture focused upon positive pupil and staff wellbeing, encouraging compassion for all.

The priorities for 2023-2024 are:

The main objective for the year is:

Develop an excellent learning ethos and attitude across the whole community.

This will be achieved through developing: -

- a. High quality curriculum
- b. High quality intervention

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Disclosure of information to auditors

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29 November 2023 and signed on its behalf by:


.....
Greg Scott-Cook
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hall Green Secondary School 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Karen Slater, Headteacher and Accounting Officer	7	7
Aalia Akram	1	7
Mrs Fiona Dennis-Stephens	6	7
Robert Harvey (resigned 25/05/2023)	5	5
Mahboob Hussain	4	7
Satnam Nazran	5	7
Vinod Patel (appointed 08/02/2023)	3	3
Greg Scott-Cook, Chair	7	7
Helen Scott-Cook (resigned 12/7/2023)	7	7
Manjit Shellis	7	7
Isobel Simmons (appointed 28/09/2022)	7	7
Mrs Shahin Vohra (resigned 24/03/2023)	1	5
Zubina Ziebeck	6	7

The Governing Body undertake an annual skills audit. In 2022/23 the findings showed the Governing Body had a good range of skills and expertise to support its work. Recruitment continued to focus on areas that were considered to be areas for development, namely governors with school leadership experience and financial experience.

Subsequent to this the following actions were taken:

- Discussions about the future direction of the academy with partnerships explored
- Appointment of new Governors with school leadership and financial experience
- An initial review of the Articles of Association

The trust intends to conduct its next external review in Autumn 2023.

Diversity

The board consists of a diverse group of individuals and seeks to reflect the community it serves when appointing new trustees.

Conflicts of interest

The board of trustees maintains an up to date Register of Interests. An annual Business Interest declaration is completed in September by each trustee. It is an agenda item for the clerk to ask at the start of the meeting if there have been any changes in the pecuniary interests. Any changes are recorded in the minutes of the meeting. If a new trustee joins during the year, the form is completed at their first meeting. If a trustee has a pecuniary interest the clerk ensures that the trustee leaves the meeting if a discussion takes place which could cause a conflict of interest.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance review

A review of governance was undertaken during the year which found that the board would benefit from:

- Reviewing the Articles of Association
- Moving towards the Government's ambition of being part of a multi-academy trust

Subsequent to this the following actions were taken:

- Meetings held with potential partners to explore the possibilities for a being within a multi-academy trust.
- The board have begun reviewing the Articles of Association
- The trust intends to conduct its next self-evaluation/external review in Autumn 2023.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to:

- assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- make appropriate comments and recommendations on such matters to the governing body on a regular basis.

The committee met 6 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Karen Slater (Headteacher and Accounting Officer)	6	6
Robert Harvey (resigned 25/05/2023)	5	5
Mahboob Hussain	4	6
Vinod Patel (appointed 08/02/2023)	3	3
Greg Scott-Cook	6	6
Isobel Simmons (appointed 28/09/2022)	5	5
Manjit Shellis	5	6

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to agree a programme of works to prioritise its assurance on financial controls and risks and report to the governing body in accordance with the Academy Trust Handbook as published by the ESFA.

The committee met 4 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Karen Slater (Headteacher and Accounting Officer)	4	4
Robert Harvey (resigned 25/05/2023)	4	4
Mahboob Hussain	3	4
Vinod Patel (appointed 08/02/2023)	1	1
Greg Scott-Cook	3	4
Isobel Simmons (appointed 28/09/2022)	3	3
Manjit Shellis	3	4

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by :

- Constant reviewing both the quality and quantity of curriculum resource, such as training, teaching resources, and staff roles.
- The school has employed additional temporary staff to ensure the post pandemic plan is successful.
- Exit interviews are focused upon ways in which the school can improve.
- The school engages with other educational providers/services to enhance provision e.g. Birmingham Education Partnership, South Area Network, King Edwards Consortium, Birmingham Special Forum.
- Summer School was run as an opportunity for the new Year 7 pupils to aid transition.
- All windows have been upgraded across the school to improve efficiencies.
- An application has been submitted to the local authority to further develop the site for pupils with physical disabilities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hall Green Secondary School for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- identification and management of risks.

The board of trustees has decided to buy-in an internal audit service from Services 4 Schools.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial and wider systems. In particular the check carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- extensive testing of cyber security measures

On at least a half termly basis, the Chief Financial Officer/Bursar reports to the board of trustees, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal reviewer has delivered their schedule of work as planned. There were no material control issues arising as a result of the internal reviewer's work.

Review of effectiveness

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

- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.
- internal scrutiny reports completed by an external reviewer
- the work of the external auditors;

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

Approved by order of the members of the board of trustees on 29 November 2023 and signed on their behalf by:


.....
Greg Scott-Cook
Chair of Trustees


.....
Karen Slater
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hall Green Secondary School I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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



Karen Slater
Accounting Officer
Date: 29 November 2023

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

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



.....

Greg Scott-Cook
Chair of Trustees
Date: 29 November 2023

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HALL GREEN SECONDARY SCHOOL**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HALL GREEN SECONDARY SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HALL GREEN SECONDARY SCHOOL (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We reviewed the academy's control and risk management procedures and planned our work based on our assessment of those controls and procedures;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HALL GREEN SECONDARY SCHOOL (CONTINUED)**

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior statutory auditor)

For and on behalf of Feltons

8 Sovereign Court
8 Graham Street
Birmingham
B1 3JR

30 November 2023

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HALL GREEN SECONDARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Green Secondary School during the year 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 Hall Green Secondary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hall Green Secondary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hall Green Secondary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hall Green Secondary School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hall Green Secondary School's funding agreement with the Secretary of State for Education dated 1 February 2012 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 year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the Academy Trust's funding agreement.
- Review and evaluation of the Academy Trust's system of internal controls.
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
HALL GREEN SECONDARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons
Statutory auditor

8 Sovereign Court
8 Graham Street
Birmingham
B1 3JR

Date: 30 November 2023

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	-	354,193	354,193	12,232
Investments	5	8,263	-	-	8,263	462
Charitable activities		128,116	6,607,897	-	6,736,013	6,396,870
Total income		136,379	6,607,897	354,193	7,098,469	6,409,564
Expenditure on:						
Charitable activities	7	136,379	6,723,920	164,996	7,025,295	6,824,321
Total expenditure		136,379	6,723,920	164,996	7,025,295	6,824,321
Net (expenditure)/ income		-	(116,023)	189,197	73,174	(414,757)
Transfers between funds	17	-	(59,404)	59,404	-	-
Net movement in funds before other recognised gains		-	(175,427)	248,601	73,174	(414,757)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes		-	1,360,000	-	1,360,000	4,774,000
Net movement in funds		-	1,184,573	248,601	1,433,174	4,359,243
Reconciliation of funds:						
Total funds brought forward		-	(316,779)	8,136,563	7,819,784	3,460,541
Movement in funds		-	1,184,573	248,601	1,433,174	4,359,243
Total funds carried forward		-	867,794	8,385,164	9,252,958	7,819,784

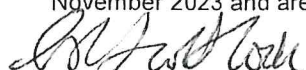
The Statement of Financial Activities includes all gains and losses recognised in the year.
All of the company's activities derive from continuing operations during the above two financial periods.

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07892732

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	8,257,067	8,136,563
		<u>8,257,067</u>	<u>8,136,563</u>
Current assets			
Debtors	14	335,830	138,894
Cash at bank and in hand		1,245,374	2,820,049
		<u>1,581,204</u>	<u>2,958,943</u>
Creditors: falling due within one year	15	(335,313)	(1,762,722)
Net current assets		<u>1,245,891</u>	<u>1,196,221</u>
Total assets less current liabilities		<u>9,502,958</u>	<u>9,332,784</u>
Net assets excluding pension liability		<u>9,502,958</u>	<u>9,332,784</u>
Defined benefit pension scheme liability	24	(250,000)	(1,513,000)
Total net assets		<u><u>9,252,958</u></u>	<u><u>7,819,784</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	8,385,164	8,136,563
Restricted income funds	17	1,117,794	1,196,221
		<u>9,502,958</u>	<u>9,332,784</u>
Restricted funds excluding pension asset	17	9,502,958	9,332,784
Pension reserve	17	(250,000)	(1,513,000)
Total restricted funds	17	<u>9,252,958</u>	<u>7,819,784</u>
Unrestricted income funds	17	-	-
Total funds		<u><u>9,252,958</u></u>	<u><u>7,819,784</u></u>

The financial statements on pages 26 to 52 were approved by the trustees, and authorised for issue on 29 November 2023 and are signed on their behalf, by:


Greg Scott-Cook
Chair of Trustees

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(1,651,631)	2,153,125
Cash flows from investing activities	20	76,956	(138,590)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(1,574,675)	2,014,535
Cash and cash equivalents at the beginning of the year		2,820,049	805,514
Cash and cash equivalents at the end of the year	21, 22	<hr/> 1,245,374 <hr/>	<hr/> 2,820,049 <hr/>

The notes on pages 29 to 52 form part of these financial statements

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

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.

1.1 Basis of preparation of financial statements

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

Hall Green Secondary School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy 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 'Stocks' 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 or into the academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Freehold property	-	2% on a straight line basis
Furniture and equipment	-	33% on a reducing balance basis
Computer equipment	-	33% on a straight line basis
Motor vehicles	-	33% on a reducing balance basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

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

HALL GREEN SECONDARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2023

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

3. Income from donations and capital grants

	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Capital Grants	354,193	354,193	12,232
<i>Total 2022</i>	<u>12,232</u>	<u>12,232</u>	

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4. Funding for the academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational operations				
DfE/ESFA grants				
General Annual Grant	-	5,548,914	5,548,914	5,384,580
Other DfE/ESFA grants				
Pupil premium	-	349,467	349,467	338,277
National Tutoring Programme	-	-	-	55,496
Supplementary Schools Grant	-	-	-	73,495
Others	-	433,189	433,189	53,772
	-	6,331,570	6,331,570	5,905,620
Other Government grants				
Local authority grants	-	276,327	276,327	275,208
	-	276,327	276,327	275,208
Other income from the academy's educational operations	128,116	-	128,116	164,755
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	51,287
	-	-	-	51,287
	128,116	6,607,897	6,736,013	6,396,870
	128,116	6,607,897	6,736,013	6,396,870
<i>Total 2022</i>	<u>164,755</u>	<u>6,232,115</u>	<u>6,396,870</u>	

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5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	8,263	8,263	462
<i>Total 2022</i>	462	462	

6. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations:					
Direct costs	4,434,824	84,822	505,964	5,025,610	4,804,737
Allocated support costs	1,256,902	431,863	310,920	1,999,685	2,019,584
	<u>5,691,726</u>	<u>516,685</u>	<u>816,884</u>	<u>7,025,295</u>	<u>6,824,321</u>
<i>Total 2022</i>	<u>5,652,289</u>	<u>520,984</u>	<u>651,048</u>	<u>6,824,321</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational operations	136,379	6,888,916	7,025,295	6,824,321
<i>Total 2022</i>	<u>165,217</u>	<u>6,659,104</u>	<u>6,824,321</u>	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	5,025,610	1,999,685	7,025,295	6,824,321
<i>Total 2022</i>	<u>4,804,737</u>	<u>2,019,584</u>	<u>6,824,321</u>	

Analysis of support costs

	Educational operations 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,256,902	1,256,902	1,433,587
Depreciation	80,174	80,174	93,016
Technology costs	16,725	16,725	27,104
Premises costs	343,941	343,941	279,003
Legal costs	79,829	79,829	30,949
Other support costs	212,789	212,789	147,475
Governance costs	9,325	9,325	8,450
	<u>1,999,685</u>	<u>1,999,685</u>	<u>2,019,584</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Operating lease rentals	14,657	14,722
Depreciation of tangible fixed assets	164,996	197,139
Fees paid to auditors for:		
- audit	<u>9,325</u>	<u>8,450</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	4,033,438	3,809,890
Social security costs	402,422	388,041
Pension costs	949,024	1,330,926
	<u>5,384,884</u>	<u>5,528,857</u>
Agency staff costs	306,842	123,432
	<u>5,691,726</u>	<u>5,652,289</u>

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	68	86
Administration and support	69	51
Management	5	5
	<u>142</u>	<u>142</u>

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10. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	1
	2	4

d. Key management personnel

The key management personnel of the academy 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 was £698,448 (2022 £597,242).

11. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2023	2022
		£'000	£'000
Mrs Zubina Ziebeck	Remuneration	50 - 55	45 - 50
	Pension contributions paid	10 - 15	10 - 15
Miss Karen Slater (Accounting Officer)	Remuneration	95 - 100	90 - 95
	Pension contributions paid	20 - 25	20 - 25
Mr Satnam Nazran	Remuneration	30 - 35	30 - 35
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2023, no trustee expenses have been incurred (2022 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	9,268,908	518,498	363,224	34,285	10,184,915
Additions	206,867	21,590	57,043	-	285,500
At 31 August 2023	<u>9,475,775</u>	<u>540,088</u>	<u>420,267</u>	<u>34,285</u>	<u>10,470,415</u>
Depreciation					
At 1 September 2022	1,189,792	505,737	318,538	34,285	2,048,352
Charge for the year	129,378	10,818	24,800	-	164,996
At 31 August 2023	<u>1,319,170</u>	<u>516,555</u>	<u>343,338</u>	<u>34,285</u>	<u>2,213,348</u>
Net book value					
At 31 August 2023	<u><u>8,156,605</u></u>	<u><u>23,533</u></u>	<u><u>76,929</u></u>	<u><u>-</u></u>	<u><u>8,257,067</u></u>
At 31 August 2022	<u><u>8,079,116</u></u>	<u><u>12,761</u></u>	<u><u>44,686</u></u>	<u><u>-</u></u>	<u><u>8,136,563</u></u>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	3,100	2,546
Other debtors	48,313	39,764
Prepayments and accrued income	284,417	96,584
	<u><u>335,830</u></u>	<u><u>138,894</u></u>

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15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other creditors	326,592	1,684,623
Accruals and deferred income	8,721	78,099
	335,313	1,762,722
	2023	2022
	£	£
Deferred income		
Resources deferred during the year	8,721	-

At the balance sheet date the academy trust was holding funds received in advance for rates relief funding from ESFA.

16. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,245,374	2,820,049

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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17. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Other income	-	136,379	(136,379)	-	-	-
Restricted general funds						
GAG	1,156,221	5,548,914	(6,157,937)	(59,404)	-	487,794
Pupil premium	-	349,467	(349,467)	-	-	-
Recovery premium	40,000	-	(40,000)	-	-	-
Other grants	-	709,516	(79,516)	-	-	630,000
Pension reserve	(1,513,000)	-	(97,000)	-	1,360,000	(250,000)
	<u>(316,779)</u>	<u>6,607,897</u>	<u>(6,723,920)</u>	<u>(59,404)</u>	<u>1,360,000</u>	<u>867,794</u>
Restricted fixed asset funds						
Transfer on conversion	6,845,826	-	(129,377)	-	-	6,716,449
DfE Group capital grants	860,008	354,193	(24,801)	-	-	1,189,400
Capital expenditure from unrestricted fund	48,875	-	-	-	-	48,875
Capital spend from GAG	380,454	-	(10,818)	59,404	-	429,040
Other government funding	1,400	-	-	-	-	1,400
	<u>8,136,563</u>	<u>354,193</u>	<u>(164,996)</u>	<u>59,404</u>	<u>-</u>	<u>8,385,164</u>
Total Restricted funds	<u>7,819,784</u>	<u>6,962,090</u>	<u>(6,888,916)</u>	<u>-</u>	<u>1,360,000</u>	<u>9,252,958</u>
Total funds	<u><u>7,819,784</u></u>	<u><u>7,098,469</u></u>	<u><u>(7,025,295)</u></u>	<u><u>-</u></u>	<u><u>1,360,000</u></u>	<u><u>9,252,958</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds (continued)

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

Restricted general funds :

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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

Unrestricted funds :

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds :

These comprise resources which are to be applied to specific capital purposes imposed by the Department for Education Group where the asset acquired or created is held for a specific purpose.

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Other income	-	165,217	(165,217)	-	-	-
Restricted general funds						
GAG	1,013,297	5,384,580	(5,151,389)	(90,267)	-	1,156,221
Pupil premium	-	338,277	(338,277)	-	-	-
Recovery premium	59,858	51,287	(71,145)	-	-	40,000
Other DfE/ESFA Covid-19 funding	25,183	-	(25,183)	-	-	-
Other grants	-	457,971	(457,971)	-	-	-
Pension reserve	(5,869,000)	-	(418,000)	-	4,774,000	(1,513,000)
	<u>(4,770,662)</u>	<u>6,232,115</u>	<u>(6,461,965)</u>	<u>(90,267)</u>	<u>4,774,000</u>	<u>(316,779)</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
Transfer on conversion	6,950,179	-	(104,353)	-	-	6,845,826
DfE Group capital grants	904,433	12,232	(56,657)	-	-	860,008
Capital spend from unrestricted fund	52,609	-	(3,734)	-	-	48,875
Capital spend from GAG	322,481	-	(32,294)	90,267	-	380,454
Other government funding	1,501	-	(101)	-	-	1,400
	<u>8,231,203</u>	<u>12,232</u>	<u>(197,139)</u>	<u>90,267</u>	<u>-</u>	<u>8,136,563</u>
Total Restricted funds	<u>3,460,541</u>	<u>6,244,347</u>	<u>(6,659,104)</u>	<u>-</u>	<u>4,774,000</u>	<u>7,819,784</u>
Total funds	<u><u>3,460,541</u></u>	<u><u>6,409,564</u></u>	<u><u>(6,824,321)</u></u>	<u><u>-</u></u>	<u><u>4,774,000</u></u>	<u><u>7,819,784</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	8,257,067	8,257,067
Current assets	1,453,107	128,097	1,581,204
Creditors due within one year	(335,313)	-	(335,313)
Provisions for liabilities and charges	(250,000)	-	(250,000)
Total	<u><u>867,794</u></u>	<u><u>8,385,164</u></u>	<u><u>9,252,958</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	8,136,563	8,136,563
Current assets	2,958,943	-	2,958,943
Creditors due within one year	(1,762,722)	-	(1,762,722)
Provisions for liabilities and charges	(1,513,000)	-	(1,513,000)
Total	<u>(316,779)</u>	<u>8,136,563</u>	<u>7,819,784</u>

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	<u>73,174</u>	<u>(414,757)</u>
Adjustments for:		
Depreciation	164,996	196,639
Capital grants from DfE and other capital income	(354,193)	(12,232)
Interest receivable	(8,263)	(462)
Defined benefit pension scheme cost less contributions payable	32,000	317,000
Defined benefit pension scheme finance cost	65,000	99,000
(Increase)/decrease in debtors	(196,936)	411,037
(Decrease)/increase in creditors	(1,427,409)	1,556,900
Net cash (used in)/provided by operating activities	<u>(1,651,631)</u>	<u>2,153,125</u>

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20. Cash flows from investing activities

	2023	2022
	£	£
Dividends, interest and rents from investments	8,263	462
Purchase of tangible fixed assets	(285,500)	(151,284)
Capital grants from DfE Group	354,193	12,232
Net cash provided by/(used in) investing activities	76,956	(138,590)

21. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	1,245,374	2,820,049
Total cash and cash equivalents	1,245,374	2,820,049

22. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	2,820,049	(1,574,675)	1,245,374
	2,820,049	(1,574,675)	1,245,374

23. Capital commitments

	2023	2022
	£	£
Contracted for but not provided in these financial statements		
CIF Project - Windows	91,150	-
	91,150	-

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24. Pension commitments

The academy'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £604,506 (2022 - £586,925).

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

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

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £359,000 (2022 - £394,000), of which employer's contributions totalled £283,000 (2022 - £328,000) and employees' contributions totalled £ 76,000 (2022 - £66,000). The agreed contribution rates for future years are 25 per cent for employers and between 5.5 per cent and 6.8 per cent for employees.

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

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 21 years.

Principal actuarial assumptions

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	4.00	4.05
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05
Commutation of pensions to lump sums	50.00	50.00

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	22.2	21.2
Females	23.9	23.6
<i>Retiring in 20 years</i>		
Males	21.0	22.9
Females	25.1	25.4

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24. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(125,000)	(151,000)
Discount rate -0.1%	125,000	151,000
Mortality assumption - 1 year increase	233,000	282,000
Mortality assumption - 1 year decrease	(233,000)	(282,000)
CPI rate +0.1%	112,000	132,000
CPI rate -0.1%	(112,000)	(132,000)

Share of scheme assets

The academy's share of the assets in the scheme was:

	At 31 August 2023	At 31 August 2022
	£	£
Equities	3,797,000	3,707,000
Corporate bonds	1,173,000	1,162,000
Property	391,000	443,000
Cash/liquidity	223,000	221,000
Total market value of assets	5,584,000	5,533,000

The actual negative return on scheme assets was 1.2% (2022 - £-162,360).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	2022
	£	£
Current service cost	315,000	668,000
Interest cost	65,000	99,000
Total amount recognised in the Statement of Financial Activities	380,000	767,000

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24. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	7,046,000	11,281,000
Interest cost	304,000	191,000
Employee contributions	76,000	66,000
Benefits paid	(171,000)	(104,000)
Current service cost	315,000	668,000
Experience loss/(gain) on defined benefit obligation	(273,000)	16,000
Changes in demographic assumptions	(41,000)	(37,000)
Changes in financial assumptions	(1,422,000)	(5,035,000)
At 31 August	5,834,000	7,046,000

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

	2023 £	2022 £
At 1 September	5,533,000	5,412,000
Employer contributions	283,000	328,000
Interest income	239,000	92,000
Employee contributions	76,000	66,000
Benefits paid	(171,000)	(104,000)
Experience loss/(gain) on defined benefit obligation	(72,000)	-
Return on assets less interest	(304,000)	(261,000)
At 31 August	5,584,000	5,533,000

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25. Operating lease commitments

At 31 August 2023 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Other		
Not later than 1 year	11,870	14,567
Later than 1 year and not later than 5 years	1,236	25,866
	<u>13,106</u>	<u>40,433</u>

26. Members' liability

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

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27. Related party transactions

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

	2023	2022
	£	£
The following related party transaction took place during the period:		
The Reach Free School The current headteacher is a trustee (1 January 2022)		
Fees charge from related party during the year	7,704	700
Manjit Shellis A member of the trust		
Consultancy services provided to the academy during the year.	-	450
	7,704	1,150

The trust conducted this transaction at arms' length.