

Company Registration Number: 08565187 (England & Wales)

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**LOUGHTON SCHOOL**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

Sandy Blackledge  
Cyprel Ijeh  
Neil Stickland  
Ben Friday  
Neil Goodman-Smith  
Jacqueline Watson-Yarngo (resigned 24 May 2022)  
Geoffrey Twiselton (appointed 8 September 2022)

**Trustees**

Sandy Blackledge, Chair (to 06.07.22) (resigned 20 July 2022)<sup>1,2</sup>  
Rebecca Advani (resigned 21 February 2022)<sup>1</sup>  
Hannah Cheetham-Joshi  
Benjamin Fairhall<sup>1,2</sup>  
Josephine Kamara (resigned 12 September 2021)<sup>1</sup>  
Colin Watts (resigned 31 January 2022)<sup>1</sup>  
Angela Mathews (appointed 15 September 2022)<sup>1</sup>  
David Brown (appointed 10 June 2022)<sup>1</sup>  
Neil Stickland (resigned 20 October 2022)<sup>1</sup>  
Geoffrey Twiselton, Chair (from 6.07.22) (appointed 27 March 2022)<sup>1,2</sup>  
Matthew Haughton<sup>1,2</sup>  
Shelley Cadman (appointed 17 June 2022)<sup>1</sup>  
Ulanda Nyondo (appointed 15 June 2022)<sup>1</sup>  
Rebekah Green, Headteacher and accounting officer<sup>1,2</sup>  
Jane Solloway, Staff Trustee (resigned 22 July 2022)  
Katherine Smith (appointed 28 October 2022)<sup>1</sup>  
Nouma Zenia (appointed 10 January 2022, resigned 2 March 2022)  
Raphael Adebisi (appointed 8 November 2021, resigned 15 March 2022)<sup>1</sup>  
Charlene Cruickshank (appointed 5 November 2021, resigned 26 September 2022)<sup>1</sup>  
Kerry Demmert (appointed 8 November 2021, resigned 3 March 2022)<sup>1</sup>  
Sharon McErlean (appointed 8 November 2021, resigned 22 February 2022)

<sup>1</sup> Resources and environment committee

<sup>2</sup> Audit and risk committee

**Company registered number**

08565187

**Company name**

Loughton School

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Principal and registered office**

Loughton School  
Bradwell Road  
Loughton  
Milton Keynes  
MK5 8DN

**Senior management team**

Rebekah Green, Headteacher  
Nana Brago, Pastoral Champion and assistant headteacher  
Ellie Frost, Deputy Headteacher  
Charlie McNeaney, Academic Champion and assistant headteacher

**Independent auditors**

Streets Audit LLP  
Chartered Accountants  
Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Beds  
MK44 3BZ

**Bankers**

Lloyds Bank PLC  
Lloyds Court  
28 Secklow Gate West  
Milton Keynes  
Bucks  
MK9 3EH

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 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 7 to 11 serving a catchment area in West Milton Keynes. It has a pupil capacity of 480 and had a roll of 465 in the school census on 6 October 2022.

**Structure, governance and management**

**a. Constitution**

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

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

The Trustees of Loughton School are also the directors of the charitable company for the purposes of company law.

The charitable company is operates as Loughton School.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on business of the academy trust. The insurance provides cover up to £10,000,000 in any one claim. However, whilst this is the limit for any one claim, it is also the total aggregate limit during any one year.

**d. Method of recruitment and appointment or election of Trustees**

The articles of association require the academy trust to appoint a minimum of 3 and a maximum of 8 co-opted trustees. The articles of association contain provisions for the appointment of additional trustees, including staff and parent trustees. There is no maximum number of trustees. Trustees are appointed for fixed term of 4 years, but are eligible for reelection at the end of the fixed term.

There are currently 6 coopted trustees, the headteacher, and 3 parent trustees (elected by the parents).

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

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**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

In accordance with the Governor Induction policy, all new trustees receive induction and support from the development governor and the clerk to the governing board. All trustees are offered training opportunities through the Milton Keynes Council Governance and Leadership training programme.

**f. Organisational structure**

The trustee roles and responsibilities and scheme of delegation were reviewed on 19 October 2022. The trustees are organised into a number of committees who form policy about key areas. The committees comprise Resources and Environment, Audit and Risk, Pay, Teaching and Learning, and as required, Complaints, Discipline, and Appeals. The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the finances of the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments. During the period under review the trustees held 6 full governing board meetings. Regular emails have been sent to the trustees keeping them informed of significant events and most have either visited the academy during daytime activities or met with staff online. All trustees have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their duties. The responsible officer has monitored the changes to processes and makes regular reports to the trustees. The trustees approve the statutory accounts. The levels of authorisation of budget spend are detailed in the academy finance policy. The day to day management of the academy is delegated by the trustees to the headteacher who is the accounting officer. The headteacher is supported by the deputy headteacher and the finance officer.

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

The academy trust defines key management personnel as the senior leadership team. The pay and remuneration of the senior leadership team is set by the trustees by the annual approval of a pay policy linked with an appraisal policy. The performance management of all staff is overseen by the trustees. The headteacher is appraised annually by a panel comprising the chair of trustees and two trustees from the pay committee. The trustees use the services of an independent advisor to assist with this process.

**h. 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. There are no sponsors. The academy works with many school networks to further the principal activities of the academy.

**i. Trade union facility time**

There was one employee who acted as a union official during the year. The officials are not given any dedicated ringfenced time during work hours on facility time to perform their duties as union officials.

The Academy has allowed local union associations to use the school facilities for local meetings.

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**LOUGHTON SCHOOL**  
(A company limited by guarantee)

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

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**Objectives and activities**

**a. Objects and aims**

The principal objective of the academy trust is the operation of Loughton School.

In accordance with the articles of association the academy trust aims to advance for the public benefit education by managing and developing a school offering a broad and balanced curriculum.

**b. Objectives, strategies and activities**

In 2019 the trustees updated the aims and visions of the academy, in consultation with pupils and staff. They are used to inform the decisions made by the trustees.

Our mission is to be the very best at educating the whole child. Holistic education means children learning the skills and knowledge they need to be ready to move on in the journey of their education as life long learners. These include a broad curriculum, critical thinking skills, managing relationships, positive mental health and wellbeing strategies, social skills and manners, and respect for ourselves and others in the Loughton family.

Loughton Immersive Learning is our exciting curriculum which explains what and how we learn. We want children to be inspired, resilient, creative, respectful and independent learners through a hands on, childinspired learning journey.

Outstanding pastoral care is how we look after each other. We break down barriers to learning within our supportive, inclusive environment. We address any issues or concerns immediately so that teachers can teach, and children can learn. There are only three school rules: be ready, be respectful and be safe.

Our school is a safe, happy and caring environment. Safeguarding is our highest priority. If children feel safe, they will be ready to learn. At Loughton School you see lots of happy smiling faces.

Our inspirational leadership and staff teams work effectively in collaboration with parents and children. They are constantly striving to improve their skills as lifelong learners, developing and reflecting on best practise.

We have high academic expectations where we believe every child can achieve their potential and make excellent progress. We are ambitious and encourage our children to be ambitious too, whatever their starting point.

**c. Public benefit**

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

**Strategic report**

**Achievements and performance**

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Key performance indicators**

There was a section 8 inspection of the school by Ofsted on 12-13 November 2019. The outcome was that the school continues to be good.

The Ofsted report said:

*"Pupils at Loughton School enjoy many opportunities to learn new things in interesting ways. The acting headteacher has worked effectively with staff to develop a curriculum that captures pupils' interests and imagination. Leaders have high expectations for all pupils. They have worked hard to make sure pupils learn well in a range of subjects. Teachers plan work that helps pupils succeed.*

*Staff make sure that pupils are safe in school and are cared for well. Pupils say that they feel safe and that bullying is rare. Pupils are confident that staff will sort out any issues. Staff and pupils show a high level of respect for one another.*

*A range of different clubs help pupils to develop as 'rounded' individuals. High quality before and afterschool care gives pupils opportunities to interact successfully with each other.*

*Leaders have developed a curriculum where pupils learn well across the full range of subjects. This is enriched by interesting trips and visitors. Whether speaking German on a school trip to Germany or designing and making helmets for Roman soldiers, for example, pupils find their learning exciting.*

*Pupils enjoy reading and read frequently. Because leaders make learning to read a priority for all pupils, the vast majority of pupils leave the school reading confidently.*

*Progress in writing is particularly strong. Teachers' use of interesting texts, for example, inspires pupils to write descriptively.*

*Teachers deliver lessons that help pupils to discover new things and remember previous learning. Pupils work hard and can recall lots of examples of things they have remembered.*

*Leaders make sure that adults know how to support pupils with special educational needs and/or disabilities (SEND) well. They provide support and training to ensure pupils with SEND have positive attitudes towards their work and are engaged in all activities. Consequently, pupils with SEND achieve well.*

*The curriculum is not limited to academic subjects. Pupils enjoy wide ranging activities that take place both during and after the school day. For instance, pupils take part in an annual Shakespeare festival. They recently performed in 'A Midsummer Night's Dream'.*

*Pupils conduct themselves well. They say that any bullying in school is dealt with effectively by staff. Pupils have very good attitudes towards their learning. Behaviour in lessons is good and low level disruption in lessons is minimal. Pupils listen carefully to teachers and focus on their learning.*

*Pupils enjoy coming to school because leaders have made it a good place to learn. Consequently, attendance has improved and is in line with national averages. Leaders' strong work to improve pupils' behaviour has resulted in a significant reduction in exclusions.*

*The vast majority of staff and parents and carers are positive about the school. They have confidence in leaders.*

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

*The work of trustees is effective. They hold leaders to account and have a strong focus on the well being of staff and pupils.*

*The arrangements for safeguarding are effective. The culture of safeguarding is consistent with the caring ethos of the school. Staff receive regular training and updates. They are vigilant and aware that safeguarding is everyone's responsibility. They confidently identify pupils who may be at risk and take appropriate action when required. Leaders follow up safeguarding concerns rigorously. They work well with other agencies and families to support pupils who may need help.*

*What does the school need to do to improve?*

*Leaders should ensure that any support provided to help pupils catch up in their phonics or reading helps pupils to do so quickly and securely.*

*A significant number of subject leaders are new to their roles. Senior leaders should support subject leaders to be well equipped to ensure curriculum plans are implemented fully and successfully."*

To ensure that senior leaders are supported, the school employs the services of a School Improvement Partner from Milton Keynes Council.

The School Development Plan has been updated to include the three years from 2021-2024. Objectives are clear, measurable, costed and owned by the senior leaders. Progress is measured termly and reported to the trustees.

The school was fully subscribed for the 2021/2022 intake and currently remains full in all year groups except year 3.

The trustees note pupil attendance for 2021/2022 of 93.11%.

The staff and trustees at the academy continue to be proud of the achievements of the children at Loughton School, not just in their academic attainment and progress, where attainment usually compares well nationally, but in the diversity and opportunity of the successes of the children in the school in all areas.

The academy trust is also monitored through the completion and submission to the ESFA of the budget forecast for the year ahead and the accounts annual return produced from the annual financial statements.

**b. 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 they continue 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 accounting policies.

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

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**Strategic report (continued)**

**Financial review**

The academy trust's financial objectives are to:  
Apply at all times best value principles in all purchases  
Monitor and evaluate the value for money of all staff  
Prevent all areas of wastage  
Generate extra income through external sources

These objectives were achieved in the year ended 31 August 2022.

The academy trust reviews annually its finance policy and procedures and complies with the Academy Trust Handbook.

Most of the academy trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities. The academy trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022 total income (excluding capital funding) was £2,432,299 and expenditure was £2,525,497 excluding capital expenditure, depreciation and the movement on the LGPS actuary valuation). The excess of revenue expenditure over revenue income for the year was £93,198.

At 31 August 2022 the net book value of fixed assets was £3,409,142 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to pupils.

The academy trust held fund balances at 31 August 2022 of £3,602,443. This comprised restricted fixed asset funds of £3,410,052, restricted fund of £225,981, pension reserve deficit of £210,000, and £176,410 of unrestricted general funds.

**a. Reserves policy**

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 4 weeks of expenditure, approximately £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy trust currently has free reserves of £402,391 (2021 £287,308). The trustees are continually monitoring the reserves and are considering what options are available. Given the significant increase in risk to the academy and expectation of inflationary pressure resulting in higher costs in future years, the trustees have decided to accumulate reserves in order to mitigate against future costs pressures.

**b. Investment policy**

The academy trust holds surplus cash balances on short fixed-term deposits with Lloyds Bank.

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

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**c. Principal risks and uncertainties**

The academy trust has undertaken work during the year to further develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the academy trust's assets and reputation. The academy trustees undertake a comprehensive review of the risks to which the academy trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the academy trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the governors will also consider any risks which may arise as a result of a new area of work being undertaken by the academy trust.

A risk register is maintained which is reviewed at least annually by the Audit and Risk Committee, reporting to the Resources and Environment Committee, and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Outlined below is a description of the principal risk factors that may affect the academy trust. Not all the factors are within the academy trust's control. Other factors besides those listed below may also adversely affect the academy trust.

**1. Government funding**

The academy trust has considerable reliance on continued government funding through the ESFA. There is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is mitigated as much as possible through ensuring the regular monitoring of government funding. Where necessary the trustees will adapt reserves policies and take appropriate action.

**2. Inflation risk**

The increase in inflation and projection by the Bank of England of a prolonged recession has increased costs and budget pressure. Increasing staff and operating costs are not necessarily matched by additional funding. Budget monitoring and spending restraint as a result of this emerging risk has enabled reserves to be strengthened over the year. This should provide the academy trust with sufficient resources to continue delivering high quality education despite significant inflationary pressures.

**3. Recruitment and retention of Trustees**

The academy trust has seen significant turnover in trustees over the year. This is primarily due to changes in personal circumstances, in particular Covid restrictions and work demands creating challenges in committing the necessary time and energy. This risk is mitigated in a number of ways:

- a. Trustee attendance, performance and wellbeing monitored by chair and committee heads to identify risk of leavers
- b. Utilise Members with significant experience to support where necessary
- c. Ensure expectations are clear for new governors and that they have capacity for continued commitment
- d. Maintain contact with National Governors Association and other national organisations for support and advice

**4. Maintain adequate funding of pension liabilities**

The financial statements report the share of the pension scheme deficit on the academy trust's balance sheet in line with the requirements of FRS 102. This deficit relates to non-teaching staff who are members of the Buckinghamshire Pension Fund. At 31 August 2022 the deficit amounted to £210,000. The pension scheme liability is an ongoing liability which is not expected to crystallise until the retirement of the employees in the scheme. The academy trust makes contributions to the scheme on behalf of its employees. During the year the academy trust made contributions to the scheme of £125,000. The contributions are determined by the scheme's actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

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**LOUGHTON SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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**Fundraising**

The academy does not directly undertake significant fundraising activities.

**Plans for future periods**

The academy trust intends to action fully the areas of development as detailed on the School Development Plan 2022/23.

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

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

**Auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *14 December 2022* and signed on its behalf by:



**G Twiselton**  
Chair of Trustees

**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The board of Trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Loughton School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Raphael Adebisi	2	2
Rebecca Advani	3	3
Sandy Blackledge, Chair (to 06.07.22)	6	6
David Brown	1	1
Shelley Cadman	1	1
Hannah Cheetham-Joshi	5	6
Charlene Cruickshank	5	5
Kerry Demmert	2	2
Benjamin Fairhall	5	6
Rebekah Green, Headteacher and accounting officer	6	6
Matthew Haughton	6	6
Sharon McErlean	2	2
Ulanda Nyondo	1	1
Jane Solloway, Staff Trustee	5	6
Neil Stickland	5	6
Geoffrey Twiselton, Chair (from 6.07.22)	3	3
Colin Watts	2	2
Nouma Zenia	1	1
Josephine Kamara(resigned 13.09.21)	0	0
Angela Mathews (appointed 15.09.22)	0	0

**Governance reviews:**

The Resources and Environment committee is a sub-committee of the main board of trustees. Its purpose is to ensure the school community has the resources available to fulfil its aims, so that:

- The academy's financial reporting, accounting systems and internal controls are overseen by the academy trustees.
- Ensure the risks of the academy, financial and otherwise, are effectively reviewed and that the annual financial statements give a true and fair view of the activities of the school.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Rebecca Advani	3	3
Sandy Blackledge	6	6
Rapheal Adeybi	0	2
David Brown	1	1
Shelley Cadman	0	1
Rebekah Green	6	6
Kerry Demert	2	2
Sharon McErlean	2	2
Matthew Haughton	6	6

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Benjamin Fairhall (chair)	6	6
Ulanda Nyondo	1	0
Neil Stickland	5	6
Colin Watts	2	2
Geoffrey Twiselton	3	3
Nouma Zeina	1	1

The Audit and Risk Committee is also a sub-committee of the main board of Trustees. Its purpose is to help the trustees meet their responsibility for risk management, having effective internal controls, and the efficient and effective use of funds.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ben Fairhall	2	2
Rebekah Green	2	2
Sandy Blackledge	2	2
Matthew Haughton	2	2
Geoffrey Twiselton	1	1

**Review of value for money**

As accounting officer, the headteacher 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 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 the following actions:

- Outsourcing wraparound care to enable Senior Leaders and other staff to commit more time to teaching and learning
- Ensuring that sufficient reserves are maintained to manage anticipated cost increases (particularly energy and staff) driven by high inflation
- Improving benchmarking governance and reviews

**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 Loughton School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 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 and Environment committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

The Board of Trustees has decided to employ Strictly Education to carry out internal audit.

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

- Benchmarking
- Academy reporting
- Payroll management

On a termly basis, Strictly Education reports to the Board of Trustees through the audit and risk committee, on the operation of the systems of control and on the discharge of the 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 draft annual report for 2021/2022 was received on 7 November 2022.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the financial management and governance self-assessment process;
- 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 work of the external provider being Strictly Education; external auditor

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 the Resource committee a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



**G Twiselton**  
Chair of Trustees

Date: 14 DECEMBER 2022



**R Green**  
Accounting Officer

14/12/22

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Loughton School 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 Academies Financial 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 Academies Financial 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.



**Rebekah Green**  
Accounting Officer

Date: 14/12/22

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 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 and signed on its behalf by:



**G Twiselton**  
Chair of Trustees

Date: 14 DECEMBER 2022

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LOUGHTON SCHOOL**

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**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

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

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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**Auditors' responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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LOUGHTON SCHOOL  
(A company limited by guarantee)

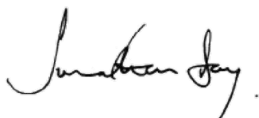
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LOUGHTON SCHOOL (CONTINUED)

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**Use of our report**

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



**Jonathan Day (Senior statutory auditor)**

for and on behalf of

**Streets Audit LLP**

Chartered Accountants

Statutory Auditors

Potton House

Wyboston Lakes

Great North Road

Wyboston

Beds

MK44 3BZ

Date: *19 December 2022*

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LOUGHTON SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 5 November 2018 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 Loughton School during the year 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 Loughton School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Loughton School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Loughton School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Loughton School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Loughton School's funding agreement with the Secretary of State for Education dated 27 June 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 year 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.

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**LOUGHTON SCHOOL**  
(A company limited by guarantee)

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

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**Approach**

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

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

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

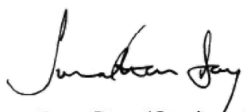
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices,
- Payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

**Conclusion**

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



Jonathan Day (Senior statutory auditor)

**Streets Audit LLP**  
Chartered Accountants  
Statutory Auditors  
Potton House  
Wyboston Lakes  
Great North Road  
Wyboston  
Beds  
MK44 3BZ

Date: *19 December 2022*

**LOUGHTON SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	40,755	44	9,389	50,188	54,912
Other trading activities		13,206	-	-	13,206	5,672
Investments	6	88	-	-	88	67
Charitable activities		42,884	2,335,322	-	2,378,206	2,268,132
<b>Total income</b>		<b>96,933</b>	<b>2,335,366</b>	<b>9,389</b>	<b>2,441,688</b>	<b>2,328,783</b>
<b>Expenditure on:</b>						
Charitable activities		61,364	2,464,133	161,593	2,687,090	2,471,254
<b>Total expenditure</b>		<b>61,364</b>	<b>2,464,133</b>	<b>161,593</b>	<b>2,687,090</b>	<b>2,471,254</b>
<b>Net income/(expenditure )</b>		<b>35,569</b>	<b>(128,767)</b>	<b>(152,204)</b>	<b>(245,402)</b>	<b>(142,471)</b>
Transfers between funds	17	-	(57,719)	57,719	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>35,569</b>	<b>(186,486)</b>	<b>(94,485)</b>	<b>(245,402)</b>	<b>(142,471)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,989,000	-	1,989,000	(181,000)
<b>Net movement in funds</b>		<b>35,569</b>	<b>1,802,514</b>	<b>(94,485)</b>	<b>1,743,598</b>	<b>(323,471)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		140,841	(1,786,533)	3,504,537	1,858,845	2,182,316
Net movement in funds		35,569	1,802,514	(94,485)	1,743,598	(323,471)
<b>Total funds carried forward</b>		<b>176,410</b>	<b>15,981</b>	<b>3,410,052</b>	<b>3,602,443</b>	<b>1,858,845</b>

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 56 form part of these financial statements.

**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08565187**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	3,409,142	3,496,587
		<u>3,409,142</u>	<u>3,496,587</u>
<b>Current assets</b>			
Debtors	14	89,916	43,074
Investments	15	124,265	124,222
Cash at bank and in hand		438,429	265,994
		<u>652,610</u>	<u>433,290</u>
Creditors: amounts falling due within one year	16	(249,309)	(138,032)
<b>Net current assets</b>		<u>403,301</u>	<u>295,258</u>
<b>Total assets less current liabilities</b>		<u>3,812,443</u>	<u>3,791,845</u>
<b>Net assets excluding pension liability</b>		<u>3,812,443</u>	<u>3,791,845</u>
Defined benefit pension scheme liability	23	(210,000)	(1,933,000)
<b>Total net assets</b>		<u><u>3,602,443</u></u>	<u><u>1,858,845</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	3,410,052	3,504,537
Restricted income funds	17	225,981	146,467
Restricted funds excluding pension asset	17	3,636,033	3,651,004
Pension reserve	17	(210,000)	(1,933,000)
<b>Total restricted funds</b>	17	<u>3,426,033</u>	<u>1,718,004</u>
<b>Unrestricted income funds</b>	17	<u>176,410</u>	<u>140,841</u>
<b>Total funds</b>		<u><u>3,602,443</u></u>	<u><u>1,858,845</u></u>

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08565187**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

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The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 26 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**Geoffrey Twiselton**  
Chair of Trustees

Date: *14 DECEMBER 2022,*



**Rebekah Green**  
Accounting Officer

*14/12/22*

The notes on pages 31 to 56 form part of these financial statements.

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>229,538</b>	206,976
<b>Cash flows from investing activities</b>	20	<b>(57,103)</b>	(27,449)
<b>Change in cash and cash equivalents in the year</b>		<b>172,435</b>	179,527
Cash and cash equivalents at the beginning of the year		<b>265,994</b>	86,467
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b>438,429</b>	265,994

The notes on pages 31 to 56 form part of these financial statements

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**LOUGHTON SCHOOL**  
**(A company limited by guarantee)**

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust 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.

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

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**1.4 Expenditure**

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

• **Charitable activities**

These are costs incurred on the academy 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.

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

**1. Accounting policies (continued)**

**1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 4% straight line per annum
Furniture and equipment	- 5% or 20% straight line per annum

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

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

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

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**1. Accounting policies (continued)**

**1.10 Liabilities**

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

**1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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

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**1. Accounting policies (continued)**

**1.12 Pensions**

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 so as 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.13 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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**FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Critical accounting estimates and areas of judgment**

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

**3. Income from donations and capital grants**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	-	44	-	44	4
Capital grants	-	-	9,389	9,389	12,752
School Fund	40,755	-	-	40,755	42,156
	<u>40,755</u>	<u>44</u>	<u>9,389</u>	<u>50,188</u>	<u>54,912</u>
<i>Total 2021</i>	<u>42,156</u>	<u>4</u>	<u>12,752</u>	<u>54,912</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. Funding for the Academy's educational activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Educational Activities</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,002,220	<b>2,002,220</b>	1,796,250
Other DfE/ESFA grants				
Other DfE / ESFA grants	-	69,612	<b>69,612</b>	122,910
Pupil Premium	-	116,117	<b>116,117</b>	101,518
Other income from DfE/ESFA	-	-	-	43,295
	-	-	<b>2,187,949</b>	2,063,973
<b>Other Government grants</b>				
High Need	-	113,905	<b>113,905</b>	145,821
Other Government income	-	5,136	<b>5,136</b>	1,490
	-	119,041	<b>119,041</b>	147,311
<b>Other income from the academy trust's educational operations</b>				
Music Tuition	-	22,075	<b>22,075</b>	12,828
Other income	-	6,257	<b>6,257</b>	9
Wrap around	42,884	-	<b>42,884</b>	44,011
	42,884	28,332	<b>71,216</b>	56,848
	42,884	2,335,322	<b>2,378,206</b>	2,268,132
	42,884	2,335,322	<b>2,378,206</b>	2,268,132
<i>Total 2021</i>	<i>44,011</i>	<i>2,224,121</i>	<i>2,268,132</i>	

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**FOR THE YEAR ENDED 31 AUGUST 2022**

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Hire of facilities	9,375	<b>9,375</b>	3,937
Community activities	2,109	<b>2,109</b>	1,735
Other trading incomes	1,722	<b>1,722</b>	-
	<u>13,206</u>	<u><b>13,206</b></u>	<u>5,672</u>
<i>Total 2021</i>	<u>5,672</u>	<u><b>5,672</b></u>	

**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Interest receivable	88	<b>88</b>	67
	<u>67</u>	<u><b>67</b></u>	
<i>Total 2021</i>	<u>67</u>	<u><b>67</b></u>	

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

**7. Expenditure**

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational Activities:					
Direct costs	1,672,275	-	115,361	<b>1,787,636</b>	1,708,676
Support costs	473,125	130,018	296,311	<b>899,454</b>	762,578
	<u>2,145,400</u>	<u>130,018</u>	<u>411,672</u>	<u><b>2,687,090</b></u>	<u>2,471,254</u>
<i>Total 2021</i>	<u>2,033,841</u>	<u>89,024</u>	<u>348,389</u>	<u>2,471,254</u>	

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Activities	<u>1,787,636</u>	<u>899,454</u>	<u><b>2,687,090</b></u>	<u>2,471,254</u>
<i>Total 2021</i>	<u>1,708,676</u>	<u>762,578</u>	<u>2,471,254</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational Activities 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff costs	1,660,900	<b>1,660,900</b>	1,581,390
Educational supplies	97,584	<b>97,584</b>	85,616
Staff development	17,777	<b>17,777</b>	11,550
Supply teacher costs	11,375	<b>11,375</b>	30,120
	<u>1,787,636</u>	<u><b>1,787,636</b></u>	<u>1,708,676</u>
<i>Total 2021</i>	<u>1,708,676</u>	<u>1,708,676</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational Activities 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Pension finance costs	32,000	<b>32,000</b>	25,000
Staff costs	473,125	<b>473,125</b>	422,331
Depreciation	144,593	<b>144,593</b>	141,883
Recruitment and HR/Payroll support	1,090	<b>1,090</b>	1,690
Maintenance of premises and equipment	100,096	<b>100,096</b>	34,820
Cleaning costs	3,773	<b>3,773</b>	8,102
Rent and rates	9,476	<b>9,476</b>	12,245
Energy costs	16,673	<b>16,673</b>	15,371
Insurance	16,696	<b>16,696</b>	18,902
Other support costs	21,485	<b>21,485</b>	18,794
Technology costs	24,831	<b>24,831</b>	17,421
Catering costs	30,722	<b>30,722</b>	11,500
Governance costs - legal and professional fees	16,799	<b>16,799</b>	24,324
Governance costs - audit and accountancy fees	8,095	<b>8,095</b>	10,195
	<u>899,454</u>	<u><b>899,454</b></u>	<u>762,578</u>
<i>Total 2021</i>	<u>762,578</u>	<u>762,578</u>	

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2022 £</b>	<i>2021 £</i>
Depreciation of tangible fixed assets	<b>144,593</b>	141,883
Fees paid to auditors for:		
- audit	<b>6,000</b>	5,500
- other services	<b>2,095</b>	2,750
	<u><b>6,000</b></u>	<u>5,500</u>
	<u><b>2,095</b></u>	<u>2,750</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,463,620	1,418,834
Social security costs	115,366	108,578
Pension costs	555,039	476,309
	<u>2,134,025</u>	<u>2,003,721</u>
Agency staff costs	11,375	30,120
	<u>2,145,400</u>	<u>2,033,841</u>

**b. Staff numbers**

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

	2022 No.	2021 No.
Teachers	22	20
Administration and support	46	46
Management	4	4
	<u>72</u>	<u>70</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	17	16
Administration and support	36	32
Management	4	4
	<u>57</u>	<u>52</u>

**c. Higher paid staff**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff (continued)**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<u><b>1</b></u>	<u><b>1</b></u>

**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 £309,672 (2021 £294,740).

**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Rebekah Green, Headteacher	Remuneration	<b>65,000 -</b> <b>70,000</b>	65,000 - 70,000
	Pension contributions paid	<b>15,000 -</b> <b>20,000</b>	15,000 - 20,000
Luke Hodgson, Staff Trustee (resigned 22 July 2021)	Remuneration		15,000 - 20,000
Monica Maughan, Staff Trustee (resigned 22 July 2021)	Remuneration		15,000 - 20,000
	Pension contributions paid		0 - 5,000
Jane Solloway, Staff Trustee (resigned 31 August 2022)	Remuneration	<b>40,000 -</b> <b>45,000</b>	40,000 - 45,000
	Pension contributions paid	<b>5,000 -</b> <b>10,000</b>	5,000 - 10,000

During the year ended 31 August 2022, expenses totalling £22 were reimbursed to 2 Trustees (2021 - £NIL to Trustee) as a result of their employment.

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2022 was £9,101 (2021 - £8,622). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	4,318,000	114,001	53,807	4,485,808
Additions	-	43,654	13,494	57,148
Disposals	-	(1,150)	(2,468)	(3,618)
At 31 August 2022	<u>4,318,000</u>	<u>156,505</u>	<u>64,833</u>	<u>4,539,338</u>
<b>Depreciation</b>				
At 1 September 2021	933,610	22,757	32,854	989,221
Charge for the year	125,880	9,709	9,004	144,593
On disposals	-	(1,150)	(2,468)	(3,618)
At 31 August 2022	<u>1,059,490</u>	<u>31,316</u>	<u>39,390</u>	<u>1,130,196</u>
<b>Net book value</b>				
At 31 August 2022	<u>3,258,510</u>	<u>125,189</u>	<u>25,443</u>	<u>3,409,142</u>
At 31 August 2021	<u>3,384,390</u>	<u>91,244</u>	<u>20,953</u>	<u>3,496,587</u>

Included in land and buildings is freehold land at £1,171,000 (2021 £1,171,000) which is not depreciated.

**14. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	1,536	540
VAT debtors	12,222	1,551
Prepayments and accrued income	76,158	40,983
	<u>89,916</u>	<u>43,074</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Current asset investments**

	2022	2021
	£	£
Fixed term cash deposits	124,265	124,222

**16. Creditors: Amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	133,085	4,906
Other taxation and social security	73,049	74,334
Other creditors	1,400	2,800
Accruals and deferred income	41,775	55,992
	249,309	138,032
	249,309	138,032

	2022	2021
	£	£
Deferred income at 1 September 2021	14,638	31,120
Resources deferred during the year	34,075	14,638
Amounts released from previous periods	(14,638)	(31,120)
	34,075	14,638
	34,075	14,638

At the balance sheet date the academy trust was holding funds of £2,197 for advanced receipts for music and swimming lessons for the period after 31 August 2021 and a total of £31,878 for school trips paid in advance.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds	119,304	54,838	(23,772)	-	-	150,370
School fund	21,537	42,095	(37,592)	-	-	26,040
	<u>140,841</u>	<u>96,933</u>	<u>(61,364)</u>	<u>-</u>	<u>-</u>	<u>176,410</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	141,361	2,002,220	(1,877,659)	(57,719)	-	208,203
Pupil Premium	-	116,117	(116,117)	-	-	-
PE grant	5,106	20,790	(8,118)	-	-	17,778
Other DfE/ESFA	-	69,612	(69,612)	-	-	-
High Needs	-	113,905	(113,905)	-	-	-
Other	-	12,722	(12,722)	-	-	-
Pension reserve	(1,933,000)	-	(266,000)	-	1,989,000	(210,000)
	<u>(1,786,533)</u>	<u>2,335,366</u>	<u>(2,464,133)</u>	<u>(57,719)</u>	<u>1,989,000</u>	<u>15,981</u>
<b>Restricted fixed asset funds</b>						
Tangible Fixed Assets	3,496,587	-	(144,593)	57,148	-	3,409,142
Devolved Formula Capital Funding	7,950	9,389	(17,000)	571	-	910
	<u>3,504,537</u>	<u>9,389</u>	<u>(161,593)</u>	<u>57,719</u>	<u>-</u>	<u>3,410,052</u>
<b>Total Restricted funds</b>	<u>1,718,004</u>	<u>2,344,755</u>	<u>(2,625,726)</u>	<u>-</u>	<u>1,989,000</u>	<u>3,426,033</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds (continued)**

<b>Total funds</b>	<u>1,858,845</u>	<u>2,441,688</u>	<u>(2,687,090)</u>	-	<u>1,989,000</u>	<u>3,602,443</u>
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The specific purposes for which the funds are to be applied are as follows:

**General Funds:**

The Academy's general funds income and expenditure relating to activities undertaken by the Academy as part of its charitable activities including lettings of facilities, child care, school trips and other fundraising activities. The Academy can then use these funds for any purpose.

**Restricted Funds:**

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium. Special Educational Needs grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

The Academy Trust received other restricted income for the provision of educational training and support which have been used in accordance with the wishes of the donors.

Pension Reserve - as stated in note 23 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to the Loughton School can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

**Restricted Fixed Asset Funds:**

The Academy received Devolved Capital Formula funding to be spent on repairs and the purchase of new equipment which has been fully utilised in the year. Assets which are capitalised in the accounts are represented by a separate fund within the Fixed Asset Reserve.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General Funds - all funds	116,928	49,750	(47,374)	-	-	119,304
General Funds	11,390	42,163	(32,016)	-	-	21,537
	<u>128,318</u>	<u>91,913</u>	<u>(79,390)</u>	<u>-</u>	<u>-</u>	<u>140,841</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	1,796,250	(1,630,769)	(24,120)	-	141,361
Pupil Premium	-	101,518	(101,518)	-	-	-
Rates	-	10,547	(10,547)	-	-	-
PE grant	-	20,800	(15,694)	-	-	5,106
Teacher pay	-	22,523	(22,523)	-	-	-
Teacher pension	-	63,640	(63,640)	-	-	-
Covid catch up	-	38,320	(38,320)	-	-	-
Other DfE/ESFA	-	10,375	(10,375)	-	-	-
High Needs	-	145,821	(145,821)	-	-	-
Music lessons	-	12,828	(12,828)	-	-	-
SSP covid relief	-	1,490	(1,490)	-	-	-
Misc	-	6	(6)	-	-	-
Pension reserve	(1,557,000)	-	(195,000)	-	(181,000)	(1,933,000)
	<u>(1,557,000)</u>	<u>2,224,118</u>	<u>(2,248,531)</u>	<u>(24,120)</u>	<u>(181,000)</u>	<u>(1,786,533)</u>
<b>Restricted fixed asset funds</b>						
Tangible Fixed Assets	3,610,998	-	(141,883)	27,472	-	3,496,587

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Devolved Formula Capital Funding	-	9,400	(1,450)	-	-	7,950
MKC Cycle funding	-	3,352	-	(3,352)	-	-
	<u>3,610,998</u>	<u>12,752</u>	<u>(143,333)</u>	<u>24,120</u>	<u>-</u>	<u>3,504,537</u>
<b>Total Restricted funds</b>	<u>2,053,998</u>	<u>2,236,870</u>	<u>(2,391,864)</u>	<u>-</u>	<u>(181,000)</u>	<u>1,718,004</u>
<b>Total funds</b>	<u><u>2,182,316</u></u>	<u><u>2,328,783</u></u>	<u><u>(2,471,254)</u></u>	<u><u>-</u></u>	<u><u>(181,000)</u></u>	<u><u>1,858,845</u></u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022</b>	<b>Restricted funds 2022</b>	<b>Restricted fixed asset funds 2022</b>	<b>Total funds 2022</b>
	£	£	£	£
Tangible fixed assets	-	-	3,409,142	<b>3,409,142</b>
Current assets	183,416	468,284	910	<b>652,610</b>
Creditors due within one year	(7,006)	(242,303)	-	<b>(249,309)</b>
Provisions for liabilities and charges	-	(210,000)	-	<b>(210,000)</b>
<b>Total</b>	<u>176,410</u>	<u>15,981</u>	<u>3,410,052</u>	<u><b>3,602,443</b></u>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	3,496,587	3,496,587
Current assets	140,841	284,499	7,950	433,290
Creditors due within one year	-	(138,032)	-	(138,032)
Provisions for liabilities and charges	-	(1,933,000)	-	(1,933,000)
<b>Total</b>	<u>140,841</u>	<u>(1,786,533)</u>	<u>3,504,537</u>	<u>1,858,845</u>

**19. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2022 £</b>	<b>2021 £</b>
Net expenditure for the year (as per Statement of financial activities)	<b>(245,402)</b>	<b>(142,471)</b>
<b>Adjustments for:</b>		
Depreciation	<b>144,593</b>	141,883
Interest receivable	<b>(88)</b>	(67)
Defined benefit pension scheme cost less contributions payable	<b>266,000</b>	195,000
(Increase)/decrease in debtors	<b>(39,836)</b>	8,876
Increase in creditors	<b>104,271</b>	3,755
<b>Net cash provided by operating activities</b>	<u><b>229,538</b></u>	<u>206,976</u>

**20. Cash flows from investing activities**

	<b>2022 £</b>	<b>2021 £</b>
Dividends, interest and rents from investments	<b>88</b>	67
Purchase of tangible fixed assets	<b>(57,148)</b>	(27,472)
Purchase of investments	<b>(43)</b>	(44)
<b>Net cash used in investing activities</b>	<u><b>(57,103)</b></u>	<u>(27,449)</u>

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**21. Analysis of cash and cash equivalents**

	2022	2021
	£	£
Cash in hand and at bank	438,429	265,994
<b>Total cash and cash equivalents</b>	<b>438,429</b>	<b>265,994</b>

**22. Analysis of changes in net debt**

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	265,994	172,435	438,429
Liquid investments	124,222	43	124,265
	<b>390,216</b>	<b>172,478</b>	<b>562,694</b>

**23. Pension commitments**

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 Buckinghamshire 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.

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

**Teachers' Pension Scheme**

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

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

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £195,624 (2021 - £267,353).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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 £157,000 (2021 - £144,000), of which employer's contributions totalled £125,000 (2021 - £114,000) and employees' contributions totalled £ 32,000 (2021 - £30,000). The agreed contribution rates for future years are 23 per cent for employers and a varying per cent for employees.

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

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

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2022</b>	<b>2021</b>
	%	%
Rate of increase in salaries	3.9	3.9
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	<b>2022</b>	<b>2021</b>
	Years	Years
<i>Retiring today</i>		
Males	21	21.6
Females	24.6	25
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	26	26.4

**Sensitivity analysis**

	<b>2022</b>	<b>2021</b>
	£000	£000
Discount rate -0.1%	52	99
Mortality assumption + 1 year increase	55	152
CPI rate +0.1%	50	92

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2022. These can and do change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by next year end. Post year end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

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**23. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>At 31 August 2022</b>	<i>At 31 August 2021</i>
	£	£
Equities	969,000	922,000
Gilts	139,000	176,000
Other bonds	222,000	247,000
Property	112,000	101,000
Cash and other liquid assets	43,000	26,000
Alternative assets	75,000	31,000
Hedge Funds	-	38,000
Absolute Return Portfolio	-	157,000
Others	180,000	-
<b>Total market value of assets</b>	<b>1,740,000</b>	<b>1,698,000</b>

The actual return on scheme assets was £negative 99,000 (2021 - £259,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2022</b>	<i>2021</i>
	£	£
Current service cost	<b>(359,000)</b>	<i>(284,000)</i>
Interest income	<b>29,000</b>	<i>22,000</i>
Interest cost	<b>(60,000)</b>	<i>(46,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(390,000)</b>	<i>(308,000)</i>

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**23. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>3,631,000</b>	<b>2,868,000</b>
Current service costs	359,000	284,000
Interest cost	60,000	46,000
Employee contributions	32,000	30,000
Actuarial (gains)/losses	(2,029,000)	517,000
Estimated Benefits paid	(15,000)	(15,000)
Change in demographic assumptions	(95,000)	(35,000)
Experience loss/(gain) on defined benefit obligation	7,000	(64,000)
<b>At 31 August</b>	<b>1,950,000</b>	<b>3,631,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>1,698,000</b>	<b>1,311,000</b>
Interest income	29,000	22,000
Actuarial (losses)/gains	(128,000)	237,000
Employer contributions	125,000	114,000
Employee contributions	32,000	30,000
Benefits paid	(15,000)	(15,000)
Admin expense	(1,000)	(1,000)
<b>At 31 August</b>	<b>1,740,000</b>	<b>1,698,000</b>

**24. Operating lease commitments**

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	5,846	7,445
Later than 1 year and not later than 5 years	9,596	15,384
	<b>15,442</b>	<b>22,829</b>

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**25. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

**26. Related party transactions**

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

No related party transactions took place in the period of account.