

Sussex Education Trust Limited
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2022

Company Registration Number:
07874411 (England and Wales)

Sussex Education Trust Limited

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Sussex Education Trust Limited

Reference and Administrative Details

Members

C Adams

N Brown (Resigned April 2022)

J Clough

H Humphry

S King

S Webber (Resigned July 2022)

Trustees

J Appleby

R Crowe

A Harris

H Humphry

A Mason (appointed 5 July 2022)

R Matthews

I Moore (appointed 26 November 2021)

G Purewal (appointed 1 December 2021)

S Webb

R Andrews (resigned 14 September 2021)

M Burkes (resigned 6 April 2022)

K Christopher (resigned 7 March 2022)

T Fry (resigned 20 September 2021)

S King (resigned 5 July 2022)

P Spencer Ellis (resigned 23 December 2021)

Senior Management Team

L New Executive Principal

B Phillips Deputy Principal: Head of Secondary

J Garner Deputy Principal: Head of Primary

G Austin-Hogg School Business Manager

C Halton Senior Assistant Principal: All Through Inclusion

L Hardwick Senior Assistant Principal: All Through Behaviour and Pastoral

G Hayes Assistant Principal: Primary Pupil Progress (P/T, returned April 2022-Maternity)

C Tunnicliffe Assistant Principal: All Through Learning and Teaching (P/T, started April 2022)

S Paul Assistant Principal: Secondary Pupil Progress (Resigned October 2021)

R Angell Assistant Principal: Pupil Development and Cultural Capital (Started Jan 2022)

Company Name

Sussex Education Trust Limited

Sussex Education Trust Limited

Reference and Administrative Details

Principal and Registered Office
Chichester Free School
Hunston Road
Chichester
West Sussex
PO20 1NP

Company Registration Number
07874411 (England and Wales)

Independent Auditor
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers
Lloyds Bank Plc
PO Box 3
Queen Square
Wolverhampton
WV1 1TF

Solicitors
SMR Solicitors Limited
50 Westgate
Chichester
West Sussex
PO19 3HE

Sussex Education Trust Limited

Trustees' Report

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

The Academy Trust operates an academy for pupils aged 4 to 16 and does not have a specific catchment area. It has a pupil capacity of 1020 and had a roll of 1039 in the school census on 6 October 2022.

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 Sussex Education Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates as Sussex Education Trust Limited.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust provides indemnity insurance to cover the liability of Trustees/Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to Chichester Free School.

Method of Recruitment and Appointment or Election of Trustees

There are three main ways someone becomes a Trustee; they can be elected by their constituents – either parents or staff, they can be appointed by the Members or they can be co-opted by the Trustees themselves.

Those appointed by the Members or co-opted by Trustees are considered to have certain skills or experience that would compliment the existing board or where the board has identified an area of weakness that could be improved by the appointment.

Sussex Education Trust Limited

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

When a new Trustee is recruited, they are appointed a "mentor" from the existing board, whose role it is to introduce them to the Trust. The Chair of Governors take them on a tour of the school so they can meet the leadership team and to experience all aspects of school life. The clerk of Governors will organise any statutory training together with any additional training considered beneficial for their specific role. In parallel to this they have been given a sign on to West Sussex Governance Services website.

They are invited to attend all committee meetings to acquaint them with items covered, then, in consultation with other Trustees it is agreed which committee/s they would be best to serve on.

Organisational Structure

The working structure of the School is very much an operational matter and is largely left in the hands of the Executive Principal. Structural discussions that impact on the Senior Leadership Team are brought to the full board for their input.

Arrangements for setting pay and remuneration of key management personnel

As with all employees of the Trust, pay for key management personnel is subject to performance management review and the Executive Principal's and Business Managers pay is reviewed and set by the Pay Review Committee which has delegated responsibility to do this from the Board of Trustees.

Trade union facility time

There are no such officials working at the school.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust. The Chichester Free School PSA operates as "The friends of Chichester Free School". There is no sponsor or connected charities and organisations with which the school jointly pursues its charitable activities.

Mr Chris New designs, manages and supplies the school's academic data, assessment, pastoral data, enrichment and attendance tracking systems, as well as the school's communication package. He is the husband of Mrs Louise New, Executive Principal.

Sussex Education Trust Limited

Trustees' Report

Objectives and Activities

Objects and Aims

The principal objective is the operation of Chichester Free School – the school – to provide education and care for pupils of different abilities between the age of 4 and 16 years.

In accordance with the Articles of Association the charitable company has adopted a Funding agreement approved by the secretary of State for Education, the agreement specifies – amongst other things:

- That the school has a curriculum satisfying the requirements of Section 78 of EA 2002 – a balanced and broadly-based curriculum for pupils up to the age of 16;
- That it provides education for pupils of different abilities; and
- That the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

Objectives, Strategies and Activities

For the 2022/2023 the key areas for school improvement are:

- To further develop our all through approach with the introduction of a new Learning and Teaching Policy, thereby improving our national accountability measures for progress and attainment for 'all of the cohort' in both phases, with 0 or positive progress in all measures. In particular focusing on the progress and attainment of disadvantaged and upper ability learnings;
- To embed robust strategies and interventions for responding to and preventing persistent disruptive behaviour, building on our strong climate for learning in both phases of the school;
- To further develop our safeguarding practices and proactive curriculum delivery to achieve elevated practice;
- To further strengthen the provision of the PSHE and Careers programme and develop a progressive CFS Passport that encourages pupils to make the most of their time in school;
- Within the EYFS to successfully implement a physical development programme and develop positive learning behaviours and fundamental values that enhance school culture;
- To finalise a land purchase bordering the school and develop a comprehensive business plan for its development into an external sports facility; and
- To continue our journey to become a Multi Academy Trust, by exploring the best avenues to enhance and protect the CFS ethos and vision as part of a strong Trust.

Public Benefit

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

Sussex Education Trust Limited

Trustees' Report

Strategic Report

Achievements and Performance

Achievements and Performance

The specific aims for the school that were set out when the School was founded continue to remain at the heart of everything we do. These include but are not limited to:

- Consistently high quality of education deliverables;
- Excellent progress and achievements for all pupils – including vulnerable sub-groups;
- High standards of behaviour and safety for pupils and staff;
- All statutory requirements met;
- High standards of educational quality control exercised by leadership; and
- Strategic three-year plan covering the maintenance of pupils' numbers and having the core objectives of continuing to deliver and improve the above aims.

The academic year of 2021/2022 has brought about the return to externally assessed exams for GCSE and SATs in Key Stage 2. Although the return gave a sigh of relief as the Covid Pandemic shrinks in its severity, there was a heightened level of apprehension as students faced exams after over two years of significant disruption to their learning environment. CFS has always managed a first-class alternative remote classrooms in lockdown, but the ongoing disturbance of having supply teachers during times of staff shortage, rather than specific subject professionals is always going to have a marked effect on the pupil's ability to realise their true potential.

Despite these challenges we are proud of the achievements of our GCSE cohort, with strong destination data as learners start their post 16 education at local Sixth Forms and college provisions. Our official published data does suggest a drop in progress this year, but this includes eight pupils who were not able to sit GCSE exams due to medical, safeguarding or academic reasons. As a fully inclusive school we are proud to have supported these learners through very challenging contexts and ensured at all times that we made the right decisions for them as Individual learners, despite the impact on school accountability measures. For those pupils who sat GCSEs at the School, we have held steady with progress overall - compared to pre Covid results - and seen an overall increase in attainment, significant success in English attainment and seen improved progress for our upper ability learners. Now that we move away from the immediate impact of Covid, we are focusing relentlessly on achieving above average outcomes in all areas going forward.

As Covid restrictions lifted we were able to open the school up to visitors once again and to return to the competitiveness of our House system which is embedded in school life. It has been a joy to once again, see parents and guardians back on site to see the progress of the children and celebrate with many more activities. We have also returned, stronger than ever, with a vibrant, extensive, fully inclusive and well attended extended day programme, alongside many other enrichment opportunities within the curriculum including residential trips. Our commitment to this area of the School was cemented this year through our appointment of a new Assistant Principal role, focusing on Pupil Development and Cultural Capital – an area which we are well on route to excelling in.

Sussex Education Trust Limited

Trustees' Report

Achievements and Performance (continued)

Our new Futures Hub has been well received by the students taking an active part in, together with many contributing parents who have offered their valuable time to come in to talk with the children about their work and life experiences. We hope to further expand on this during the coming academic year when the Hub will move into a newly enhanced room with further resources and better located.

Our progress to develop our Trust into a MAT has picked up momentum with the publication of the Government's White Paper. Several of the Primary schools that we had started to have discussions with have realised the government's direction and are actively wishing to progress discussions. Alongside these discussions the Board of Trustees, together with the Executive Principal, have been working on multiple strategies that will ensure that Chichester Free School's vision and ethos is both enhanced and preserved in a strong Trust structure.

The Trustees carry out a skills audit every year to identify areas of weakness that can be improved upon. With several resignations and terms ending of long-standing Governors, areas were identified and an active recruitment drive was started. The Trustees have so far recruited one extra Governor with exceptional educational experience and maintains its drive to recruit further Governors with the relevant experience required.

Key Performance Indicators

The school monitors its level of cashflow, profit and loss and balance sheet by producing a monthly management accounts pack which is reviewed by the Trustees. The Trustees carefully scrutinise this against the budget which together with a descriptive financial management report helps maintain the Trust's financial viability. Together with the monthly Management Accounts, Trustees have set some Key Performance Indicators (KPI's) to focus on the Trust's performance and to aid benchmarking against similar Trusts.

In respect of regulatory compliance, the School was inspected by OFSTED in February 2019 and retained its grading of GOOD overall and in each individual category inspected. The school is working to improve on this rating for the next inspection with initial focus on achieving outstanding in Personal Development and EYFS. The full report can be found on the schools' website.

Going Concern

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

Sussex Education Trust Limited

Trustees' Report

Financial Review

As of 31 August 2022 the school had net assets of £28,180,046 (2021: £27,596,060) of which £28,034,291 (2021: £28,702,173) were represented by fixed assets necessary for the school to undertake its operating activity. During the year to 31 August 2022 the Trust received GAG income, pupil premium monies and additional funds such as the PE sports grant, growth fund and teacher pension top up funding etc. The principle costs and expenditure incurred during the year relate to the delivery of teaching and learning and the occupational costs relating to the ongoing establishment of the site and initial maintenance. The net result of the year was a surplus of £583,986 (2021: deficit of £1,308,620) which related to the following:

- Unrestricted funds – a surplus of £116,754 (2021: a deficit of £145,607)
- Restricted General Funds – a deficit of £24,431 (2021: a deficit of £3,890)
- Restricted Pension Funds – a surplus of £1,141,000 (2021: a deficit of £544,000)
- Restricted Fixed Asset Funds – a deficit of £649,337 (2021: a deficit of £605,123)

The income of the school has been affected by the Covid-19 virus.

Reserves Policy

The Governors review the levels of reserves regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves in general. Reserves are a key element of financial stability and allow the Academy Trust to cope with the fluctuating nature and timing of cash flow. Reserves also allow the Academy Trust to deal with unexpected expenditure and changes in income and give time for appropriate actions to be taken. At 31 August 2022 the Academy Trust has determined an appropriate target operational reserve level would be between the lower threshold of £278,820 and an upper threshold of £418,230 (to be held within unrestricted funds and general restricted funds). This amount is calculated with reference to a range of 5% to 7.5% of forecast operational expenditure. When actual reserve levels fall below the lower limit the Academy Trust will take all necessary steps to rebuild reserve levels through expenditure reductions or securing additional income. Where reserve levels are in excess of the upper limit action will be taken to ensure excess reserves are utilised in the delivery of the charitable objectives or through investment in the Academy Trust's capital infrastructure.

The current level of operational reserves is £108,497 and represents 1.9% of forecast operational expenditure for 2022/23.

Sussex Education Trust Limited

Trustees' Report

Investment Policy

The school has the power to deposit or invest any funds not immediately required for the furtherance of its objectives (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard for the suitability of investments and the need for diversification). The school may also delegate the management of investments to a financial expert, but only on the terms that:

- The investment policy is set down in writing for the financial expert by the Governors;
- Every transaction is reported promptly to the Governors;
- The performance of the investment is reviewed regularly by the Governors;
- The Governors are entitled to cancel the delegated arrangement at any time;
- The investment policy and the delegation arrangement are reviewed once a year;
- All payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt; and
- The financial expert must not do anything outside the powers of the Governors.

Principal Risks and Uncertainties

The Audit and Risk committee have overseen several internal audits this year that were either of higher risk or were considered that further investigation was required.

Financial stability remains a both a key risk and uncertainty as world enters turbulent times. Given the Trust's relatively low levels of reserves, following the closure of the sixth form, a strict and robust budgeting programme is followed by the school and the Trustees. Nevertheless, the Trust has managed a small surplus and improving on its budget in a year that has thrown many challenges.

The Trustees have many mechanisms for managing these risks and uncertainties in a prompt and reactive way. The audit and risk committee meet 6 times per year and maintain our risk register to identify and new and uplifting risks.

Fundraising

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

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

Sussex Education Trust Limited

Trustees' Report

Plans for Future Periods

2022/23 brings in new challenges as the world deepens into uncertain times. With rising energy prices and unfunded staff pay increases, at a time when inflation is at high levels, the Trust remains strong and focused. Each challenge thrown at the school is analysed and a solution is sought and implemented. With a further surplus budgeted for 2022/23, the Trust can weather these stormy times and continue to develop its strategic plans.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any such funds.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2022 and signed on the board's behalf by:


Helen Humphry (Dec 8, 2022 18:04 GMT)

H Humphry
Chair of Trustees

Sussex Education Trust Limited

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Sussex Education Trust Limited 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 Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sussex Education Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Helen Humphry	4	4
Joseph Appleby	4	4
Anne Harris	4	4
Kathryn Christopher (resigned March 2022)	2	2
Matthew Burkes (resigned April 2022)	0	2
Robert Crowe	3	4
Robert Matthews	4	4
Paul Spencer-Ellis (resigned December 2022)	0	2
Stephen King (retired July 2022)	2	4
Susanne Webb	3	4
Alison Mason (Appointed July 2022)	1	1
Ian Moore (Appointed November 2021)	3	3
Gurjit Purewal (Appointed December 2021)	2	2

Sussex Education Trust Limited

Governance Statement

Governance (continued)

Whereas the Full Governing Board (FGB) have only met four times during the past year, effective oversight has been maintained by the three committees (Resources, Education and Risk/Audit) as detailed in the Scheme of Delegation. The Resources Committee meets six times per year and reviews and challenges the school's financial performance through a range of reports and KPI's together with an oversight on Human Resources and Premises issues including Health and Safety. The Education Committee meets six times per year and reviews and challenges the educational performance of the school as well as the Pastoral data through a range of reports and targets. The Committee membership is selected based on the individual Trustee skill set, so both committees have a good range of skills relevant to each committees' areas of delegation. The Risk & Audit committee meet six times per year and sits within the Resources committee meeting schedule. The Risk & Audit committee assess the ever-changing risks to the Trust and direct Internal Audits to monitor the higher risk areas.

Each of the Committee's chair reports back to the FGB on the committee's actions during the termly board meetings, which allows Trustees from the other committees to understand what has been discussed in meetings that they were not in attendance of.

The level of governance was not compromised by the impact of Covid-19, as where face to face meetings were not allowed, then virtual meetings took place. This was also the case for link governor visits which were conducted virtually with relevant staff members in periods where access to the school was restricted.

Conflicts of interest:

The Clerk of Governors issues and collates the information from Trustees and senior members of staff at the start of the academic year to hold as a Register of Interests. Each committee meeting and board meeting starts with an agenda item stating that if any are arising within the meeting that could be consider a conflict of interest then that member must declare themselves and remove themselves from the meeting until the topic has been discussed.

Governance reviews:

At the start of the academic year the Clerk of Governors asks each Trustee to complete a skills audit which is fed back into a central database to be analysed and identify any area of weakness within the boards skill set. Throughout the year the Clerk suggests to Trustees of opportunities for external and internal training that can boost skill sets and remove any areas of weakness.

Sussex Education Trust Limited

Governance Statement

Governance (continued)

The Governing Body has sub committees (Education and Resources) which are tasked with detailed governance of their respective areas. Governors are presented in advance of meeting with detailed analysis and KPI's. Governors use this information to scrutinise both academic, pastoral, and financial performance.

In addition to governance that is carried out within committee meetings, each Governor is given a link role connected to either the School Improvement Plan (SIP) or / and an area of statutory (e.g., Safeguarding, Health and Safety). Each Governor carries out a school visit and if required subsequent follow up visits to ensure that their area is performing and if not to ask for further explanation from the Executive Principal of how performance is being addressed. Following visits are then written up in a common report format and shared with Executive Principal and all other Governors.

The Resources committee is a sub-committee of the main Board of Trustees. Its purpose is to give oversight and governance on the finances of the Trust and operational aspects of its activities. The committee reports back to the main board regarding issues in these areas. The committee is responsible for scrutinising the annual and 5-year budgets before approval at the main board. The committee uses several financial instruments to ensure the school is meeting both budget and returning value for money of its GAG funding. The committee has delegated powers to review, amend and approve policies associated with the Finance and Operation of the Trust. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Joseph Appleby	5	6
Robert Crowe	5	6
Robert Matthews	5	6
Helen Humphry	2	2
Kathryn Christopher (Resigned March 2022)	1	3
Gurjit Purewal (Appointed December 2021)	1	4
Ian Moore (Appointed November 2021)	2	4

The audit committee is a sub-committee of the Resources Committee. Its purpose is to advise on the adequacy of the financial and other controls and risk management arrangements. In order to do so, it directs a programme of internal scrutiny and considers its results, as well as considering the outputs from other assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations. It also reviews the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.

Sussex Education Trust Limited

Governance Statement

Governance (continued)

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Joseph Appleby	5	6
Robert Crowe	5	6
Robert Matthews	5	6
Helen Humphry	2	2
Kathryn Christopher (Resigned March 2022)	1	3
Gurjit Purewal (Appointed December 2021)	1	4
Ian Moore (Appointed November 2021)	2	4

Review of Value for Money

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

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

- Retendering for the catering contract, focusing not only on quality but also greater capacity for increased sales and greater profit share as an income source for the Trust;
- New PSA (Parent Staff Association) group formed dedicated to a large and successful range of fundraising events;
- Aligning all data, tracking, communication and efficiency systems, creating economies of scale as well as greater efficiencies;
- All-through departmental budgets created, instead of separate phase budgets, allowing for greater sharing of resources;
- All-through LSA team embedded, creating effective distribution opportunities according to daily need across the whole school, and reducing the need for external supply for absence cover;
- Executive Principal now monitors closely the supply budget, ensuring strict adherence to smaller budget, as well as executing more creative ways to cover lessons that do not necessarily mean bringing in external supply, but results in a more positive learning experience for learners;
- Change in ICT equipment used for teaching in learning - moved to Promethean Boards and Windows Laptops rather than iPads. Despite initial outlay, this proves far more cost effective over time, as well as being a far superior resource in the classroom for teaching and learning; and
- ICT audit conducted, with licence changes actioned as a result to achieve greater value for money. Long term ICT renewal plan established and actioned, to ensure gradual replacement of equipment in a more cost-effective way.

Sussex Education Trust Limited

Governance Statement

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 Sussex Education Trust Limited 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 on-going 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 Resources 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an auditor for this purpose. However, the Trustees have appointed Joe Appleby, a Trustee, to carry out a programme of internal checks; and
- to buy-in an internal audit service from St. Philip Howard Academy

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of compliance with the Academy Trust Handbook

Sussex Education Trust Limited

Governance Statement

The Risk and Control Framework (continued)

On a termly basis, the auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned. No material control issues arose as a result of the internal auditor's work.

Review of Effectiveness

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

- the work of the reviewer
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 5 December 2022 and signed on its behalf by:


Helen Humphry (Dec 8, 2022 18:04 GMT)

H Humphry
Chair of Trustees


L. New (Dec 9, 2022 05:52 GMT)

L New
Accounting Officer

Sussex Education Trust Limited

Statement on Regularity, Propriety and Compliance

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

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

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

L. New

L. New (Dec 9, 2022 05:52 GMT)

L New
Accounting Officer
5 December 2022

Sussex Education Trust Limited

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2022 and signed on its behalf by:



Helen Humphry (Dec 8, 2022 18:04 GMT)

H Humphry
Chair of Trustees

Sussex Education Trust Limited

Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

Opinion

We have audited the financial statements of Sussex Education Trust Limited ('the charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 properly prepared in accordance with the Charities SORP 2019 and 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Sussex Education Trust Limited

Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Sussex Education Trust Limited

Independent Auditor's Report on the Financial Statements to the Members of Sussex Education Trust Limited

Responsibilities of the Trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academy Trust Handbook 2021, and the Academies Accounts Direction 2021 to 2022.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

Sussex Education Trust Limited

Independent Auditor’s Report on the Financial Statements to the Members of Sussex Education Trust Limited

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust’s financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team’s knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

Use of our report

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



G Brown FCCA (Senior statutory auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

09/12/2022
Date

Sussex Education Trust Limited

Independent Reporting Accountant's Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sussex Education Trust Limited 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 Sussex Education Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sussex Education Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sussex Education Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sussex Education Trust Limited's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sussex Education Trust Limited's funding agreement with the Secretary of State for Education dated 8 July 2013 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.

Sussex Education Trust Limited

Independent Reporting Accountant's Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2021) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

Sussex Education Trust Limited

Independent Reporting Accountant’s Assurance Report on Regularity to Sussex Education Trust Limited and the Education & Skills Funding Agency

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.



G Brown FCCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

09/12/2022
Date

Sussex Education Trust Limited

Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Income and endowments from:							
Donations and capital grants	2	19,646	-	-	18,982	38,628	88,186
Other trading activities	4	44,214	-	-	-	44,214	14,885
Investments	5	62	-	-	-	62	88
Charitable activities:							
Funding for the academy trust's educational operations	3	165,023	5,180,974	-	-	5,345,997	5,344,789
Total		228,945	5,180,974	-	18,982	5,428,901	5,447,948
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	108,969	5,120,838	344,000	756,108	6,329,915	6,444,568
Net income / (expenditure)		119,976	60,136	(344,000)	(737,126)	(901,014)	(996,620)
Transfers between funds	16	(3,222)	(84,567)	-	87,789	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	24	-	-	1,485,000	-	1,485,000	(312,000)
Net movement in funds		116,754	(24,431)	1,141,000	(649,337)	583,986	(1,308,620)
Reconciliation of funds							
Total funds brought forward		(26,212)	42,386	(1,141,000)	28,720,886	27,596,060	28,904,680
Total funds carried forward		90,542	17,955	-	28,071,549	28,180,046	27,596,060

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

Sussex Education Trust Limited

Balance Sheet as at 31 August 2022

Company Number 07874411

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	11		2,063		2,812
Tangible assets	12		<u>28,032,228</u>		<u>28,699,361</u>
			28,034,291		28,702,173
Current assets					
Stock	13	836		1,099	
Debtors	14	212,991		224,872	
Cash at bank and in hand		<u>430,235</u>		<u>305,412</u>	
		644,062		531,383	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(498,307)</u>		<u>(496,496)</u>	
Net current assets			<u>145,755</u>		<u>34,887</u>
Total assets less current liabilities			28,180,046		28,737,060
Defined benefit pension scheme liability	24		-		(1,141,000)
Total net assets			<u>28,180,046</u>		<u>27,596,060</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	28,071,549		28,720,886	
Restricted income fund	16	17,955		42,386	
Pension reserve	16	<u>-</u>		<u>(1,141,000)</u>	
Total restricted funds			28,089,504		27,622,272
Unrestricted income funds	16		90,542		(26,212)
Total funds			<u>28,180,046</u>		<u>27,596,060</u>

The financial statements on pages 26 to 52 were approved by the trustees and authorised for issue on 5 December 2022 and are signed on their behalf by:


Helen Humphry (Dec 8, 2022 18:04 GMT)

H Humphry
Chair of Trustees

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

Sussex Education Trust Limited

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	194,005	(122,441)
Cash flows from investing activities	20	(69,182)	(54,506)
Change in cash and cash equivalents in the reporting period		<u>124,823</u>	<u>(176,947)</u>
Cash and cash equivalents at 1 September 2021		305,412	482,359
Cash and cash equivalents at 31 August 2022	21	<u>430,235</u>	<u>305,412</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

Going Concern

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

Income

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

- Donations

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

- Grants

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

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

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

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Income (continued)

- Other Income

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

- Donated goods, facilities and services

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

- Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

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

Expenditure

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £2,000 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:

Purchased computer software	25% straight line
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Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Tangible Fixed Assets

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

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

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

Freehold Land and Buildings	2% straight line on buildings; not provided on land
Furniture and Equipment	25% straight line
Computer Equipment	25% straight line
Motor Vehicles	25% straight line

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

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

Liabilities

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

Provisions

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

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

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Leased Assets

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

Financial Instruments

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

Financial assets

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

Cash at bank

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

Financial liabilities

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

Stock

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

Taxation

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

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

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Pensions Benefits

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

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

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

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

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

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.

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

The assumptions used are disclosed in note 24.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	18,982	18,982	45,112
Donated fixed assets	-	-	-	30,320
Other donations	19,646	-	19,646	12,754
	<u>19,646</u>	<u>18,982</u>	<u>38,628</u>	<u>88,186</u>
Total 2021	<u>12,754</u>	<u>75,432</u>	<u>88,186</u>	

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,688,716	4,688,716	4,553,268
Pupil Premium	-	147,117	147,117	149,711
UIFSM	-	70,223	70,223	71,803
Rates reclaim	-	58,368	58,368	58,368
PE and sports grant	-	17,521	17,521	19,600
Teachers' pay grant	-	-	-	62,023
Teachers' pension grant	-	-	-	175,257
Other DfE grants	-	109,096	109,096	1,628
	-	5,091,041	5,091,041	5,091,658
Other government grants				
Local authority grants	-	72,949	72,949	55,156
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	79,720
Summer schools programme fund	-	-	-	12,662
Other DfE/ESFA Coronavirus funding	-	-	-	32,690
	-	-	-	125,072
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	13,420	13,420	36,120
Other income from the Academy Trust's educational operations				
Other income	165,023	3,564	168,587	36,783
	165,023	5,180,974	5,345,997	5,344,789
Total 2021	29,066	5,315,723	5,344,789	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	44,214	-	44,214	14,885
Total 2021	14,885	-	14,885	

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

5 Investment income

	Unrestricted funds	Restricted funds	2021/22 Total	2020/21 Total
	£	£	£	£
Short term deposits	62	-	62	88
Total 2021	88	-	88	

6 Expenditure

	Staff costs	Non Pay Expenditure		Total 2021/22	Total 2020/21
		Premises	Other		
	£	£	£	£	£
Academy's educational operations:					
Direct costs	3,857,735	-	351,452	4,209,187	4,438,780
Allocated support costs	675,718	263,190	1,181,820	2,120,728	2,005,788
	4,533,453	263,190	1,533,272	6,329,915	6,444,568
Total 2021	4,856,823	236,284	1,351,461	6,444,568	

Net income/(expenditure) for the period includes:

	2021/22	2020/21
	£	£
Operating lease rentals	36,347	42,658
Amortisation	2,869	938
Depreciation	754,139	755,474
(Gain)/loss on disposal of fixed assets	(900)	(2,550)
Fees payable to auditor for:		
Audit	7,250	7,250
Other services	5,530	3,515

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
		Amount	Reason
	£	£	
Unrecoverable debts	713	-	-

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

7 Charitable activities

	2021/22 Total £	2020/21 Total £
Direct costs – educational operations	4,209,187	4,438,780
Support costs – educational operations	2,120,728	2,005,788
	<u>6,329,915</u>	<u>6,444,568</u>

Analysis of support costs:

	Educational operations £	2021/22 Total £	2020/21 Total £
Support staff costs	675,718	675,718	658,810
Amortisation	2,869	2,869	938
Depreciation	754,139	754,139	755,474
Technology costs	101,777	101,777	88,852
Premises costs	263,190	263,190	236,284
Legal costs - other	1,013	1,013	1,756
Other support costs	256,605	256,605	201,292
Governance costs	65,417	65,417	62,382
Total support costs	<u>2,120,728</u>	<u>2,120,728</u>	<u>2,005,788</u>
Total 2021		<u>2,005,788</u>	<u>2,005,788</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

8 Staff

a) Staff costs

Staff costs during the period were:

	2021/22	2020/21
	£	£
Wages and salaries	3,134,388	3,399,743
Social security costs	301,468	303,517
Pension costs	1,025,806	988,162
	<u>4,461,662</u>	<u>4,691,422</u>
Agency staff costs	71,791	163,158
Staff restructuring costs	-	2,243
	<u>4,533,453</u>	<u>4,856,823</u>

Staff restructuring costs comprise:

Redundancy payments	-	2,243
	<u>-</u>	<u>2,243</u>

b) Staff numbers

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

	2021/22	2020/21
	No.	No.
Teachers	57	61
Administration and support	60	62
Management	9	9
	<u>126</u>	<u>132</u>

c) Higher paid staff

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

	2021/22	2020/21
	No.	No.
£60,001 - £70,000	1	2
£80,001 - £90,000	1	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £632,576 (2021: £669,156).

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

9 Related Party Transactions – Trustees’ remuneration and expenses

During the period ended 31 August 2022, no trustees received any remuneration or other benefits (2021: none).

10 Trustees and officers insurance

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

11 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2021	46,548	46,548
Acquisitions	2,120	2,120
At 31 August 2022	<u>48,668</u>	<u>48,668</u>
Amortisation		
At 1 September 2021	43,736	43,736
Charged in year	2,869	2,869
At 31 August 2022	<u>46,605</u>	<u>46,605</u>
Net book values		
At 31 August 2021	2,812	2,812
At 31 August 2022	<u>2,063</u>	<u>2,063</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

12 Tangible fixed assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2021	30,126,912	907,087	895,919	20,305	31,950,223
Acquisitions	19,619	15,895	51,492	-	87,006
Disposals	-	-	(139,057)	-	(139,057)
At 31 August 2022	<u>30,146,531</u>	<u>922,982</u>	<u>808,354</u>	<u>20,305</u>	<u>31,898,172</u>
Depreciation					
At 1 September 2021	1,658,130	775,529	796,898	20,305	3,250,862
Charged in year	558,702	112,691	82,746	-	754,139
Disposals	-	-	(139,057)	-	(139,057)
At 31 August 2022	<u>2,216,832</u>	<u>888,220</u>	<u>740,587</u>	<u>20,305</u>	<u>3,865,944</u>
Net book values					
At 31 August 2021	28,468,782	131,558	99,021	-	28,699,361
At 31 August 2022	<u>27,929,699</u>	<u>34,762</u>	<u>67,767</u>	<u>-</u>	<u>28,032,228</u>

13 Stock

	2021/22 £	2020/21 £
Uniform stocks	<u>836</u>	<u>1,099</u>

14 Debtors

	2021/22 £	2020/21 £
Trade debtors	34,741	11,283
VAT recoverable	50,025	43,495
Other debtors	11,445	15,408
Prepayments and accrued income	116,780	154,686
	<u>212,991</u>	<u>224,872</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Creditors: amounts falling due within one year

	2021/22	2020/21
	£	£
Trade creditors	147,821	170,041
Other taxation and social security	71,665	64,512
Other creditors falling due within one year	92,343	101,608
Accruals and deferred income	186,478	160,335
	<u>498,307</u>	<u>496,496</u>

	2021/22	2020/21
	£	£
Deferred income at 1 September 2021	108,882	113,297
Released from previous years	(108,882)	(113,297)
Resources deferred in the year	111,211	108,882
Deferred income at 31 August 2022	<u>111,211</u>	<u>108,882</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of SEN funding, UIFSM, rates reimbursement, and trip income.

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	-	4,688,716	(4,604,149)	(84,567)	-	-
Pupil premium	-	147,117	(147,117)	-	-	-
UIFSM	-	70,223	(70,223)	-	-	-
Rates reclaim	-	58,368	(58,368)	-	-	-
PE and sports grant	-	17,521	(17,521)	-	-	-
Other DfE grants	-	109,096	(109,096)	-	-	-
Local authority grants	-	72,949	(72,949)	-	-	-
Catch-up premium	12,749	-	(12,749)	-	-	-
Other Coronavirus funding	-	13,420	(13,420)	-	-	-
Other educational activities	29,637	3,564	(15,246)	-	-	17,955
	42,386	5,180,974	(5,120,838)	(84,567)	-	17,955
Pension reserve	(1,141,000)	-	(344,000)	-	1,485,000	-
	(1,098,614)	5,180,974	(5,464,838)	(84,567)	1,485,000	17,955
Restricted fixed asset funds						
Fixed asset fund	28,702,173	-	(756,108)	88,226	-	28,034,291
ESFA capital grants (DFC)	-	18,982	-	(18,982)	-	-
Donated fixed assets	7,878	-	-	(5,620)	-	2,258
Other capital funds	10,835	-	-	(10,835)	-	-
Future acquisitions	-	-	-	35,000	-	35,000
	28,720,886	18,982	(756,108)	87,789	-	28,071,549
Total restricted funds	27,622,272	5,199,956	(6,220,946)	3,222	1,485,000	28,089,504
Total unrestricted funds	(26,212)	228,945	(108,969)	(3,222)	-	90,542
Total funds	27,596,060	5,428,901	(6,329,915)	-	1,485,000	28,180,046

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Funds (continued)

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

General annual grant

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

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

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

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

Fixed asset fund

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

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

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

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

Future acquisitions

These are contributions from the school towards future acquisitions.

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

16 Funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	-	4,553,268	(4,674,491)	121,223	-	-
Pupil premium	-	149,711	(149,711)	-	-	-
UIFSM	-	71,803	(71,803)	-	-	-
Rates reclaim	-	58,368	(58,368)	-	-	-
PE and sports grant	-	19,600	(1,680)	(17,920)	-	-
Teachers' pay grant	-	62,023	(62,023)	-	-	-
Teachers' pension grant	-	175,257	(175,257)	-	-	-
Other DfE grants	-	1,628	(1,628)	-	-	-
Local authority grants	-	55,156	(55,156)	-	-	-
Catch-up premium	-	79,720	(66,971)	-	-	12,749
Summer schools programme	-	12,662	(12,662)	-	-	-
Other DfE/ESFA C-19 funding	-	32,690	(32,690)	-	-	-
Other Coronavirus funding	-	36,120	(36,120)	-	-	-
Other educational activities	46,276	7,717	(24,356)	-	-	29,637
	<u>46,276</u>	<u>5,315,723</u>	<u>(5,422,916)</u>	<u>103,303</u>	<u>-</u>	<u>42,386</u>
Pension reserve	(587,000)	-	(242,000)	-	(312,000)	(1,141,000)
	<u>(540,724)</u>	<u>5,315,723</u>	<u>(5,664,916)</u>	<u>103,303</u>	<u>(312,000)</u>	<u>(1,098,614)</u>
Restricted fixed asset funds						
Fixed asset fund	29,326,009	-	(753,862)	130,026	-	28,702,173
ESFA capital grants (DFC)	-	19,396	-	(19,396)	-	-
Other ESFA capital grants	-	25,716	-	(25,716)	-	-
Donated fixed assets	-	30,320	-	(22,442)	-	7,878
Other capital funds	-	-	-	10,835	-	10,835
	<u>29,326,009</u>	<u>75,432</u>	<u>(753,862)</u>	<u>73,307</u>	<u>-</u>	<u>28,720,886</u>
Total restricted funds	<u>28,785,285</u>	<u>5,391,155</u>	<u>(6,418,778)</u>	<u>176,610</u>	<u>(312,000)</u>	<u>27,622,272</u>
Total unrestricted funds	<u>119,395</u>	<u>56,793</u>	<u>(25,790)</u>	<u>(176,610)</u>	<u>-</u>	<u>(26,212)</u>
Total funds	<u>28,904,680</u>	<u>5,447,948</u>	<u>(6,444,568)</u>	<u>-</u>	<u>(312,000)</u>	<u>27,596,060</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

17 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	-	2,063	2,063
Tangible fixed assets	-	-	-	28,032,228	28,032,228
Current assets	90,542	516,262	-	37,258	644,062
Current liabilities	-	(498,307)	-	-	(498,307)
Total net assets	90,542	17,955	-	28,071,549	28,180,046

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

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	-	2,812	2,812
Tangible fixed assets	-	-	-	28,699,361	28,699,361
Current assets	-	512,670	-	18,713	531,383
Current liabilities	(26,212)	(470,284)	-	-	(496,496)
Pension scheme liability	-	-	(1,141,000)	-	(1,141,000)
Total net assets	(26,212)	42,386	(1,141,000)	28,720,886	27,596,060

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021/22 £	2020/21 £
Amounts due within one year	50,149	34,076
Amounts due between one and five years	111,005	62,813
	161,154	96,889

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

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

	2021/22	2020/21
	£	£
Net expenditure for the reporting period	(901,014)	(996,620)
Adjusted for:		
Amortisation	2,869	938
Depreciation	754,139	755,474
(Gain)/loss on disposal of fixed assets	(900)	(2,550)
Capital grants from DfE and other capital income	(18,982)	(75,432)
Interest receivable	(62)	(88)
Defined benefit pension scheme cost less contributions payable	323,000	230,000
Defined benefit pension scheme finance cost	21,000	12,000
Decrease in stocks	263	440
Decrease in debtors	11,881	17,022
Increase / (decrease) in creditors	1,811	(63,625)
Net cash provided by / (used in) Operating Activities	<u>194,005</u>	<u>(122,441)</u>

20 Cash flows from investing activities

	2021/22	2020/21
	£	£
Dividends, interest and rents from investments	62	88
Proceeds from sale of tangible fixed assets	900	2,550
Purchase of intangible fixed assets	(2,120)	(3,000)
Purchase of tangible fixed assets	(87,006)	(99,256)
Capital grants from DfE Group	18,982	19,396
Capital funding received from sponsors and others	-	25,716
Net cash used in investing activities	<u>(69,182)</u>	<u>(54,506)</u>

21 Analysis of cash and cash equivalents

	2021/22	2020/21
	£	£
Cash at bank and in hand	<u>430,235</u>	<u>305,412</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

22 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2022 £
Cash	305,412	124,823	-	-	-	430,235
Total	305,412	124,823	-	-	-	430,235

23 Members liability

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

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

24 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 West Sussex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £78,246 were payable to the schemes at 31 August 2022 (2021: £84,434) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £537,334 (2021: £574,987).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was as follows:

	2022	2021
	£	£
Employer's contributions	179,000	194,000
Employees' contributions	46,000	53,000
	<u>225,000</u>	<u>247,000</u>

The agreed contribution rates for future years are 19.5% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	3.6%	3.4%
Rate of increase for pensions in payment/inflation	3.1%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	<u>3.1%</u>	<u>2.9%</u>

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

	2022	2021
Retiring today		
Males	21.9	22.1
Females	<u>24.2</u>	<u>24.4</u>
Retiring in 20 years		
Males	22.8	23.1
Females	<u>25.9</u>	<u>26.1</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2022	2021
	£	£
Discount rate -0.1%	52,000	92,000
Mortality assumption – 1 year increase	71,000	123,000
CPI rate +0.1%	52,000	92,000

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

	2022	2021
	£	£
Equities	1,041,000	1,009,000
Gilts	680,000	699,000
Property	340,000	155,000
Cash and other liquid assets	64,000	78,000
Total market value of assets	2,125,000	1,941,000

The actual return on scheme assets was a loss of £35,000 (2021: a gain of £279,000).

Amount recognised in the Statement of Financial Activities

	2021/22	2020/21
	£	£
Current service cost	501,000	424,000
Past service cost	1,000	-
Interest income	(34,000)	(26,000)
Interest cost	55,000	38,000
Total amount recognised in the SOFA	523,000	436,000

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

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

	2021/22	2020/21
	£	£
At 1 September	3,082,000	2,004,000
Current service cost	501,000	424,000
Interest cost	55,000	38,000
Employee contributions	46,000	53,000
Actuarial (gain) / loss	(1,554,000)	565,000
Benefits paid	(6,000)	(2,000)
Past service cost	1,000	-
At 31 August	<u>2,125,000</u>	<u>3,082,000</u>

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

	2021/22	2020/21
	£	£
At 1 September	1,941,000	1,417,000
Interest income	34,000	26,000
Actuarial (loss) / gain	(69,000)	253,000
Employer contributions	179,000	194,000
Employee contributions	46,000	53,000
Benefits paid	(6,000)	(2,000)
At 31 August	<u>2,125,000</u>	<u>1,941,000</u>

Sussex Education Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

25 Related party transactions

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

Expenditure Related Party Transactions:

MindWorks Marketing Company Limited – a company in which M Leggatt (a former trustee) is a director:

- The Academy Trust purchased service from Mindwork Marketing Company Limited totalling £nil (2021: £267) during the period. There were no amounts outstanding at 31 August 2022 (2021: £nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which M Leggatt neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2021.

Chris New Consultancy – a business controlled by a close family member of L New (a member of key management personnel):

- The academy trust purchased services from Chris New Consultancy totalling £16,416 (2021: £16,428) during the period. There were no amounts outstanding at 31 August 2022 (2021: £nil).
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which L New neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2021.
- The element above £2,500 has been provided 'at no more than cost' and Chris New Consultancy has provided a statement of assurance confirming this.