

**Company registration number 08515149 (England and Wales)**

**SCHOLARS ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

# SCHOLARS ACADEMY TRUST

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# SCHOLARS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

J Berry OBE JP (Resigned 18 January 2022)  
J Bryars  
J Green  
M Johal  
M Kapur OBE  
H Elliott (Appointed 18 January 2022)

### Trustees

J Berry OBE JP  
A Fulat (Appointed 28 September 2021)  
A Kagdadia (Appointed 28 September 2021)  
I Hassall OBE nee Sandhu OBE  
L Bruce  
S Richards  
R Padgett  
P Thompson (Resigned 30 November 2021)  
M Garfield (Appointed 5 April 2022)  
S Ridley (Appointed 5 April 2022)  
G Smith (Appointed 30 November 2021)

### Executive Management Team

- Executive Headteacher	I Hassall OBE nee Sandhu OBE
- Education Improvement Lead	K Priddey
- Chief Financial Officer	T Jones
- Chief Operations Officer	M Barrington (appointed 1 September 2021)

### Senior management team

- HeadTeacher (Launde Primary School)	K Priddey
- Deputy Head Teacher (Launde Primary School)	S Meer (appointed 23 August 2022)
- KS1 Foundation Leader (Launde Primary School)	M Barratt (appointed 1 September 2021)
- KS2 Leader (Launde Primary School)	C Johnston
- Head Teacher (Glenfield Primary School)	K Martin
- Deputy Head Teacher (Glenfield Primary School)	S Kaur (maternity leave 1 September 2021 to 1 June 2022)
- Acting Deputy Head Teacher (Glenfield Primary School)	J Mukadam / A Thompson (1 September 2021 through to 31 August 2022)
- Assistant Deputy Headteacher (Glenfield Primary School)	N Quinn

### Company secretary

R Wood

### Company registration number

08515149 (England and Wales)

### Academies operated

Launde Primary School  
Glenfield Primary School  
Foxbridge Primary School

### Location

Oadby  
Glenfield  
Castle Donington

### Head Teacher

K Priddey  
K Martin  
P Bridgwood

In addition to the academies listed above, Foxbridge Primary School came into the trust on 1 September 2022. Foxbridge Primary school is located in Castle Donington and the principal is P Bridgwood.

# SCHOLARS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Ellacotts Audit Services Limited Countrywide House 23 West Bar Banbury Oxfordshire OX16 9SA England
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<b>Bankers</b>	Lloyds Bank plc 56 Chestnut Avenue Oadby Leicestershire LE2 5JG
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<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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

In the year ended 31 August 2022, the trust operated two primary academies in Leicestershire. The academies have a combined pupil capacity of 1080 and had a roll of 1058 in the school census dated May 2022. In September 2022 the trust opened a new free school in Castle Donington, which is a presumptive free school proposed by Leicestershire County Council, with a pupil capacity of 210.

#### **Structure, governance and management**

##### Constitution

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

The trustees of Scholars Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

In accordance with normal commercial practice Scholars Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 in total per year on any one claim.

##### Method of recruitment and appointment or election of trustees

The Members were appointed on the constitution of the Trust and the articles of association require the members of the Charitable Company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

Trustees are recruited through a rigorous process of interviews to ensure that they have the relevant skill set required to oversee the Trust and hold leaders to account.

Staff and Parent governors are appointed through nomination and election, in addition the Trust Board appoints community governors to ensure the governing bodies have the necessary skills. Term of office for Trustees and governors is four years, with the exception of the accounting officer, who is appointed for the duration of their time in post.

##### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees and Governors is tailored specifically to their previous experience and role. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees and Governors will be given a tour of the schools in the trust. All Trustees and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee or governors.

This year Trustees and Governors have continued to undertake training relevant to their needs, this has included induction for new governors, enhancing the role of the Chair of governors and vice-governors, Ofsted preparation, academy finance overview, safeguarding, SEN, pupil premium and sports' premium awareness sessions.

Trustees have enhanced the role of clerks for individual governing bodies and expanded the role of the trust clerk which has been included in the new Head of Governance role from September 2021.

# SCHOLARS ACADEMY TRUST

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

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### Organisational structure

The Trust structure consists of the following levels: Members, Trustees, Governors, Executive Management Team, and The Head Teacher/Senior Managers. The individuals in post for the year ended 31 August 2022 are listed on page 1. The CEO has been appointed as Trustee and Accounting Officer for the duration of time in post.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. This is set out in the scheme of delegation, published on the trust website.

The Trustees are responsible for setting general policy, approving the annual budget, monitoring the Trust's financial performance, making major decisions about the strategic direction of the Trust, capital expenditure and senior staff appointments.

The Governors of each school manage the strategic direction of the school by adopting an annual school development plan and have a key focus on standards. Governors agree and monitor the school improvement plan and hold the senior staff to account.

Trustees have delegated the powers and functions they consider are required by the CEO, supported by the Executive Management Team, for the internal organisation, management and control of the trust, including implementation of all approved policies and the direction of teaching and the curriculum.

Senior leaders have the delegated powers to manage the strategic direction of the schools on a day to day basis in line with the scheme of delegation. The CEO manages the senior leaders in the schools to ensure that the standards in each school are maintained.

On 25 January 2022, the trustees agreed to close Oadby Learning Partnership Limited (Companies House number 08559973). The company started trading on 7 June 2015, however the designation of the Teaching School status began in 2011 providing the provision of teaching resources and training to other local schools in the area. From September 2021 teaching schools ceased to exist, which meant the subsidiary was no longer required and any residual work was transferred to Scholars Academy Trust upon closure. The remaining fund balance was donated to the Trust and put into a designated fund in order to support the continuation of non-teaching school activity.

### Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff, including key management, is set out in trust's Pay Policy which is revised annually and ratified by Trustees. The pay policy sets out the framework for making decisions on teacher and support staff pay. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD), and Leicestershire County Council guidance for support staff pay which has been consulted on with staff and/or the recognised trade unions.

The pay policy underpins the trust's Performance Management Policy which provides the opportunity for all teaching staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards.

The performance progression of the Head Teacher, will be considered by the Pay Committee on the recommendation of the CEO, in the case of CEO it will be the Trustees who will carry out the review. No remuneration payments are made to Trustees outside of the CEO.

### Trade union facility time

In the previous year there have been two members of staff who have had the responsibility for Union activity. They have the time allocated to undertake union activity should they wish to do so but in 2021/22 there were 2 days of union training time requested. All policies were consulted upon but no responses were given by the staff.

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

#### *Percentage of time spent on facility time*

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

#### *Percentage of pay bill spent on facility time*

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

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

Scholars Academy Trust is a 'Multi Academy Trust - MAT' which included two schools, Launde Primary School and Glenfield Primary School in 2021/22 and added Foxbridge Primary School on 01 September 2022. The primary aim of the MAT is to ensure all pupils achieve their academic potential.

On 25 January 2022 the trustees agreed to close Oadby Learning Partnership Limited (Companies House number 08559973).

In April 2022, Sarah Ridley, CEO of The Mead Educational Trust (TMET) joined the board of trustees.

#### **Objectives and activities**

##### Objects and aims

Our mission is to draw on the individual strengths of each academy in the Trust to build good practice and ensure that outstanding teaching and learning is at the heart of everything we do. Children will achieve excellent academic outcomes in a safe and nurturing environment and be empowered to make decisions about their lives and their contribution to society. We will nurture our staff professionally and foster positive relationships with our parents and the wider community.

The main objectives of the Academy Trust are:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### Objectives, strategies and activities

The key objectives for year ending 31 August 2022 were:

- Raise attainment and improve progression for all pupils;
- Supporting excellent standards of teaching and learning;
- Ensure strong leadership and governance which in turn enables schools to have earned autonomy based on pupil outcomes;
- Recovery from the disruption of pandemic related school closures;
- Successful opening of a presumptive free school in Castle Donington in readiness for 2022/23 academic year;
- Identify opportunities for growth.

#### Public benefit

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

The main public benefit delivered by the trust is the provision of quality first teaching to all pupils in its care.

## Strategic report

### Achievements and performance

#### Teaching and Learning

Following the disruption of school closures over the past two years there was a drive to ensure normality across the Trust schools. This included the reintroduction of national tests for key year groups. The information below will demonstrate how the Trust schools continued to provide children with the skills, knowledge and understanding to achieve good outcomes which they can use in the steps of their educational journey.

#### EYFS

Good Level of Development	School Result	LA	National
Launde	82%	67.6%	65.2%
Glenfield	70.5%		

Within the Foundation Stage, the schools have performed well against the national data, however, that is not to say schools in the Trust should be complacent about their achievements. In one school there is a need to ensure that the gender gap is reduced over the coming years so that both boys and girls not only make good progress but also have similar attainment.

#### Year 1

Phonics	School results	LA	National
Launde	80%	78.2%	75.5%
Glenfield	67%		

The Year 1 cohort across the Trust has been a cause for concern throughout the year and in the coming year there will be increased focus on this cohort of pupils so they make good progress by the end of Year 2.

#### Year 2

KS1 at or above	Combined RWM	Reading	Writing	Maths	Science
Launde	67.8% (7.8)	90% (15.6)	70% (8.9)	88.9% (15.1)	87%
Glenfield	64.9% (5.3)	71.9% (21.1)	64.9% (7)	78.9% (15.8)	82.5%
LA	54.8% (5.3)	68.4% (18.8)	58.9% (7.3)	69.8% (15.8)	80.2%
National	53.4% (5.9)	66.9% (18)	57.6% (8)	67.7% (15.1)	77.1%

Brackets denote greater depth

# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

The data above includes the children that are in the speech and language unit at Glenfield. If that group of children were to be taken out for analysis purposes then the data for Glenfield improves by approximately 3.5%.

Overall the children in Year 2 demonstrate that in the individual subjects they are performing well across all subjects. Progress that needs to be now maintained in KS2. This learning for this cohort of children is particularly significant as the children at the start of the year were well below average due to the missed learning opportunities during Covid lockdowns or Covid -related absences. The children and staff have worked extremely hard to ensure that they made good progress in all subjects. The key reasons for the combined data not being as high as individual subjects was due to writing outcomes being lower than that of reading and maths. This is an area that the school staff were aware of when the children returned back to school after Covid lockdowns. The parents were able to support the reading and maths to aid learning but had much more difficulty in managing the expectations of writing. However, this is not seen as a long-term issue for any group of children as it will be addressed and built upon in KS2.

#### Year 6

KS2 at or above expected	Combined RWM	Reading	Writing	Math	GPAS	Science
Launde	84.5% (23.3)	91.1% (50)	92.2% (30)	90% (40)	86.7% (50)	83.3%
Glenfield	65.6% (7.8)	71.9% (32.8)	76.6% (12.5)	78.1% (25)	62.5% (15.6)	75%
LA	62% (8.3)	77.1% (29)	71.9% (13.6)	74.9% (24.6)	74.7% (29.4)	81.2%
National	58.7% (7.2)	74.5% (27.8)	69.5% (12.8)	71.3% (22.4)	72.4% (28.2)	79%

Brackets denote greater depth

The data above represents Glenfield outcomes as a whole and when the speech and language group of children are removed from the data it improves by 5%, and progress also marginally improves.

As with KS1, the data is above the national expectations with Launde performing particularly well, both in terms of outcomes and progress which are well above the national expectations. The outcomes are due to the hard work and effort put in by both teachers and children throughout the year. However, it is important to acknowledge that the outcomes are also due to the fact that teachers worked hard in the whole of KS2 and particularly during lockdowns to ensure that children did not miss out on key learning. The teachers in Year 6 then concentrated on ensuring that any gaps in learning that required additional support were addressed.

The tutoring / catch-up money was carefully directed towards pupils who required additional support to ensure that they made good progress ready for the transition into secondary school learning. The outcomes prove that the evidence based programmes taught by the staff were highly effective ensuring children developed the necessary skills, knowledge and understanding required by the end of KS2.

#### Other Performance Information

The multiplication tables check was carried out for the first time officially in 2022 and overall children performed well. This was a useful exercise to undertake as it enabled teachers to ensure that the children not only know but understand the multiplication tables so that the learning can be further enhanced in maths over the coming year ready for end of KS2.

#### Wellbeing and Personal Development

The outcomes last year were achieved by the children having a broad and balanced curriculum which aided their understanding of the wider world. The teachers provided engaging lessons to motivate and enthuse the children. This in turn enabled children to utilise and apply the wider learning within the core subjects which resulted in good outcomes. The broader curriculum was supplemented with the reintroduction of school visits and visitors to the school.

Residential visits were undertaken within Years 4, 5 and 6, the Year 5 children were added so that they can make up for the ones that they missed in the previous years. There was a significant demand from the parents for their children to take part in the residential visits, as they recognised the need for their children to explore the wider world around them. Residential visits enabled children to go out of their comfort zone by taking part in activities that challenged them to further enhance their independence and resilience.

# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Key performance indicators

Attendance remained above the national averages despite the significant numbers of children who are out of time off with Covid related absence. Teachers provided good support for those children so that learning was not missed. Behaviour management overall remains at least good across the schools and have effective behaviour plans in place for children who required them. The staff across the trust have been excellent in seeking advice to support children who found the return to full-time schooling difficult following the Covid period. The procedures put into place for those children have been exemplary and the progress made by those children has been at least good over the course of the year. Parents and teachers worked together to overcome any obstacles and this partnership with parents is being further enhanced in the coming year.

#### **Leadership and Management**

Leadership and management have had a number of challenges to face following Covid, it is evident from the information above that leaders within the schools successfully managed those challenges to ensure that the children had a good education leading to good outcomes. This was achieved through an intensive professional development programmes on quality first teaching at all levels. Teachers were regularly monitored and support was put in place to further develop the professional understanding, knowledge and skills that were used within the classroom.

There was a drive to ensure that a high proportion of staff took part in the national professional qualification programmes(NPQ) which was highly successful. The teachers who participated in the NPQs reported that they were able to reflect on their practice to refine it to benefit the children and support colleagues across the school with the evidenced-based approach to teaching.

Early career teachers have been recruited over the last year and the Trust has successfully been able to implement the ECT support programmes for those individuals.

Staffing structures were reviewed and within Launde, there was a full restructure as a result of changing roles. This was successfully implemented and everyone has very clear roles and responsibilities in driving school improvement. In terms of teaching staff all schools have their full complement with no vacancies other than that of teaching assistants. The latter remains a difficulty in which has led to schools having to use supply support staff. This is not ideal but schools have had little choice in the matter when there have been no applications when recruiting.

A new headteacher was appointed at Foxbridge Primary School and as result an induction programme was put in place that included all the statutory training required for safeguarding, recruitment etc. and for understanding the wider role of the headteacher. The headteacher has subsequently successfully opened Foxbridge Primary School.

Staff attendance across the Trust was as follows

	Launde	Glenfield
Teachers	94.8%	93.8%
TAs	92.7%	95.2%
Admin	94.2%	94.4%
Premises	96.4%	96.5%
Midday	96.1%	95.1%
After care	98%	
Scholars Executive Team	99%	

The attendance figures highlight that the school had good attendance overall despite staff having to take time off for Covid related sickness.

School to school support beyond the Trust continued during the year with ongoing support for individual schools. There were a number of school health checks carried out by the CEO, this was supported by senior leaders so that they could develop their own understanding of school to school support. This further provides evidence that the senior leaders within the Trust have the skills and capacity to continue to support schools and children beyond the Trust academies. This area will continue to be a focus in the coming year as part of succession planning and professional development.

# SCHOLARS ACADEMY TRUST

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

The Scholars Executive Team has continued to develop with both the Chief Financial Officer and Chief Operations Officer taking lead roles in the development of key support staff within schools. They have trained and mentored office and premises staff to further enhance capacity within schools.

### Governors

The Trust Board has continued to evolve and strengthen its capacity during 21/22 with two further appointments, the new trustees have experience in education and health and safety. One of the appointed trustees is a CEO of a multi academy trust.

There is a full complement of governors across all schools, who have all undertaken a skills audit to ensure that there is a balance of experience, skills and knowledge within each board. Training has been planned for the coming year

Over the year the Chairs of the Local Governing Bodies (LGB) have started peer to peer governor reviews to consider their effectiveness. This will be further developed in the coming year. The Chair of Governors from Launde has supported the development of the new Foxbridge Governing Body so that they could become an independent LGB at the start of 22/23.

The Chief Financial Officer has trained and supported individual governors on financial matters. The finance governor now reports back to the LGB, this has been successful as it has enabled them to carry out all the business within one meeting rather than having to have a separate meeting for finance. Risk registers have been developed which the LGBs are overseeing.

The Chief Operations Officer has worked with governors on matters related to premises including health and safety.

### Premises

With the appointment of the Chief Operations Officer the systems for premises have been revised and further improved by the recording of compliance checks on line. The premises staff have all been trained on the system and have adhered to the requirements both in terms of completing the checks and reporting them through the online portal. This has given senior leaders additional assurance that the schools are compliant with the legal requirements of health and safety checks. Together with the internal monthly checks and external health and safety audits it can be seen that the schools are safe places for the children and staff.

Scholars was once again unsuccessful in the CIF bids so therefore are considering alternative options for improving the accommodation at Launde. Energy efficiency measures have also been undertaken which will continue into the coming year including the installation of solar panels.

### Key financial performance indicators

	2022 £	2021 £
Total incoming resources	10,239,332	5,127,366
Net income / (expenditure)	4,125,092	(311,961)
Net current assets	2,100,400	1,737,893
Cash at bank	2,468,369	2,137,180
Net cash (absorbed) / provided from operations	331,189	547,834

### 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, the board of trustees 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.

# SCHOLARS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Financial review

The Trust has delivered a balanced in-year budget for 2021-22, which is as a result of careful budget management. The £74k transfer of funds from Oadby Learning Partnership Limited has been recognised in full in this financial year, however the funds have been designated to support activity in future years. During the year the trust was able to absorb the 1.25% added to the Employer National Insurance contributions, and also the additional activity related to catch-up activity and tutoring. The grants recognised in the accounts for this activity is £82,605. An allowance has also been made for the anticipated increase in support staff pay from April 2022. The trust received £43k to support capacity building in the trust as well as £155k capital funding relating to the new school in Castle Donington.

The majority of the MAT's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2022 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. The schools also received £131,229 from the LA to support SEND pupils, and £100,489 from before and after school activities.

The Academy also receives grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The trust received laptops from the DfE and the trust has decided that ownership of the devices remains with the trust and therefore the items have been subject to the capitalisation policy, and the value of the devices has been added as donated assets in the Statement of Financial Activity.

The Academy Trust held fund balances at 31 August 2022 of £10,623,140 (2021: £2,933,048) comprising £567,759 (2021: £443,775) of restricted funds (excluding pension reserve), £8,873,588 (2021: £4,507,155) of restricted fixed asset funds, £1,393,793 (2021: £1,294,118) of unrestricted general funds and a pension reserve deficit of £212,000 (2021: £3,312,000).

Total incoming resources increased to £10,239,332 (2021: £5,127,366) with the Trust benefiting from an uplift in GAG funding, as a result of increased funding per student. Total resources expended amounted to £6,114,240 (2021: £5,439,327) leading to a net surplus result for the year of £4,125,092 (2021: net expenditure of £311,961).

The Trust's cash flow position is good with a closing balance of £2,468,369 (2021: £2,052,383). As in the prior year, the Trust has managed to provide a cash neutral result which underlines management's focus on running a balanced cash position whilst at the same time investing within school infrastructure and resources.

As at 31 August 2022, the net assets and total funds of the Trust were £10,623,140 (2021: £2,933,048), including fixed assets of £8,873,588 (2021: £4,507,155) and a pension scheme liability of £212,000 (2020: £3,312,000). The assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust. Whilst the pension scheme liability has increased during the year, the Trustees do not consider that this presents the Trust with any current liquidity problems. The Trustees consider that the overall balance sheet position represents a strong and stable platform from which the Trust can develop and grow.

#### Reserves policy

Reserves are held to protect the trust's activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The trustees have determined that for each school the level of general reserves must equate to a minimum of 2% of the school's total funding, and a central reserve will be kept for to cover unexpected costs at trust level or to support schools.

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Unrestricted reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated.

# SCHOLARS ACADEMY TRUST

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

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The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,393,793. This is in excess of the minimum required by the reserve policy of £112,292 (2% of the total funding for schools). The Academy Trust has a restricted fixed assets fund, with a balance of £8,873,588 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the charity and will only be realised by disposing of the tangible assets.

Trustees have decided that reserves as at 31 August 2022 will be carried forward for use against significant building upgrades and solar panels in 2022-23, supporting the new free school as it grows to full capacity, and to support growth plans over the next five financial years.

There are no funds that are in deficit, any unspent funds have been deferred to 2022/23 where appropriate.

The Academy Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). Whilst this can have an impact on the annual employer pension cost, it is not an immediate liability the trust needs to cover, as employer contributions are set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case. The current rates have been set for 1 April 2020 – 31 March 2023. Should the employer contribution rate increase in the next valuation, and staffing levels remain static, then there would be a cash outflow effect.

### Investment policy

At present, the Academy Trust does not hold significant funding to warrant additional investment, but this is always under review at trustee level. Currently, the balance outlined above is held within our main school bank accounts and the balance is planned for improvements to the school buildings at Launde, outdoor provision at Glenfield and supporting low numbers at Foxbridge. The reserves have also been used to invest in capacity building within Scholars.

### Principal risks and uncertainties

In accordance with the trust's risk management policy, trustees have a risk register to identify and prioritise the major risks facing the Scholars Academy Trust. Controls and mitigations, target dates and risk owners have been identified and are responsible for reporting to trustees through regular updates to the risk register. The trust risk register is formally reviewed annually by all trustees and more frequently by the audit and risk committee. Any significant adverse changes to risk levels are escalated to the chair of trustees as appropriate. LGBs review their Risk Registers on a termly basis, escalating to the trust as appropriate.

The principal risks are:

### *Financial*

Going forward, there will be significant pressure on trust budgets due to the anticipated increases in energy costs, and teacher and support staff pay rises. At the time of writing, no additional funding to meet these significant pressures has been announced. Foxbridge Primary School has opened with less than the minimum viable number agreed, however the short-fall is anticipated to be met in the short-term by the start-up grant. Provision has been made in the trust reserves allocation to support the school if necessary. Trustees have agreed to use some of the reserves to support capital upgrades at Launde Primary School and the installation of solar panels at Glenfield Primary School.

An additional uncertainty relates to the LGPS Triennial valuation which was carried out in March 2022, with any changes to the employer contribution rate being applied from April 2023.

### *Pupil outcomes - recovery*

The return to high standards after the national lockdowns was a key risk in 2021-22. Some additional funding was received to support catch-up activity, however the trust made the decision to further invest in recovery activity resulting in costs over and above the funded amounts. Much of this activity will continue and has been included in the 3-year budget plan.

### *Growth strategy*

School support activity has continued, with the trust focussing on improving performance and building capacity to ensure it retains the ability to support schools joining the trust. The Executive Team are working with the Local Authority and RSC to identify opportunities to grow and continuing school to school support through senior leaders.

# **SCHOLARS ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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In 2021 the Trust entered into an agreement to run new free school in Castle Donington, increasing the number of schools in the trust from 1 September 2022. As the school is opening one year group at a time, the Trust is managing the risk of low numbers through careful management of the start-up grant from the Local Authority and designating Trust reserves to cover any shortfall at the school.

#### *Succession planning*

Loss of key teaching staff has been identified as a key risk. Turnover of teaching staff has been managed through rigorous recruitment processes, induction programmes and performance management.

#### **Fundraising**

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

Both schools carry out charitable work for local and national events. The work is focused on curriculum development in terms of enterprise but more importantly is undertaken to ensure children have a greater awareness of the world around them and to have an understanding that there are people and children less fortunate than them. Children will often plan events to raise funds which are for external causes such as Children in Need, Red Nose Day, Christmas Jumper Day and MacMillan Cancer research. Children participate on a voluntary basis with parents informed about how they can support their child to carry out the charitable work without it being an extra expense to them, for example children use their pocket money or give up treats they might have otherwise had towards the fund raising. The number of events are planned so that no additional burden is added to either staff or parents to raise funds.

The only funds sought from parents are the voluntary contributions towards school trips as other fund raising is for external causes as stated above and only carried out by the children and not the wider public. We aim not be intrusive or demand money from parents for school or other activities. In the last year there have been no complaints with regards to fund raising as parents see the importance of raising awareness to appreciate the wider world.

#### **Plans for future periods**

Through school and trust improvement plans, the trust will continue its focus on educational standards across all schools and pupils in the trust. The Trust will work with stakeholders to ensure that there is continuing improvement in standards in addition to responding to local and national changes. Trustees have committed to accessing reserves, where necessary, to support the recovery of learning lost during the pandemic.

Scholars Academy Trust is committed to providing sustainable and high quality accommodation for its pupils and therefore, despite the unsuccessful CIF bid, are still committed to spending the reserves on alternative accommodation and investment in solar panels.

The Trust opened Foxbridge Primary School in Castle Donington 1 September 2022 and is committed to growing further through taking on other schools and/or opening additional free schools, the trust is working closely with the ESFA, Local Authority and other partners to ensure progress is made.

#### **Funds held as custodian trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

**SCHOLARS ACADEMY TRUST**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Auditor**

In so far as the trustees are aware:

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

Following a tender process, Ellacotts LLP have been appointed as the trust auditors for the year ended 31 August 2022 and a further 2 years with the option to extend for 2 years.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29.11.2022 and signed on its behalf by:



.....  
S Richards

# SCHOLARS ACADEMY TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Scope of responsibility

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

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 CEO, 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 Scholars Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. It maintains effective oversight of funds through the finance and personnel committee, which meets 6 times per year and all trustees receive the full set of monthly management accounts during the academic year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J Berry OBE JP	2	3
A Fulat (Appointed 28 September 2021)	1	2
A Kagdadia (Appointed 28 September 2021)	1	2
I Hassall OBE nee Sandhu OBE	3	3
L Bruce	3	3
S Richards	3	3
R Padgett	3	3
P Thompson (Resigned 30 November 2021)	1	1
M Garfield (Appointed 5 April 2022)	1	1
S Ridley (Appointed 5 April 2022)	1	2
G Smith (Appointed 30 November 2021)	2	2

The Trustees have overall responsibility for the administration of the trust finances. The main responsibilities of the trust are prescribed in the Funding Agreement between the trust and the DfE, the Academy Trust Handbook 2021 and the trust's finance policy.

The Trust Board has a strategic role in determining the educational and financial priorities of the Scholars Trust, ensuring that the financial resources delegated to it are used effectively and that adequate internal controls are maintained over these.

During the year, the key activities of the board were:

- Scrutiny of trust performance and holding the executive team to account;
- Review of risk register, including controls and mitigating actions;
- Approval of a revised scheme of delegation;
- Review of key issues raised by school governing bodies;
- Approval of the 3-year budget return to ESFA;
- Review of activity related to the growth strategy;

# SCHOLARS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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- Regular trustee and governor chair meetings;
- Allocation of reserves in future periods.

Most governor and committee meetings were held virtually due to health concerns relating to the pandemic. Written, evidence-based reports from management were issued to trustees and governors a week before the meetings took place. The hybrid option is anticipated to continue into 2022-23. Some trustee and governor monitoring visits took place during the year, with reports submitted to Head Teachers and the Board as appropriate. able to take place during the year.

The board is solution focussed, therefore they ensure they have all the necessary information to make decisions and address concerns. Each trustee works with the Executive Team to ensure there is a constructive relationship which supports and challenges the work of the trust. Trustees receive papers one week in advance of meetings, giving them the opportunity to review, reflect and raise questions before or at the meeting. The trust made use of technology to ensure open lines of communication with the executive team during periods of social distancing.

Declaration of interest are completed at the beginning of the academic year and entered into a register, which is published on the trust website. Any changes are requested at the beginning of each meeting.

### **Governance reviews**

Trustees have always had an ongoing self-evaluation process. An external governance review was commissioned by the Trust Board and undertaken by the National Governance Association (NGA) in the spring and summer term. There were no significant issues raised in the report, which highlighted the strengths and the good work of the Trust and the recommendations made will further strengthen the Trust's capacity to grow. The Trust are considering the detail and actions they will need to undertake as a result of the advice given in the report. The self-evaluation process will continue on an annual basis and an external governance review will be undertaken in three years or sooner if there is significant growth.

The **finance and personnel committee** is a sub-committee of the main board of trustees. Its purpose is to advise the board of trustees on financial, personnel and premises matters.

During the year, the committee's key activities were:

- Review of the 21/22 forecast outturn and 3-year budget on behalf of trustees;
- Monitoring financial performance in detail
- Reviewing the SRMSA return in detail, including benchmarking;
- Reviewing and recommending policies for approval by the board, including a revised finance policy;
- Approval of pay increases in line with the pay policy;
- Approval of spend over the CEO's delegated authority limit;
- Approval the premises maintenance and IT capital expenditure 5-year plans;
- Reviewing allocations of reserves and making recommendations to the board.

# SCHOLARS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Berry OBE JP	5	6
A Fulat (Appointed 28 September 2021)	4	6
A Kagdadia (Appointed 28 September 2021)	2	6
I Hassall OBE nee Sandhu OBE	6	6
S Richards	6	6
R Padgett	5	6
M Garfield (Appointed 5 April 2022)	2	2
G Smith (Appointed 30 November 2021)	3	4

The **Audit and Risk committee** is also a sub-committee of the main board of trustees. Its purpose is to direct the trust's programme of internal scrutiny and advise the board of trustees on its management of risk and the risk register

During the year the committee's key activities were:

- Review of the 20/21 statutory accounts and management letter;
- Review of internal scrutiny reports and follow-up of agreed actions;
- Appointment of new external auditors;
- Review and update of the trust's risk register.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Berry OBE JP	2	3
A Fulat (Appointed 28 September 2021)	1	2
A Kagdadia (Appointed 28 September 2021)	1	2
S Richards	3	3
R Padgett	3	3
M Garfield (Appointed 5 April 2022)	1	1
S Ridley (Appointed 5 April 2022)	1	1
G Smith (Appointed 30 November 2021)	1	1

#### Review of value for money

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

# **SCHOLARS ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022**

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

- Allocating resources for recovery activity to ensure maximum impact;
- Deploying staff time to provide best value in terms of quality of teaching and learning, adult-pupil ratio and curriculum management;
- Allocation of premises space and funding to provide the best environment for teaching & learning, support services and communal access to central resources;
- Reviewing all contracts for potential savings due to economies of scale, resulting in savings for 21/22 & 22/23 on statutory audit costs;
- Regular review of benchmarking tools to identify areas of potential overspend;
- Review of staffing structures to ensure they are fit for purpose and support delivering good or better outcomes for children;
- Investment in a Health & Safety portal to improve compliance and reduce time spent on reporting;
- Applications Local Authority to be included on standing lists for providing paid services to other schools.

Over the next accounting period, the trust will continue its good practice for allocating resources for teaching and learning and undertake procurement exercises for large capital investment. There will be further reviews of the contract register to ensure the trust is achieving economies of scale.

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

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

### **The risk and control framework**

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

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

# SCHOLARS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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The board of trustees decided to engage internal scrutiny from range of providers after Leicestershire County Council withdrew from providing the service. This was to ensure expert review of a range of areas identified in the risk register.

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

- Stephen Lester reviewed the Trust finance policy, risk register and management accounts
- LCC performed a review of the single central records across the trust
- A trustee performed a safeguarding review
- Governors and trustees performed Health and Safety walks of the site.
- PAG kept the risk register for the building of the new school, advising on handling risks as appropriate.

Internal and external audits did not find any medium or high-risk areas in governance, which has provided further reassurance to the board. Internal scrutiny of the finance policy, risk register and management accounts made 7 low-level recommendations for improvement. There was a review of the trust's Single Central Record (SCR), which resulted in minor changes to the presentation of the information. These have either been completed or are underway.

In future periods, the programme of internal scrutiny will be agreed with the Audit and Risk Committee, and will be informed by the trust risk register. Activity will take place over the year, with a range of providers as appropriate. Reports are submitted to the Audit and Risk Committee once agreed, and an annual summary report, outlining key areas reviewed, key findings, recommendations and conclusions to help the committee consider actions has been provided by Stephen Lester. The committee will also follow-up on any points raised.

### Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the board of trustees on 29.11.22 and signed on its behalf by:



I Hassall OBE nee Sandhu OBE



S Richards

# SCHOLARS ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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



I Hassall OBE nee Sandhu OBE  
**Accounting Officer**

29-11-2022

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# SCHOLARS ACADEMY TRUST

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

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The trustees (who are also the directors of Scholars Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 29.11.22 and signed on its behalf by:



S Richards

# SCHOLARS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOLARS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

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### Opinion

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

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

# **SCHOLARS ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOLARS ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 perform the following procedures:

# SCHOLARS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHOLARS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

### Use of our report

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



**Charlotte Toemaes BSc FCA (Senior Statutory Auditor)**  
**for and on behalf of Ellacotts Audit Services Limited**

### Chartered Accountants

#### Statutory Auditor

Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
England  
OX16 9SA

05/12/22

# SCHOLARS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

### **Respective responsibilities of Scholars Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Scholars Academy Trust's funding agreement with the Secretary of State for Education dated [ENTER IN STATUTORY DATABASE] and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

# SCHOLARS ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SCHOLARS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### Conclusion

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

*Ellacotts Audit Services Ltd*

### Reporting Accountant

Ellacotts Audit Services Limited  
Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
OX16 9SA  
England

05/12/22

Dated: .....

# SCHOLARS ACADEMY TRUST

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

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	600	73,524	4,529,197	4,603,321	49,585
Charitable activities:						
- Funding for educational operations	4	-	5,316,771	-	5,316,771	4,819,324
Other trading activities	5	231,727	87,222	-	318,949	258,218
Investments	6	291	-	-	291	239
<b>Total</b>		<u>232,618</u>	<u>5,477,517</u>	<u>4,529,197</u>	<u>10,239,332</u>	<u>5,127,366</u>
<b>Expenditure on:</b>						
Raising funds	7	101,858	-	-	101,858	86,249
Charitable activities:						
- Educational operations	9	245	5,818,533	193,604	6,012,382	5,353,078
<b>Total</b>	7	<u>102,103</u>	<u>5,818,533</u>	<u>193,604</u>	<u>6,114,240</u>	<u>5,439,327</u>
<b>Net income/(expenditure)</b>		130,515	(341,016)	4,335,593	4,125,092	(311,961)
Transfers between funds	18	(30,840)	-	30,840	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	3,565,000	-	3,565,000	(516,000)
<b>Net movement in funds</b>		<u>99,675</u>	<u>3,223,984</u>	<u>4,366,433</u>	<u>7,690,092</u>	<u>(827,961)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,294,118</u>	<u>(2,868,225)</u>	<u>4,507,155</u>	<u>2,933,048</u>	<u>3,761,009</u>
Total funds carried forward		<u>1,393,793</u>	<u>355,759</u>	<u>8,873,588</u>	<u>10,623,140</u>	<u>2,933,048</u>

# SCHOLARS ACADEMY TRUST

## BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	13		-		2,325
Tangible assets	14		8,734,740		4,504,830
			<u>8,734,740</u>		<u>4,507,155</u>
<b>Current assets</b>					
Debtors	15	118,955		115,033	
Cash at bank and in hand		2,468,369		2,137,180	
		<u>2,587,324</u>		<u>2,252,213</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(486,924)		(514,320)	
<b>Net current assets</b>			<u>2,100,400</u>		<u>1,737,893</u>
<b>Net assets excluding pension liability</b>			<u>10,835,140</u>		<u>6,245,048</u>
Defined benefit pension scheme liability	20		(212,000)		(3,312,000)
<b>Total net assets</b>			<u>10,623,140</u>		<u>2,933,048</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			8,873,588		4,507,155
- Restricted income funds			567,759		443,775
- Pension reserve			(212,000)		(3,312,000)
<b>Total restricted funds</b>			<u>9,229,347</u>		<u>1,638,930</u>
<b>Unrestricted income funds</b>	18		<u>1,393,793</u>		<u>1,294,118</u>
<b>Total funds</b>			<u>10,623,140</u>		<u>2,933,048</u>

The financial statements on pages 26 to 49 were approved by the trustees and authorised for issue on 29.11.22 and are signed on their behalf by:



S Richards

Company registration number 08515149

**SCHOLARS ACADEMY TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		222,890		95,751
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		291		239	
Capital grants from DfE Group		19,745		49,585	
Capital funding received from sponsors and others		155,000		-	
Purchase of tangible fixed assets		(66,737)		(123,213)	
<b>Net cash provided by/(used in) investing activities</b>			108,299		(73,389)
<b>Net increase in cash and cash equivalents in the reporting period</b>			331,189		22,362
Cash and cash equivalents at beginning of the year			2,137,180		2,114,818
<b>Cash and cash equivalents at end of the year</b>			2,468,369		2,137,180

# SCHOLARS ACADEMY TRUST

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

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### 1 Accounting policies

Scholars Academy Trust is a charitable company (the Academy Trust). The address of the Academy Trust's principle place of business is given on the reference and administrative details page. The nature of the Academy Trust's operations is set out in the Trustees' report.

#### 1.1 Basis of preparation

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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

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

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

##### 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.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

---

### 1 Accounting policies

(Continued)

#### Other income

Other income, including the hire of facilities, income from recharge of services, teaching resources and training, contributions to trips, catering income and other income is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable activities

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

### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

- Computer software development 33%

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets and depreciation

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities incurred.

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

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

Long leasehold buildings & leasehold improvement	2 - 5%
Computer equipment	33%
Fixtures, fittings & equipment	20%

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

#### 1.7 Liabilities

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

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

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

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

#### 1.12 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

In the opinion of the Trustees there are no critical areas of judgement that would have a significant effect of the amounts already recognised in the financial statements.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	4,354,452	4,354,452	29,783
Capital grants	-	174,745	174,745	19,802
Other donations	600	73,524	74,124	-
	<u>600</u>	<u>4,602,721</u>	<u>4,603,321</u>	<u>49,585</u>

The income from donations and capital grants was £4,603,321 (2021: £49,585) of which £600 was unrestricted (2021: £-), £73,524 was restricted (2021: £-) and £4,529,197 was restricted fixed assets (2021: £49,585).

Other donations of £74,124 includes £73,524 (2021: £-) in relation to full and final donations from a related party. See note 23 for more information on related parties.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	4,550,439	4,550,439	4,083,750
Other DfE/ESFA grants:				
- UIFSM	-	143,372	143,372	161,399
- Pupil premium	-	147,939	147,939	135,791
- Contribution grant	-	-	-	138,363
- Others	-	151,138	151,138	104,480
	-	4,992,888	4,992,888	4,623,783
<b>Other government grants</b>				
Local authority grants	-	125,000	125,000	1,125
Special educational projects	-	131,229	131,229	156,657
	-	256,229	256,229	157,782
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	67,654	67,654	35,884
Other incoming resources	-	-	-	1,875
<b>Total funding</b>	-	5,316,771	5,316,771	4,819,324

The income from funding for educational operations was £5,316,771 (2021: £4,819,324) of which £5,316,771 was restricted (2021: £4,819,324).

Other DfE/ESFA grants includes £25,000 (2021: £-) for support on academy conversion and £49,409 (2021: £29,307) for PE and sport premium.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	100,489	-	100,489	76,997
Catering income	65,071	-	65,071	32,254
Income from recharge of services	-	-	-	12,903
Contributions to trips	-	87,112	87,112	700
Teaching resources and training	5,865	110	5,975	100,130
Other income	60,302	-	60,302	35,234
	<u>231,727</u>	<u>87,222</u>	<u>318,949</u>	<u>258,218</u>

The income from other trading activities was £318,949 (2021: £258,218) of which £231,727 was unrestricted (2021: £163,310) and £87,222 was restricted (2021: £94,908).

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	291	-	291	239

The income from funding for investment income was £291 (2021: £239) of which £291 was unrestricted (2021: £239).

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Expenditure on raising funds					
- Direct costs	-	-	101,858	101,858	86,249
Academy's educational operations					
- Direct costs	3,683,533	-	287,357	3,970,890	3,633,697
- Allocated support costs	1,087,305	451,187	503,000	2,041,492	1,719,383
	<u>4,770,838</u>	<u>451,187</u>	<u>892,215</u>	<u>6,114,240</u>	<u>5,439,329</u>

The expenditure on raising funds was £101,858 (2021: £86,249) of which £101,858 was unrestricted (2021: £-) and £- was restricted (2021: £86,249).

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2022 £	2021 £
Fees payable to auditor for:		
- Audit	10,000	24,575
- Other services	6,250	10,255
Operating lease rentals	23,528	3,734
Depreciation of tangible fixed assets	191,279	184,265
Amortisation of intangible fixed assets	2,325	2,325
Net interest on defined benefit pension liability	58,000	44,000

### 8 Central services

The academy trust has provided the following central services to its academies during the year:

- Human resources;
- Financial services;
- Audit and governance

The academy trust charges for these services on the following basis:

- flat percentage of 3% (2021: 3%) based on GAG income

The amounts charged during the year were as follows:	2022 £	2021 £
Launde Primary School	78,124	69,975
Glenfield Primary School	52,543	47,137
Foxbridge Primary School	-	-
	<u>130,667</u>	<u>117,112</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Direct costs</b>				
Educational operations	-	3,970,890	3,970,890	3,633,697
<b>Support costs</b>				
Educational operations	245	2,041,247	2,041,492	1,719,383
	<u>245</u>	<u>6,012,137</u>	<u>6,012,382</u>	<u>5,353,080</u>

The expenditure on charitable activities was £6,012,382 (2021: £5,353,080) of which £245 was unrestricted (2021: £57,888), £5,818,533 was restricted (2021: £5,108,602) and £193,604 was restricted fixed assets (2021: £186,590).

2022  
£

2021  
£

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Charitable activities (Continued)

#### Analysis of support costs

Support staff costs	1,103,690	897,412
Depreciation and amortisation	193,604	186,590
Premises costs	257,583	87,972
Other support costs	470,527	494,833
Governance costs	16,088	52,576
	<u>2,041,492</u>	<u>1,719,383</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	3,191,060	2,997,108
Social security costs	276,240	254,427
Pension costs	944,612	978,571
	<u>4,411,912</u>	<u>4,230,106</u>
Staff costs - employees	4,411,912	4,230,106
Agency staff costs	358,926	139,519
	<u>4,770,838</u>	<u>4,369,625</u>
Staff development and other staff costs	48,283	-
	<u>4,819,121</u>	<u>4,369,625</u>

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	42	43
Administration and support	89	95
Management	10	9
	<u>141</u>	<u>147</u>

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Staff

(Continued)

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

	2022 Number	2021 Number
Teachers	38	39
Administration and support	47	53
Management	10	8
	<u>95</u>	<u>100</u>

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1
	<u>3</u>	<u>2</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £793,977 (2021: £581,815).

### 11 Trustees' remuneration and expenses

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

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

I Hasall OBE (Executive Headteachers and Accounting Officer):  
Remuneration: £95,001 - £100,000 (2021: £95,001 - £100,000)  
Employers pension contribution: £10,001 - £15,000 (2021: £20,001 - £25,000)

During the year, two Trustees (2021: one) claimed expenses or had their expenses met by the Academy Trust. The expenses incurred were in respect of travel expenses and amounted to £811 (2021: £23) and were reimbursed or paid by the Academy Trust.

### 12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 (2021: £5,000,000) on any one claim and the cost for the year ended 31 August 2022 was £57 (2021: £57). The cost of this insurance is included in the total insurance cost.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 13 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2021 and at 31 August 2022	11,075
<b>Amortisation</b>	
At 1 September 2021	8,750
Charge for year	2,325
At 31 August 2022	11,075
<b>Carrying amount</b>	
At 31 August 2022	-
At 31 August 2021	2,325

### 14 Tangible fixed assets

	Long leasehold buildings & leasehold improvement £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2021	5,176,028	251,739	101,965	5,529,732
Additions	4,346,207	55,549	19,433	4,421,189
At 31 August 2022	9,522,235	307,288	121,398	9,950,921
<b>Depreciation</b>				
At 1 September 2021	773,802	173,409	77,691	1,024,902
Charge for the year	120,831	60,735	9,713	191,279
At 31 August 2022	894,633	234,144	87,404	1,216,181
<b>Net book value</b>				
At 31 August 2022	8,627,602	73,144	33,994	8,734,740
At 31 August 2021	4,402,226	78,330	24,274	4,504,830

Within the year the trust took control of a newly built school in Castle Donington known as Foxbridge Primary School. This asset has been accounted for as a donation using the cost share information as provided by the builders of the school as the donated asset value. The school was opened to pupils from 1 September 2022 and therefore no depreciation has been provided on this asset in the year to 31 August 2022.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

<b>15 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,012	440
VAT recoverable	22,110	12,651
Prepayments and accrued income	92,833	101,942
	<u>118,955</u>	<u>115,033</u>
<b>16 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	97,661	66,172
Other taxation and social security	62,403	59,456
Other creditors	133,959	79,868
Accruals and deferred income	192,901	308,824
	<u>486,924</u>	<u>514,320</u>
<b>17 Deferred income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>136,852</u>	<u>296,428</u>
Deferred income at 1 September 2021	296,428	223,527
Released from previous years	(296,428)	(99,795)
Resources deferred in the year	<u>136,852</u>	<u>172,696</u>
<b>Deferred income at 31 August 2022</b>	<u><b>136,852</b></u>	<u><b>296,428</b></u>

At the balance sheet date, deferred income for the academy trust was made up of £1,601 (2021: £2,517) for income for trips taking place in the year ended 31 August 2022, £134,045 (2021: £282,968) relating to grants received in advance and £1,206 (2021: £10,943) for other income received in advance.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	443,775	4,550,439	(4,551,455)	-	442,759
UIFSM	-	143,372	(143,372)	-	-
Pupil premium	-	147,939	(147,939)	-	-
Catch-up premium	-	67,654	(67,654)	-	-
Other DfE/ESFA grants	-	151,138	(151,138)	-	-
Other government grants	-	256,229	(131,229)	-	125,000
Other restricted funds	-	160,746	(160,746)	-	-
Pension reserve	(3,312,000)	-	(465,000)	3,565,000	(212,000)
	<u>(2,868,225)</u>	<u>5,477,517</u>	<u>(5,818,533)</u>	<u>3,565,000</u>	<u>355,759</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	3,936,991	-	(92,244)	-	3,844,747
DfE group capital grants	550,308	174,745	(88,196)	30,840	667,697
Private sector capital sponsorship	19,856	4,354,452	(13,164)	-	4,361,144
	<u>4,507,155</u>	<u>4,529,197</u>	<u>(193,604)</u>	<u>30,840</u>	<u>8,873,588</u>
<b>Total restricted funds</b>	<u>1,638,930</u>	<u>10,006,714</u>	<u>(6,012,137)</u>	<u>3,595,840</u>	<u>9,229,347</u>
<b>Unrestricted funds</b>					
General funds	<u>1,294,118</u>	<u>232,618</u>	<u>(102,103)</u>	<u>(30,840)</u>	<u>1,393,793</u>
<b>Total funds</b>	<u>2,933,048</u>	<u>10,239,332</u>	<u>(6,114,240)</u>	<u>3,565,000</u>	<u>10,623,140</u>

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 18 Funds

(Continued)

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. The includes the pension reserve which represents the potential liability due by the Academy at the year end.

Restricted other funds

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Restricted fixed asset funds:

This fund represents the net book value of fixed assets that the Academy has purchased out of grants received and have been transferred on conversion.

Unrestricted funds:

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy Trust.

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

In the current year, a transfer was made between unrestricted general funds and restricted fixed asset funds in respect of asset's purchased during the year, £30,840 (2021: £73,628) was transferred in relation to the Trust.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	409,394	4,083,750	(4,049,369)	-	443,775
UIFSM	-	161,399	(161,399)	-	-
Pupil premium	-	135,791	(135,791)	-	-
Catch-up premium	-	35,884	(35,884)	-	-
Other DfE/ESFA grants	-	242,843	(242,843)	-	-
Other government grants	-	157,782	(157,782)	-	-
Other restricted funds	-	96,783	(96,783)	-	-
Pension reserve	(2,481,000)	-	(315,000)	(516,000)	(3,312,000)
	<u>(2,071,606)</u>	<u>4,914,232</u>	<u>(5,194,851)</u>	<u>(516,000)</u>	<u>(2,868,225)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	4,029,235	-	(92,244)	-	3,936,991
DfE group capital grants	541,297	19,802	(84,417)	73,626	550,308
Private sector capital sponsorship	-	29,783	(9,927)	-	19,856
	<u>4,570,532</u>	<u>49,585</u>	<u>(186,588)</u>	<u>73,626</u>	<u>4,507,155</u>
<b>Total restricted funds</b>	<u>2,498,926</u>	<u>4,963,817</u>	<u>(5,381,439)</u>	<u>(442,374)</u>	<u>1,638,930</u>
<b>Unrestricted funds</b>					
General funds	<u>1,262,083</u>	<u>163,549</u>	<u>(57,888)</u>	<u>(73,626)</u>	<u>1,294,118</u>
<b>Total funds</b>	<u>3,761,009</u>	<u>5,127,366</u>	<u>(5,439,327)</u>	<u>(516,000)</u>	<u>2,933,048</u>

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

#### Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Launde Primary School	877,009	790,128
Glenfield Primary School	777,859	720,517
Foxbridge Primary School	125,000	-
Central services	181,684	227,248
Total before fixed assets fund and pension reserve	1,647,358	1,737,893
Restricted fixed asset fund	8,873,588	4,507,155
Pension reserve	(212,000)	(3,312,000)
Total funds	10,623,140	2,933,048

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Launde Primary School	2,738,442	21,736	136,644	474,608	3,371,430	2,953,176
Glenfield Primary School	1,822,707	22,085	93,390	281,493	2,219,675	2,094,703
Foxbridge Primary School	-	-	-	-	-	-
Central services	209,692	10,765	2,739	106,431	329,627	185,121
	4,770,841	54,586	232,773	862,532	5,920,732	5,233,000

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	-	-	8,734,740	-	8,734,740
Current assets	1,363,793	1,084,683	138,848	-	2,587,324
Current liabilities	30,000	(516,924)	-	-	(486,924)
Pension scheme liability	-	(212,000)	-	-	(212,000)
Total net assets	1,393,793	355,759	8,873,588	-	10,623,140

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>					
Intangible fixed assets	-	-	2,325	-	2,325
Tangible fixed assets	-	-	4,504,830	-	4,504,830
Current assets	1,294,118	958,095	-	-	2,252,213
Current liabilities	-	(514,320)	-	-	(514,320)
Pension scheme liability	-	(3,312,000)	-	-	(3,312,000)
<b>Total net assets</b>	<b>1,294,118</b>	<b>(2,868,225)</b>	<b>4,507,155</b>	<b>-</b>	<b>2,933,048</b>

### 20 Pension and similar obligations

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

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

Contributions amounting to £75,508 were payable to the schemes at 31 August 2022 (2021: £72,326) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out below the information available on the scheme.

##### 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.

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £432,574 (2021: £412,977).

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

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

#### Local Government Pension Scheme

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

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

Total contributions made	2022 £	2021 £
Employer's contributions	262,000	280,000
Employees' contributions	65,000	68,000
Total contributions	327,000	348,000
<b>Principal actuarial assumptions</b>	<b>2022 %</b>	<b>2021 %</b>
Rate of increase in salaries	3.55	3.4
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.7

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Pension and similar obligations

(Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	21.5	21.7
- Females	24	24.2
Retiring in 20 years		
- Males	22.4	22.6
- Females	25.7	25.9

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

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

	2022 Fair value £	2021 Fair value £
Equities	2,731,580	2,455,140
Bonds	1,253,840	1,227,570
Property	403,020	296,310
Other assets	89,560	253,980
Total market value of assets	4,478,000	4,233,000

The actual return on scheme assets was £(6,000) (2021: £734,000).

#### Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	669,000	551,000
Interest income	(72,000)	(57,000)
Interest cost	130,000	101,000
Total operating charge	727,000	595,000

#### Changes in the present value of defined benefit obligations

	2022 £
At 1 September 2021	7,545,000
Current service cost	669,000
Interest cost	130,000
Employee contributions	65,000
Actuarial (gain)/loss	(3,643,000)
Benefits paid	(76,000)
At 31 August 2022	4,690,000

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Pension and similar obligations (Continued)

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

	2022 £
At 1 September 2021	4,233,000
Interest income	72,000
Actuarial loss/(gain)	(78,000)
Employer contributions	262,000
Employee contributions	65,000
Benefits paid	(76,000)
At 31 August 2022	4,478,000

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

	Notes	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		4,125,092	(311,961)
Adjusted for:			
Capital grants from DfE and other capital income		(4,529,197)	(49,585)
Investment income receivable	6	(291)	(239)
Defined benefit pension costs less contributions payable	20	407,000	271,000
Defined benefit pension scheme finance cost	20	58,000	44,000
Depreciation of tangible fixed assets		191,279	184,265
Amortisation of intangible fixed assets	13	2,325	2,325
(Increase)/decrease in debtors		(3,922)	25,336
(Decrease) in creditors		(27,396)	(69,390)
<b>Net cash provided by operating activities</b>		<b>222,890</b>	<b>95,751</b>

### 22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	2,137,180	331,189	2,468,369

# SCHOLARS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 23 Related party transactions

#### Group and Trust

Owing to the nature of the Academy Trust's operations 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 a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 15.

Key management personnel compensation disclosure is included in note 10.

#### Expenditure related party transactions

##### Trust only

During the year, Scholars Academy Trust received income of £73,524 (2021: £80,406) from Oadby Learning Partnership Limited, the Trust's wholly owned trading subsidiary.

At the year end, the Trust was owed £Nil (2021: £1,120) from Oadby Learning Partnership Limited.

During the year, the Trust purchased goods totalling £Nil (2021: £1,057) from Oadby Learning Partnership Limited.

Steps have now been taken to cease activities within Oadby Learning Partnership Limited. The transactions in the year to 31 August 2022 will be the final transactions with the Oadby Learning Partnership Limited.

#### Income related party transactions

On 5th April 2022 Sarah Ridley, Director of primary for the Mead Educational Trust ("TMET") became a trustee of Scholars Academy Trust. Services were being provided to TMET before the appointment and continued for the rest of the year. Subsequent to the 5th of April 2022 the value of services purchased by TMET was £1,025.

### 24 Post balance sheet events

In August 2021, the Academy Trust was given Secretary of State approval to sponsor the approved new primary free school in Castle Donington, Leicestershire. The school is due to open at the beginning of the new 2022/23 academic year.

### 25 Members' liability

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