

Company Registration No. 08619729 (England and Wales)

ST MARY MAGDALENE ACADEMY: THE COURTYARD
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

ST MARY MAGDALENE ACADEMY: THE COURTYARD

CONTENTS

| | Page |
|---|-------------|
| Reference and administrative details | 1 |
| Trustees' report | 2 - 13 |
| Governance statement | 14 – 18 |
| Statement on regularity, propriety and compliance | 19 |
| Statement of Trustees' responsibilities | 20 |
| Independent auditor's report on the accounts | 21 – 23 |
| Independent reporting accountant's report on regularity | 24 – 25 |
| Statement of financial activities | 26 – 27 |
| Balance sheet | 28 |
| Cash flow statement | 29 |
| Notes to the accounts | 30 – 47 |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Directors (Trustees) and Governors: | E Brooks* (Chair of Governors –appointed 22/03/22)* D J Higgins* (Vice Chair – from 22/03/22) Ms D Shepherd (Head Teacher / Accounting Officer) F Aitken (Staff Governor) RJ Rondinelli* J Honigmann* (Safeguarding Governor) P East SJ Miller-Jones* M Wroe (resigned 12/09/21) D Forrester (appointed 08/12/21) F Crossland (resigned 11/05/22) J Gallagher I Akoto (resigned 28/01/22) S Levelle* Z Collard – Parent Governor (appointed 29/03/21) J Emmons – Parent Governor S Caizley (appointed 22/03/22) C Ollington (appointed 11/05/22) B Littlewood (resigned 06/05/22) *members of the Finance and General Purpose (FGP) Committee |
| Members | Reverend P Zaphiriou E Brooks The London Diocesan Board for Schools (Corporate Member) Reverend G Pope J Coughlan |
| Senior management team | |
| - Head Teacher (Accounting Officer) | D Shepherd |
| Company Secretary | D Shepherd (appointed 29/06/2021) |
| Company registration number | 08619729 (England and Wales) |
| Registered office | St Mary Magdalene Academy: The Courtyard Holloway Road London N7 8LT |
| Independent Auditor | Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE |
| Bankers | Lloyds Bank West London Business Centre 39 Piccadilly London W1V 0AA |
| Solicitors | Browne Jacobson (LLP) Mowbray House Castle Meadow Road Nottingham NG2 1BJ |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report together with the Financial Statements and Auditor's Report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The report has been prepared in accordance with Part VI of the Charities Act 2006.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice 2015 "Accounting and Reporting by Charities" and the Annual Accounts Direction 2021/2022 issued by the ESFA.

The Trust's principal activities are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to, the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with vocational skills for a Special Free School.

Structure, Governance and Management

Constitution

The Special Free School is a company limited by guarantee with no share capital (registration no. 8619729). The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trustees for the charitable activities of The St Mary Magdalene: The Courtyard is also the Director of the Charitable Company for the purposes of company law. They serve as Governors of the academy but not all of the Governors are Trustees (Directors). The Charitable Company is known as St Mary Magdalene Academy: The Courtyard.

Details of the Trustees (Directors) and of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceased to be a member.

Trustees' indemnities

No third party indemnities have been given on behalf of Trustees or Directors. In accordance with normal commercial practice the Academy purchased insurance to protect / indemnify Governors and officers from claims arising from negligent acts, error or omissions occurring whilst on Academy business. The insurance cover was effective from 1 September 2021.

Method of recruitment and appointment or election of Directors

New Directors are recruited in accordance with the Articles of Association of the St Mary Magdalene Academy: The Courtyard. The term of office for any Director is 4 years; although this time limit does not apply to the Head Teacher, who is a Director ex-officio.

The Directors and Governors, who were in office having served since 1 September 2021 to the date of approval of these accounts, are listed on page 1.

Policies and procedures adopted for the induction and training of Governors

The School continues to procure Governor Support services provided by its sponsor. The St Mary Magdalene Academy, under a core Service Level Agreement with them (via the London Diocesan Board for Schools. Additional training is provided as and when, and where, required based on individual or collective need, these additional services are provided by the Local Authority Governor Support Services.

New Governors, in addition to external training, are inducted internally and at Governor training days for policies and procedures. All new Governors will be given a tour of the Academy Free School and the chance to meet with staff. In addition, governors will be inducted for the documents that they will need to undertake their role as Governors. As

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The following represent the Academy Free School's organisational structure with its sub-committees:

Full Governors: Sub-Committees:

1. Finance and General Purpose (FGP) Committee

The Academy Free School came into existence on 1 September 2013. The Courtyard School is a small 48-pupil capacity Special Free School which is situated in St Mary Magdalene Gardens which has been sponsored by The St Mary Magdalene Academy.

The Courtyard opened its doors to pupils in September 2013. This is now the ninth year of operation for The Courtyard School, having recruited to its initial maximum capacity in 2015/16 of 36 pupils. Its capacity number of 36 had been maintained throughout and until 20/21, when the Courtyard received its significant change approval from the DfE to increase its pupil admission number to 48. The school achieved this PAN in September 2020 and maintained it through the 20/21 academic year. In June 2022, the Courtyard received a second significant change approval from the DfE to increase its pupil admission number to 72. The increase will be gradual, welcoming an additional 6 pupils per year until September 2025. The Courtyard remains a successful special educational facility in the heart of the Islington community.

The senior management in the Courtyard are: the Head Teacher: The Courtyard and the Deputy Head Teacher, in addition they are supported by the outsourced central support and advice services which are supplied by specialist service providers, Schools Choice, EPM, LDBS, Marsworth and HIVE Trust. These leaders control the school at an executive level implementing policies laid down by the Governors and reporting back to them. Budgets are controlled by The Courtyard Head Teacher who is also the responsible Accounting Officer.

Governors have created a flat management structure removing levels of hierarchy and giving individual members of staff clear whole-school and strategic responsibilities.

The Governors are responsible for establishing the ethos and character of the Courtyard, setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and performance indicators and making major decisions about the direction of the School, capital expenditure and staff appointments.

Arrangements for setting pay and remuneration of key personnel

The Executive Management Team (EMT) of the school are the key management personnel of the Trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff.

The pay of the Head Teacher is set annually by the Full Governing Body (FGB), having regards to performance against objectives set the previous year. Pay of other executive management members is also set by the Full Governing Body, and FGP Committee and any policy recommendations made by them to the FGB.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Trade Union Facility Time

Relevant union officials

| | |
|--|--------------------------------------|
| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
| 0 | 0 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|---------|
| Total Cost of facility time | £- |
| Total Pay bill | £1,261k |
| Percentage of the total pay bill spent on facility time | -% |

Paid trade union activities

| | |
|--|----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours. | -% |
|--|----|

Connected organisations including related party relationships

The St Mary Magdalene Academy is a sponsor of The Courtyard, since the School's founding, have, to date, donated £250,000 to assist the School in achieving its objectives.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of St Mary Magdalene Academy: The Courtyard in providing education for pupils of all abilities between the ages of 14 and 18, with an emphasis on a Special Educational Needs.

Our mission is to create an inspirational community of learning that will make a positive contribution to community cohesion in Islington.

Objectives, Strategies and Activities

Sponsored by the St Mary Magdalene Academy, Christian values are at the heart of Academy life, alongside a commitment to the special needs of our pupils. As well as setting robust educational standards, we strive to develop the moral and spiritual values and skills of all our young people so they can become active and considerate citizens.

Public Benefit

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. A review of the significant activities undertaken by the charity has taken place during the relevant financial year in furthering its charitable purposes for the public benefit, this has been detailed and agreed within the Academy development plan.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report

The Governors have set out their strategic direction for the Free School over the coming years, setting ambitious and aspirational targets. The Courtyard's main strategy is encompassed in its mission statement: to nurture young people to achieve to the highest standard of their ability and discover their vocation in a global society.

The benchmarks for achievement set by Governors for the objectives of the Courtyard during the year ended 31 August 2022 are as follows:

The Courtyard is a Special Educational Needs school for pupils with Autism Spectrum Condition (ASC) and/or Speech, Language and Communication Needs. In partnership with St Mary Magdalene Academy, The Courtyard provides an alternative provision for pupils at Key Stages 4 and 5, welcoming those who may be struggling in mainstream education.

The Courtyard recognises the difficulties which can be experienced by young people with ASC/SLCN when they are asked to participate in society. Our curriculum is tailored to meet the individual needs of pupils with ASC/SLCN to encourage them to develop the strategies and coping mechanisms to support them in this area, hopefully allowing the pupils to become comfortable and confident members of the school community and the local community. Our over-riding aim is for every pupil of the Courtyard is to fulfil their potential as successful adults, whether that to be moving forwards into a form of paid employment, training or further education.

At its simplest, the educational philosophy behind The Courtyard is to meet the needs of each and every pupil in the most appropriate way, preparing and equipping them with the skills they need to be able to live and work independently.

The Governors are committed to equal opportunities and believe that this is an integral part of good practice within the workplace. The Free School ensures best practice in establishing equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Vision:

To offer an outstanding educational and social provision that will equip our pupils with the skills and experiences needed to discover and live out their potential.

Aims:

This was the Courtyard's ninth year of operation. The Governors have set out their strategic direction for the Courtyard over the coming years, setting ambitious and aspirational targets. The Courtyard development plan is divided into four strategic areas which ensure the smooth and successful operation in delivering the school's vision.

These are:

- Improving Outcomes for Pupils
- Quality of Education
- Personal Development, Behaviour and Welfare
- Leadership and Management

The benchmarks for achievement set by the Courtyard Governors for the objectives of the Courtyard during the year ended 31 August 2022 are set out as follows:

Improving Outcomes for Pupils

- Address deficits in learning due to the impact of the Covid pandemic
- For all leavers to leave with the expected outcomes of five qualifications in English, Maths, ICT, Science and/or Workskills, and Home Cooking/Hospitality. Aspirational target – five Level 2 qualifications.
- Continue to strengthen the links between work experience placements and future college opportunities and career options to further expand students understanding of context and purpose.

Quality of Education

- To improve the quality of writing in English and across the curriculum
 - To ensure the quality of teaching continues to be high
 - To ensure the quality of planning, marking and assessment continues to be high and is effective.
-

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

- Subject leads will work with support staff to increase their knowledge, skills and understanding of the curriculum areas to maximise progress.
- Embed cycle of curriculum review to ensure that students are continuously motivated, challenged and supported to achieve their aspirational goals.

Personal Development, Behaviour and Welfare

- Further strengthen student participation in all areas of the school, specifically student voice.
- Develop a systematic and proactive approach to promote self-management and self-regulation to be able to improve behaviour.
- Increase school attendance for all groups of learners, especially those that have increased mental health needs.

Leadership and management

- Ensure a relevant and appropriate curriculum is followed by all students.
- Advance methods of communication to ensure consistent understanding at all levels.
- Expand our network of local school and business partnerships, for rigorous quality assurance, support and challenge that produces a measurable impact on student outcomes.

Outcomes for Pupils

To set a base mark and best support staff in their teaching and learning practise, the Courtyard implements lesson observations and undertake a comparison of results from the beginning of the academic year, throughout and to the end monitoring progress. The specific achievements and performance under the established new frameworks within the Courtyard development plan this year are as follows:

- Address deficits in learning due to the impact of the Covid pandemic
- For all leavers to leave with the expected outcomes of five qualifications in English, Maths, ICT, Science and/or Workskills, and Home Cooking/Hospitality. Aspirational target – five Level 2 qualifications.
- Continue to strengthen the links between work experience placements and future college opportunities and career options to further expand students understanding of context and purpose.

The Courtyard School had been inspected by Ofsted in May 2017. The inspection judged the Courtyard to be GOOD and found the school to have the following strengths:

- The headteacher provides very effective leadership and promotes a culture of inclusion for all pupils, as well as collaborative teamwork. Staff, including those new to the school, feel well supported.
- Teachers and teaching assistants are focused on meeting the needs of all pupils, academically and personally. As a result, pupils achieve well, particularly in reading and mathematics.
- The new appointment of the deputy headteacher for teaching and learning has secured a robust assessment system. Assessments are used well to set challenging targets.
- Pupils behave well both inside the classroom and beyond. Individual and group sessions enable pupils to reflect on their learning and behaviour. They grow in confidence and maturity, flourishing into thoughtful and respectful individuals.
- Post-16 pupils continue to achieve well. They learn with younger pupils as well as having discrete lessons on their own. All age groups benefit from specialist teaching at a mainstream academy, broadening their experiences, interests and subject choices.

The Courtyard participated in a Virtual Leadership Quality Assurance Review, led by Challenge Partners, in June 2021. The Review judged the Courtyard to be 'Outstanding' and found the school to have the following strengths:

- Senior leaders and governors have a strong shared vision for the school, which is to enable the young people to leave and be successful in future education training or employment; all pupils move on to one of these.
 - Middle leaders are effective in their role, understanding their skills and adapting them for different purposes. They are reflective upon their practice, always seeking to improve outcomes for pupils.
 - Senior leaders are continually adapting the curriculum to support the changing needs of the learners. They have formed teams for the preparation for adult independent life (PAIL) curriculum and a specialised independence curriculum based on a communication programme. Leaders ensured that the speech and language therapist and teacher responsible for this programme received the necessary training together. This enables them both to adapt the programme for each individual pupil.
-

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

- Senior leaders provide structured group supervision for staff with the educational psychologist. This solution focussed work has increased the confidence of staff to communicate to leaders. Staff have identified areas for development in their personal and professional practice. As a result, staff feel well supported and committed to the school.

Results and Achievements:

The progress and achievements of Courtyard pupils have continued to be impacted by the Covid pandemic this academic year. Positive and deficit progress has been tracked for all pupils in English and Maths, and interventions have been implemented to limit the impact of reduced face to face learning, particularly for the school's disadvantaged pupils and those who were completing their qualifications this academic year.

English

The school cohort of 48 pupils, are working towards achieving either GCSE English Literature and/or Language or Functional Skills Levels 1 & 2 or Entry Level English.

83% of pupils made expected or better than expected progress, with 55% of pupils exceeding expected progress in English. Of the 17% of pupils who did not made expected progress, 10% are persistent absentees and so have missed an increased proportion of their lessons. The other 7% had complex personal learning journeys which were closely tracked and with intervention programmes put in place. Individual case studies were written which documented health and pastoral issues which contributed to their lack of progress.

Maths

The school cohort of 48 pupils, are pupil working towards achieving either GCSE or Functional Skills Levels 1 & 2 or Entry Level Maths.

88% of pupils made expected or better than expected progress, with 51% of pupils exceeding expected progress in Maths. Of the 12% of pupils who did not made expected progress, 7% are persistent absentees and so have missed a large proportion of their lessons. The other 5% had complex personal learning journeys which were closely tracked and with intervention programmes put in place. Individual case studies were written which documented health and pastoral issues which contributed to their lack of progress.

PSD & Work Skills

All KS4 pupils are now working through the PSD curriculum. In KS5 pupils progress onto the BTEC Level 2 Workskills programme. Much time has been spent ensuring that the curriculum still maintains its relevance and importance for our pupils, whilst at the same time ensuring that our pupils are completing key stages with credible qualifications.

As part of the monitoring and evaluation programme, the IEPs of each pupil are reviewed termly and all pupils have either achieved the targets set or are on track to achieve the targets by the end of the academic year. This is an indication of good or better progress.

Developing reputation for excellent personalised provision:

- Individual personalised timetable created for each pupil
- Termly monitoring of progress against IEP, focusing on social, academic, independence and inclusion targets
- Initial baseline assessments to ensure correct progressive curriculum is in place
- Collaboration of pupils, parents and school in the creation/revision of pupil passports
- Individualised Zones of Regulation
- Consistent formative and summative assessment
- Significant involvement of external services (CAMHS, Ed Pysch, SaLT, OT, Counselling) to ensure that our pupils are physically, emotionally and socially able to achieve Supportive relationship with SMMA to ensure our pupils are able to access the most appropriate T&L
- An established Outreach programme to ensure awareness of ASC in businesses and industries.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Work Experience placements and college opportunities

The 6th form team worked hard to provide work experience opportunities (virtual and in person) for all 6th formers and Y11 pupils, taking into consideration the individual needs and interests. The Courtyard Outreach Team provided training and guidance to all work experience providers to ensure the placements were meaningful, relevant and successful.

Three Career Events were held by the school at different points during the academic year. The Career Events were attended by representatives from local colleges, apprenticeship programmes and employers. All July 2022 leavers have successfully acquired college placements for September 2022. The Courtyard continues its 0% NEETS figure. This is as the result of significant time and energy applied by the 6th form team, working with pupils, families and colleges.

Quality of Education

- To improve the quality of writing in English and across the curriculum
- To ensure the quality of teaching continues to be high
- To ensure the quality of planning, marking and assessment continues to be high and is effective.
- Subject leads will work with support staff to increase their knowledge, skills and understanding of the curriculum areas to maximise progress.
- Embed cycle of curriculum review to ensure that students are continuously motivated, challenged and supported to achieve their aspirational goals.

The expectations of all Courtyard pupils is that they are competent in all areas of English beyond leaving the school and transitioning to a new further education/higher education placement. As previously mentioned, the progress of pupils in English has continued to be impacted by the Covid pandemic, however, the implementation of strategic interventions and the revision of the curriculum to engage and motivate pupils has led to significant improvements in achievement across the English curriculum and the wider school provision.

- July 2021 – 76% of pupils making expected or better progress
- July 2022 – 83% of pupils making expected or better progress

Quality of Teaching and Learning

Observations of teaching and book monitoring has continued at regular intervals throughout the academic year. An extensive amount of the staff CPD programme has been directed towards developing staff to deliver the schemes of work in the style which has been determined to be the best to support the learning of the pupils. 92% of lessons graded good or outstanding. Qualified Teachers delivered 100% good or outstanding lessons. The target is for 100% of lessons to be graded and good or better.

Marking and pupil feedback has featured heavily on the CPD and Monitoring and Evaluation programme for the year. The focus was to ensure that the marking provided relevant feedback on the successes of the pupils and the area for improvement which the pupils needed to deliver in order to make progress. The pupils were all able to track their progress on individual flightpaths and were aware of what they needed to do in order to continue making good progress. Our aim this academic year is for the expectations for marking and appropriate and supportive feedback to continue to be high and to be a really useful and positive form of communication between teachers and pupils.

Assessment and the tracking of progress has been a hugely important aspect of the teaching and learning programme this year. The information provided by accurate and regular assessment ensures that pupils are making good progress, that they are sitting and achieving qualifications at the appropriate time and, if progress is not being made, supportive interventions will be implemented to address any barriers to learning. This academic year this proven framework was used across all curriculum areas. The Cognitive Abilities Test was also used and provided detailed information on the pupils' ability to reason across four distinct batteries: verbal, non-verbal, mathematical and spatial. This allowed teachers to address patterns and adapt teaching methods to suit individual (or group, where a similar learning profile is shared) needs, ensuring feedback is appropriate and targets are achievable.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Line Management Structure

This year has seen a revision of the staff structure to create a line management structure with experienced and highly skilled practitioners working alongside less experienced staff to constantly upskill and develop good practice. Improvements have been seen in all areas of teaching and learning, from planning to classroom practice to assessment. This area of the School Development Plan will remain in place for 2022-2023 to embed this practice further.

Curriculum Review Cycle

In line with the DfE's expectations to transition to the new National Curriculum expectations by September 2022, the school has undertaken reviews of the curriculum offer to ensure it is meeting the expectations of the DfE whilst also being meaningful, relevant and engaging for pupils. This area of the School Development Plan will remain in place for 2022-2023 to monitor the impact of curriculum changes on pupil outcomes.

Personal Development, Behaviour and Welfare

- Further strengthen student participation in all areas of the school, specifically student voice.
- Develop a systematic and proactive approach to promote self-management and self-regulation to be able to improve behaviour.
- Increase school attendance for all groups of learners, especially those that have increased mental health needs.

Student Voice

The profile of Student Voice has been raised since returning to 'normality' after the period of Covid impact. The Pastoral Team has been invested in, with a non-class based member of the leadership team working with 1:1 teaching assistants to encourage pupils to communicate freely and effectively about all areas of their lives, thinking additionally about the impact that their voice can have on the school provision.

The Student Council has continued to be a valued element of decision making within the school. The Student Council has been consulted about many issues across the year, from Covid Lateral Flow Testing in school, to Activities Week and English curriculum content.

Independence in self-management and self-reflection

A Courtyard created programme of personal development – SCERI (Social Communication, Emotional Regulation and Independence), supports pupils to learn and independently implementing strategies to communicate emotions, manage resulting actions and reflect effectively. SCERI is fully embedded within the school's PSHE curriculum, supporting pupils to achieve outcomes within this curriculum area whilst developing the competencies that autistic people often present with. This in turn makes this area of the school curriculum offer more relevant and meaningful to the pupils.

Attendance

Attendance has continued to be impacted by the Covid pandemic this academic year. Overall attendance, taking into account absence for undiagnosed illnesses, was 89.1%. This figure, whilst less than the average attendance for Courtyard pupils, is within 2% of pre-Covid figures.

The increased investment in the Pastoral Team has enabled staff to develop meaningful relationships with families of reluctant attenders, supporting families to reduce anxiety in the family home and work together to increase attendance in school and with therapeutic agencies in the local authority.

Leadership and management

- Ensure a relevant and appropriate curriculum is followed by all students.
- Advance methods of communication to ensure consistent understanding at all levels.
- Expand our network of local school and business partnerships, for rigorous quality assurance, support and challenge that produces a measurable impact on student outcomes.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Curriculum Review Cycle

In line with the DfE's expectations to transition to the new National Curriculum expectations by September 2022, the school has undertaken reviews of the curriculum offer to ensure it is meeting the expectations of the DfE whilst also being meaningful, relevant and engaging for pupils. This area of the School Development Plan will remain in place for 2022-2023 to monitor the impact of curriculum changes on pupil outcomes.

Improved effective communication

Swift communication between staff is key to supporting pupils to process and regulate their emotions during and after a period of anxiety. New CPoms systems in school allows for this rapid communication whilst at the same time providing a thorough record of communication which can be analysed to determine patterns in behaviour which in turn feeds into interventions.

The Courtyard has a full cohort and is in constant liaison with all external services to ensure that we support all pupils to achieve their potential. All Courtyard pupils have additional complexities which need to be diagnosed and supported in order to remove or lower any barriers to learning, academically, socially and emotionally. The school also works with these external services to ensure that the placements of new pupils at the Courtyard are appropriate and that the school will meet the needs of the new pupil whilst not impacting on the progress of current pupils. The Courtyard is working effectively with external professionals to ensure that all pupils are making progress in social communication, emotional regulation and independence.

Expansion of network

The Courtyard has expanded its network of schools across Islington this academic year. Links with mental health and wellbeing networks as well as the Islington Secondary School and College Leaders network and the London Youth Rowing programme. Expanding our network into the mainstream secondary school forum enables the Courtyard to share good SEN practice with our mainstream colleagues, understand the challenges they are experiencing and develop an additional strand of our Outreach programme – Autism Training for mainstream schools.

Key Performance Indicators

The following are Courtyard Key Financial Performance Indicators that the Courtyard monitors its financial performance (costs quoted exclude the effect of the FRS102 pension adjustment and income excludes capital income):

- Solvency: (Current Assets: Current Liabilities): 3.6 to1 (2020/21: 1.1 to1)
- Cost Control Measures: (Staff Costs as % of Total Revenue Income): 77.3% (2020/21: 68.1%)
- Non-Staff Costs (excluding depr'n) as % of Total Revenue Income: 18.4% (2020/21: 18.3%)

Going Concern

After consideration of the school's financial position, its financial plans, (including projected pupil numbers), the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the School has and will continue to have adequate resources to enable it to be a sustainable going concern for the foreseeable future. For this reason the Academy continues to adopt the going concern principle in preparing its financial statements.

Financial Review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with a school grant, based largely on our pupil numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our pupils) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

of the schools facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts, but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

| Fund | Category | 2022 £'000 | 2021 £'000 |
|-----------------------------------|---|-----------------------|-----------------------|
| GAG | Restricted General Funds | 382 | 296 |
| Other DfE/ESFA Grants | Restricted General Funds | - | 19 |
| Other government grants | Restricted General Funds | - | 27 |
| Capital Sponsorship | Restricted General Funds | 42 | 42 |
| | Sub-total General Restricted Funds | 424 | 384 |
| Other Income | Unrestricted General Fund | 55 | 55 |
| | Sub-Total Spendable General Funds | 479 | 439 |
| Net Book Value of Fixed Assets | Restricted Fixed Asset Fund | 1,622 | 1,580 |
| Capital Funds for future spending | Restricted Fixed Asset Fund | - | 48 |
| Share of LGPS Deficit | Restricted Pension Reserve | (84) | (570) |
| | Total All Funds | <u>2,017</u> | <u>1,497</u> |

During the year under review, general restricted funds increased by £40k (2021: increased by £171k) and unrestricted general funds increased / decreased by £nil (2021: increased by £5k). After LGPS valuation adjustments, depreciation and capital income and expenditure, overall funds increased by £520k (2021: decreased by £8k).

Reserves Policy

The Academy Governors have reviewed the reserve levels of the Academy. It is the Trust's objective to maintain a structure of prudent financial management and a requirement to maintain good financial health. To this end the Academy aims to carry forward a cumulative balance of the Academy's General Fund Income, to safeguard the Academy from unforeseen and unexpected changes in policy and economic downturns, as well as to protect its financial position and going concern status.

Investment policy and powers

The Courtyard manages its daily cash flows with Lloyds Bank where no investments are held beyond cash deposits. Speculative investments are not permitted. The Academy continually monitors its position in light of the financial and economic markets generally.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas of the Academy (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of HR and Finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in the following governance statement.

The principal financial risk faced by the company is that on-going pressure on funding results in a deficit. The budgeting and reporting process, including regular scrutiny by the Governors of actual financial performance, mitigates the risk. As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuarial advice.

Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the DfE during the year ended 31 August 2022 and its associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The Trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

Where any fundraising is undertaken all fundraising is undertaken by the Trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via pupils. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future years

The principal task facing the Courtyard is to maintain and continually improve its educational standards and its educational facilities to the highest standards possible:

Over the next twelve months the Courtyard plans to build on the already exceptional standards and facilities, to:

- Increase the PAN to 72 pupils by September 2025
- Continue to establish a highly regarded Autism Awareness Outreach Programme, supporting businesses and industries to successfully support employees with ASC.
- retain and recruit the best educational staff to the Courtyard
- support its staff in continued professional development
- continually develop its community cohesion and partnership opportunities for the public benefit

ST MARY MAGDALENE ACADEMY: THE COURTYARD

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Funds held as Custodian Trustee on behalf of others

Neither St Mary Magdalene Academy: The Courtyard, or the Board of Directors/Trustees is acting as Custodian Trustees for any third parties.

Auditor

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, has been approved by order of the Board of Governors, as the company Directors, on 22 December 2022 and signed on the Board's behalf by:



.....
E Brooks

Chair of Trustees

ST MARY MAGDALENE ACADEMY: THE COURTYARD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Trustees (Directors) and Governors we acknowledge we have overall responsibility for ensuring that St Mary Magdalene Academy: The Courtyard 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.

The Board of Trustees has, through the Board of Governors 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 are in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary Magdalene Academy: The Courtyard and the Secretary of State for Education. She is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

| Governor | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| E Brooks (Chair of Governors – appointed 22/03/22) | 3 | 3 |
| D. Higgins (Vice Chair) | 6 | 6 |
| J. Honigmann | 6 | 6 |
| P East | 5 | 6 |
| SJ Miller-Jones | 6 | 6 |
| I Akoto (resigned 28/01/22) | 2 | 2 |
| J Gallagher | 6 | 6 |
| F Crossland (resigned 25/05/22) | 5 | 5 |
| M Wroe (resigned 12/09/21) | 0 | 0 |
| S Levelle | 6 | 6 |
| D Shepherd (Head Teacher/Accounting Officer) | 6 | 6 |
| J Rondinelli | 4 | 6 |
| F Aitken | 6 | 6 |
| Z Collard | 5 | 6 |
| J Emmons | 6 | 6 |
| D Forrester (appointed 08/12/21) | 3 | 4 |
| S Caizley (appointed 22/03/22) | 2 | 2 |
| C Ollington (appointed 11/05/22) | 1 | 1 |

Changes that had taken place to the School's Full Governing Body Membership from the previous year were:

- E Brooks (appointed 22/03/22)
- I Akoto – resigned 28/01/22
- M Wroe – resigned 12/09/21
- F Crossland – resigned 25/05/22
- D Forrester – appointed 08/12/21
- S Caizley (appointed 22/03/22)
- C Ollington (appointed 11/05/22)

Conflict of interest

All governors complete a Declaration of Interest at the start of every academic year or as they join the governing body if this is after the first meeting of the academic year. Governors are required to declare any conflicts of interest at the start of each governor meeting. If any are declared, these are noted in the minutes of the meeting. All Declarations of Interest and minutes of governing body meetings are held on GovernorHub.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews

As part of the school's Significant Change Application for increased pupil cohort, the Headteacher panel and Regional Schools Commissioner looked in detail at the school's governance. Standards were found to be of good quality, with an effective skills audit leading to recruitment of new governors to add to the professional capacity of the existing governing body.

In 2022-2023, the Courtyard governing body will be working with the National Governance Association to support its self-assessment and improvement for future years.

Finance and General Purpose Committee

The Finance and General Purpose Committee is a sub-committee of the main Board of Governors reporting to its board directly.

The purpose of the FGP Committee is to scrutinise and recommend the annual budget, review monthly management accounts, approve policies relevant to the committee and to approve financial and staffing structure decisions, as presented. This committee receives reports from the Head Teacher/Accounting Officer and the Director of Finance and Corporate Services and Facilities Manager, as appropriate, who act and to provide services on behalf of the school. The Full Governing Body of The Courtyard is advised of those recommendations made by the FGP committee and approve for themselves the annual budget accounts and policies adopted.

The FGP Committee met four times during the year. Attendance during the year at meetings of the Finance and General Purpose (FGP) Committee was as follows:

| Governor | Meetings attended | Out of possible |
|---|-------------------|-----------------|
| D Shepherd (Head Teacher/Accounting Officer) | 4 | 4 |
| E Brooks (Chair of Governors, appointed 22/03/22) | 1 | 1 |
| D Higgins | 4 | 4 |
| SJ Miller-Jones | 4 | 4 |
| J Honigmann | 4 | 4 |
| J Rondinelli (Chair of Committee) | 3 | 4 |
| I Akoto (resigned 28/01/22) | 1 | 2 |
| S Levelle | 3 | 4 |

In addition to the above governors, Julie Dorling, Core Finance Team Manager from Schools Choice was in attendance of the four meetings as reporting officer.

Review of Value for Money

I accept that as Accounting Officer of The St Mary Magdalene Academy: The Courtyard I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to Academy value for money statements published by the Education and Skills Funding Agency (ESFA) and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer's resources received.

I set out below how I have ensured that the Academy Trust's use of resources has provided good value for money during the academic year.

The Academy Trust is committed to:

1. Raising pupil attainment.

Internal data shows that pupils make excellent progress in alternative curriculum models both academically and personally.

The Courtyard has developed having fully embedded tracking systems for individual pupils that track levels of progress from through their key stages of development.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

The Courtyard tracks attendance and behaviour of all pupils and attendance which is significantly above the national average for pupils with SEN.

Targeted Improvement:

The Courtyard has targeted resources for those recognised as either having received, or are eligible for Free School Meals, in addition to those who are recognised as not able to access the required standard to pass GCSE's where an alternative curriculum has been provided. Pupils have also had support targeted to their personal skills and special educations in order to raise attainment in all areas.

2. Robust governance and oversight of Academy Trust finances

During the year The Courtyard benefited from the provision of a suitably qualified independent Internal Auditor. The Internal Auditor reviews key financial policies, systems and procedures, presenting reports on compliance directly to the Board of Governors.

The Boards Finance and General Purpose Committee receives regular Income and Expenditure (Budget) monitoring reports, to each of their meetings along with reports detailing compliance with the Academy Finance Policy Document and its Scheme of Delegation.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure with income it receives to ensure the School remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources

The Courtyard regularly benchmarks financial performance against other similar size schools to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that higher value purchases are assessed against the marketplace. Where possible The Courtyard revises its contracts to ensure that any long term contracts (3 to 5 years) remain competitive. The Courtyard, where possible, procures and tests its purchasing of higher value items against the Crescent Procurement Consortium (CPC) Framework of suppliers.

4. Maximising income generation

The Courtyard explores every opportunity to generate income through ensuring that we are maximising pupil numbers and that the school is full. Where possible The Courtyard maximises its investment of reserve fund balances to generate other interest receivable income to support the interests of the Courtyard's Activities, most notably to support those parents who have financial difficulties and ensuring every child at the Courtyard has equal opportunities to partake in all of the Courtyard activities.

5. Reviewing controls and managing risks.

Monthly budget monitoring reports are continually reviewed and monitored by Julie Dorling (Core Finance Team Manager), Joseph Rondinelli (Chair of FGP Committee) and Deborah Shepherd (accounting Officer) where any necessary remedial action is taken as appropriate to address any significant variances that may have an impact on the budget out-turn.

The Courtyard manages its reserve fund balances with The Lloyds Bank for security of its Cash Asset Fund. The School ensures that all surplus cash balances are invested flexibly to maximise any interest earning potential, but also to gain flexible access to its funds in times of need.

6. Reviewing operation to maximise use of resources.

The Courtyard Leadership Group review the Courtyard budget annually and make and make adjustments based on the effectiveness of strategies introduced in previous years, in addition to the curriculum offer and any new strategies identified in the Courtyard Development Plan.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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 School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary Magdalene Academy: The Courtyard for the year ended 31 August 2022 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

The Board of Governors 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 Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

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 Governors;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided to re-appoint an internal auditor. Governors have appointed Mr R Ashdown, as a Certified Chartered Accountant to act as the Courtyards independent Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a regular basis, the Internal Auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

During the year The Internal Auditor provided his professional services to the Academy and reported thereon directly to the Audit Committee for the planned audit works required on behalf of the governing body. It was noted by Governors, from these reports throughout the year, that there were no material control weaknesses identified and Governors were satisfied that sufficient control measures were in place and continued to be monitored and improved.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Review of effectiveness

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

- the work of the Internal Auditor
- the work of the External Auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.


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

Approved by order of the members of the Board of Governors on 22 December 2022 and signed on its behalf by:



.....
E Brooks

Chair of Trustees



.....
Ms D Shepherd

Head Teacher / Accounting Officer

ST MARY MAGDALENE ACADEMY: THE COURTYARD

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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



D Shepherd
Accounting Officer

22 December 2022

ST MARY MAGDALENE ACADEMY: THE COURTYARD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of St Mary Magdalene Academy: The Courtyard for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 22 December 2022 and signed on its behalf by:



E Brooks
Chair of Trustees

ST MARY MAGDALENE ACADEMY: THE COURTYARD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

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

In our opinion the Financial Statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

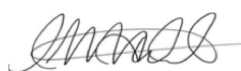
ST MARY MAGDALENE ACADEMY: THE COURTYARD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

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



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

22 December 2022
.....

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

ST MARY MAGDALENE ACADEMY: THE COURTYARD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY MAGDALENE ACADEMY: THE COURTYARD AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 20 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary Magdalene Academy: The Courtyard during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mary Magdalene Academy: The Courtyard and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Mary Magdalene Academy: The Courtyard 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 St Mary Magdalene Academy: The Courtyard and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Mary Magdalene Academy: The Courtyard's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Mary Magdalene Academy: The Courtyard's funding agreement with the Secretary of State for Education dated 1 September 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2021, issued by the ESFA.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY MAGDALENE ACADEMY: THE COURTYARD AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

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

- An entry for members were not included in the trust's register of business interests
- Companies House and GIAS records have not been kept up to date during the year for changes to Governors and directors/trustees.

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 22 December 2022
.....

ST MARY MAGDALENE ACADEMY: THE COURTYARD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | Unrestricted funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total 2022 £'000 | Total 2021 £'000 |
|---|----------|--------------------------------|---------------------------------------|----------------------|------------------------|------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 6 | 6 | 6 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 5 | 1,494 | - | 1,499 | 1,428 |
| Investments | 5 | - | - | - | - | 2 |
| Total | | <u>5</u> | <u>1,494</u> | <u>6</u> | <u>1,505</u> | <u>1,436</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 7 | 5 | 1,602 | 36 | 1,643 | 1,386 |
| Total | 6 | <u>5</u> | <u>1,602</u> | <u>36</u> | <u>1,643</u> | <u>1,386</u> |
| Net income/(expenditure) | | - | (108) | (30) | (138) | 50 |
| Transfers between funds | 15 | - | (24) | 24 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 17 | - | 658 | - | 658 | (58) |
| Net movement in funds | | - | 526 | (6) | 520 | (8) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 55 | (186) | 1,628 | 1,497 | 1,505 |
| Total funds carried forward | | <u>55</u> | <u>340</u> | <u>1,622</u> | <u>2,017</u> | <u>1,497</u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| Comparative year information Year ended 31 August 2021 | Notes | Unrestricted | Restricted funds: | | Total |
|---|-------|--------------|-------------------|--------------|--------------|
| | | funds | General | Fixed asset | 2021 |
| | | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | - | 6 | 6 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 3 | 1,425 | - | 1,428 |
| Investments | 5 | 2 | - | - | 2 |
| Total | | <u>5</u> | <u>1,425</u> | <u>6</u> | <u>1,436</u> |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 7 | - | 1,344 | 42 | 1,386 |
| Total | 6 | <u>-</u> | <u>1,344</u> | <u>42</u> | <u>1,386</u> |
| Net income/(expenditure) | | 5 | 81 | (36) | 50 |
| Other recognised gains/(losses) | | | | | |
| Actuarial losses on defined benefit pension schemes | 17 | - | (58) | - | (58) |
| Net movement in funds | | 5 | 23 | (36) | (8) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>50</u> | <u>(209)</u> | <u>1,664</u> | <u>1,505</u> |
| Total funds carried forward | | <u>55</u> | <u>(186)</u> | <u>1,628</u> | <u>1,497</u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

BALANCE SHEET

AS AT 31 AUGUST 2022

| | | 2022 | | 2021 | |
|--|-------|------------|--------------|------------|--------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,622 | | 1,580 |
| Current assets | | | | | |
| Debtors | 12 | 38 | | 64 | |
| Cash at bank and in hand | | 626 | | 472 | |
| | | <u>664</u> | | <u>536</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | (185) | | (49) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | | 479 | | 487 |
| Net assets excluding pension liability | | | 2,101 | | 2,067 |
| Defined benefit pension scheme liability | 17 | | (84) | | (570) |
| | | | <u></u> | | <u></u> |
| Total net assets | | | <u>2,017</u> | | <u>1,497</u> |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | 15 | | | | |
| - Fixed asset funds | | | 1,622 | | 1,628 |
| - Restricted income funds | | | 424 | | 384 |
| - Pension reserve | | | (84) | | (570) |
| | | | <u>1,962</u> | | <u>1,442</u> |
| Total restricted funds | | | 1,962 | | 1,442 |
| Unrestricted income funds | 15 | | 55 | | 55 |
| | | | <u>55</u> | | <u>55</u> |
| Total funds | | | <u>2,017</u> | | <u>1,497</u> |

The Financial Statements on pages 26 to 47 were approved by the Trustees and authorised for issue on 22 December 2022 and are signed on their behalf by:



.....
E Brooks
Chair of Trustees

Company registration number 08619729

ST MARY MAGDALENE ACADEMY: THE COURTYARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

| | | 2022 | | 2021 | |
|--|-------|-----------------|-----------------|-----------------|-----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | | | |
| Net cash provided by operating activities | 18 | | 226 | | 128 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | - | | 2 | |
| Capital grants from DfE Group | | 6 | | 6 | |
| Purchase of tangible fixed assets | | (78) | | - | |
| | | <u> </u> | | <u> </u> | |
| Net cash (used in)/provided by investing activities | | | (72) | | 8 |
| | | | <u> </u> | | <u> </u> |
| Net increase in cash and cash equivalents in the reporting period | | | 154 | | 136 |
| Cash and cash equivalents at beginning of the year | | | 472 | | 336 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of the year | | | 626 | | 472 |
| | | | <u> </u> | | <u> </u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

| | |
|--------------------------------|-----------------|
| Leasehold land and buildings | 2% |
| Assets under construction | not depreciated |
| Computer equipment | 33.33% |
| Fixtures, fittings & equipment | 25% |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.6 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.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

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 17, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2022 £'000 | Total 2021 £'000 |
|----------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants | - | 6 | 6 | 6 |

4 Funding for the Academy Trust's charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2022 £'000 | Total 2021 £'000 |
|------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 476 | 476 | 417 |
| Other DfE/ESFA grants: | | | | |
| - Pupil premium | - | 21 | 21 | 14 |
| - Others | - | 5 | 5 | 7 |
| | - | 502 | 502 | 438 |
| Other government grants | | | | |
| Local authority grants | - | 976 | 976 | 928 |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Catch-up premium | - | - | - | 12 |
| Other DfE/ESFA COVID-19 funding | - | 12 | 12 | - |
| Non-DfE/ESFA | | | | |
| Other COVID-19 funding | - | 4 | 4 | 47 |
| | - | 16 | 16 | 59 |
| Other funding | | | | |
| Other incoming resources | 5 | - | 5 | 3 |
| Total funding | 5 | 1,494 | 1,499 | 1,428 |

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

- The funding received for coronavirus exceptional support covers £16k of staff and other costs. These costs are included in notes 6 and 7 below as appropriate.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 5 | Investment income | Unrestricted funds £'000 | Restricted funds £'000 | Total 2022 £'000 | Total 2021 £'000 | |
|---|--|--------------------------------|--|------------------------|------------------------|------------------------|
| | Short term deposits | - | - | - | 2 | |
| | | ===== | ===== | ===== | ===== | |
| 6 | Expenditure | Staff costs £'000 | Non-pay expenditure Premises Other £'000 £'000 | | Total 2022 £'000 | Total 2021 £'000 |
| | Academy's educational operations | | | | | |
| | - Direct costs | 1,094 | 29 | 106 | 1,229 | 1,085 |
| | - Allocated support costs | 230 | 57 | 127 | 414 | 301 |
| | | ===== | ===== | ===== | ===== | ===== |
| | | 1,324 | 86 | 233 | 1,643 | 1,386 |
| | | ===== | ===== | ===== | ===== | ===== |
| | Net income/(expenditure) for the year includes: | | | 2022 | 2021 | |
| | | | | £'000 | £'000 | |
| | Fees payable to auditor for: | | | | | |
| | - Audit | | | 5 | 4 | |
| | - Other services | | | 3 | 3 | |
| | Operating lease rentals | | | 9 | 6 | |
| | Depreciation of tangible fixed assets | | | 36 | 42 | |
| | Net interest on defined benefit pension liability | | | 7 | 6 | |
| | | | | ===== | ===== | |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

| | Unrestricted funds £'000 | Restricted funds £'000 | Total 2022 £'000 | Total 2021 £'000 |
|--|--------------------------------|------------------------------|------------------------|------------------------|
| Direct costs | | | | |
| Educational operations | 5 | 1,224 | 1,229 | 1,085 |
| Support costs | | | | |
| Educational operations | - | 414 | 414 | 301 |
| | <u>5</u> | <u>1,638</u> | <u>1,643</u> | <u>1,386</u> |
| Analysis of costs | | | 2022 | 2021 |
| | | | £'000 | £'000 |
| Direct costs | | | | |
| Teaching and educational support staff costs | | | 1,094 | 947 |
| Staff development | | | 7 | 10 |
| Depreciation | | | 29 | 34 |
| Technology costs | | | 2 | 1 |
| Educational supplies and services | | | 37 | 84 |
| Examination fees | | | 8 | 5 |
| Educational consultancy | | | 38 | - |
| Other direct costs | | | 14 | 4 |
| | | | <u>1,229</u> | <u>1,085</u> |
| Support costs | | | | |
| Support staff costs | | | 65 | 45 |
| Defined benefit pension scheme - staff costs (FRS102 adjustment) | | | 165 | 84 |
| Depreciation | | | 7 | 8 |
| Technology costs | | | 38 | 19 |
| Maintenance of premises and equipment | | | 6 | 20 |
| Cleaning | | | 16 | 12 |
| Energy costs | | | 13 | 5 |
| Rent, rates and other occupancy costs | | | 14 | 10 |
| Insurance | | | 1 | 1 |
| Catering | | | 8 | 10 |
| Defined benefit pension scheme - finance costs (FRS102 adjustment) | | | 7 | 6 |
| Other support costs | | | 57 | 72 |
| Governance costs | | | 17 | 9 |
| | | | <u>414</u> | <u>301</u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Staff

Staff costs

Staff costs during the year were:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| | £'000 | £'000 |
| Wages and salaries | 857 | 771 |
| Social security costs | 88 | 75 |
| Pension costs | 151 | 128 |
| Defined benefit pension scheme – staff costs (FRS102 adjustment) | 165 | 84 |
| | <u> </u> | <u> </u> |
| Staff costs - employees | 1,261 | 1,058 |
| Agency staff costs | 63 | 18 |
| | <u> </u> | <u> </u> |
| Total staff expenditure | <u><u>1,324</u></u> | <u><u>1,076</u></u> |

Staff numbers

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

| | 2022 | 2021 |
|----------------------------|--------------------------|--------------------------|
| | Number | Number |
| Teachers | 7 | 6 |
| Administration and support | 15 | 13 |
| Management | 2 | 2 |
| | <u> </u> | <u> </u> |
| | 24 | 21 |
| | <u><u> </u></u> | <u><u> </u></u> |

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

| | 2022 | 2021 |
|----------------------------|--------------------------|--------------------------|
| | Number | Number |
| Teachers | 7 | 7 |
| Administration and support | 12 | 8 |
| Management | 2 | 2 |
| | <u> </u> | <u> </u> |
| | 21 | 17 |
| | <u><u> </u></u> | <u><u> </u></u> |

Higher paid staff

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

| | 2022 | 2021 |
|-------------------|-------------------|-------------------|
| | Number | Number |
| £60,000 - £70,000 | - | 1 |
| £80,000 - £90,000 | 1 | 1 |
| | <u> </u> | <u> </u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Staff

(Continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £117,399 (2021: £117,590).

9 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

D Shepherd (Head Teacher):

- Remuneration: £85,000 - £90,000 (2021: £85,000 - £90,000)
- Employer's pension contributions: £20,000 - £25,000 (2021: £20,000 - £25,000)

F Aitken (Staff Trustee):

- Remuneration: £35,000 - £40,000 (2021: £35,000 - £40,000)
- Employer's pension contributions: £5,000 - £10,000 (2021: £5,000 - £10,000)

During the year, expenses of £2,640 (2021: £nil) were reimbursed or paid directly to 1 Trustee (2021: 0 Trustee) in respect of costs incurred in performing the duties of employment.

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets

| | Leasehold land and buildings | Assets under construction | Computer equipment | Fixtures, fittings & equipment | Total |
|-----------------------|------------------------------------|---------------------------------|-----------------------|--------------------------------------|-------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 September 2021 | 1,752 | - | 22 | 57 | 1,831 |
| Additions | - | 75 | - | 3 | 78 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 August 2022 | 1,752 | 75 | 22 | 60 | 1,909 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Depreciation | | | | | |
| At 1 September 2021 | 173 | - | 22 | 56 | 251 |
| Charge for the year | 35 | - | - | 1 | 36 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 August 2022 | 208 | - | 22 | 57 | 287 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net book value | | | | | |
| At 31 August 2022 | 1,544 | 75 | - | 3 | 1,622 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 August 2021 | 1,579 | - | - | 1 | 1,580 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Leasehold Land is included above at its net book value of £712k (2021: £728k).

12 Debtors

| | 2022 £'000 | 2021 £'000 |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 4 | 51 |
| VAT recoverable | 22 | 5 |
| Other debtors | - | 1 |
| Prepayments and accrued income | 12 | 7 |
| | <u> </u> | <u> </u> |
| | 38 | 64 |
| | <u> </u> | <u> </u> |

13 Creditors: amounts falling due within one year

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|-------------------|-------------------|
| Trade creditors | 112 | - |
| Other taxation and social security | 22 | 19 |
| Other creditors | 20 | 16 |
| Accruals and deferred income | 31 | 14 |
| | <u> </u> | <u> </u> |
| | 185 | 49 |
| | <u> </u> | <u> </u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14 Deferred income

| | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Deferred income is included within: | | |
| Creditors due within one year | - | 1 |
| | <u> </u> | <u> </u> |
| Deferred income at 1 September 2021 | 1 | 2 |
| Released from previous years | (1) | (2) |
| Resources deferred in the year | - | 1 |
| | <u> </u> | <u> </u> |
| Deferred income at 31 August 2022 | <u> </u> | <u> </u> |

Deferred income at 31 August 2022 represents unspent Bursary Income of £nil (2021: £1k).

15 Funds

| | Balance at 1 September 2021 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|---------------------------------------|--|-------------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 296 | 476 | (366) | (24) | 382 |
| Pupil premium | - | 21 | (21) | - | - |
| Other DfE/ESFA COVID-19 funding | - | 12 | (12) | - | - |
| Other Coronavirus funding | 19 | 4 | (23) | - | - |
| Other DfE/ESFA grants | - | 5 | (5) | - | - |
| Other government grants | 27 | 976 | (1,003) | - | - |
| Capital sponsorship | 42 | - | - | - | 42 |
| Pension reserve | (570) | - | (172) | 658 | (84) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | (186) | 1,494 | (1,602) | 634 | 340 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 1,502 | 6 | (36) | - | 1,472 |
| Capital expenditure from GAG | 1 | - | - | 24 | 25 |
| Private sector capital sponsorship | 125 | - | - | - | 125 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 1,628 | 6 | (36) | 24 | 1,622 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total restricted funds | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 1,442 | 1,500 | (1,638) | 658 | 1,962 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Unrestricted funds | | | | | |
| General funds | 55 | 5 | (5) | - | 55 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total funds | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 1,497 | 1,505 | (1,643) | 658 | 2,017 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Funds

(Continued)

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

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

The unspent restricted grant balance of £382k (2021: £342k) represents fully committed funds which are earmarked for future spending.

The Capital Sponsorship balance of £42k (2021: £42k) represents the funds earmarked for future capital projects.

The Restricted Fixed Asset Fund is set aside to fund future depreciation, and includes unspent capital funding of £nil (2021: £48k).

Unrestricted funds of £55k (2021: £55k) are available to be applied at the discretion of the Trustees.

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

| | Balance at 1 September 2020 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2021 £'000 |
|-------------------------------------|--|-----------------|----------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 171 | 417 | (292) | - | 296 |
| Pupil premium | - | 14 | (14) | - | - |
| Catch-up premium | - | 12 | (12) | - | - |
| Other Coronavirus funding | - | 47 | (28) | - | 19 |
| Other DfE/ESFA grants | - | 7 | (7) | - | - |
| Other government grants | - | 928 | (901) | - | 27 |
| Capital sponsorship | 42 | - | - | - | 42 |
| Pension reserve | (422) | - | (90) | (58) | (570) |
| | (209) | 1,425 | (1,344) | (58) | (186) |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 1,530 | 6 | (34) | - | 1,502 |
| Capital expenditure from GAG | 6 | - | (5) | - | 1 |
| Private sector capital sponsorship | 128 | - | (3) | - | 125 |
| | 1,664 | 6 | (42) | - | 1,628 |
| Total restricted funds | 1,455 | 1,431 | (1,386) | (58) | 1,442 |
| Unrestricted funds | | | | | |
| General funds | 50 | 5 | - | - | 55 |
| Total funds | 1,505 | 1,436 | (1,386) | (58) | 1,497 |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Analysis of net assets between funds

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 1,622 | 1,622 |
| Current assets | 55 | 609 | - | 664 |
| Current liabilities | - | (185) | - | (185) |
| Pension scheme liability | - | (84) | - | (84) |
| Total net assets | 55 | 340 | 1,622 | 2,017 |

| | Unrestricted Funds £'000 | Restricted funds: General £'000 | Fixed asset £'000 | Total Funds £'000 |
|--|--------------------------------|---------------------------------------|----------------------|-------------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 1,580 | 1,580 |
| Current assets | 55 | 433 | 48 | 536 |
| Current liabilities | - | (49) | - | (49) |
| Pension scheme liability | - | (570) | - | (570) |
| Total net assets | 55 | (186) | 1,628 | 1,497 |

17 Pension and similar obligations

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

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

Contributions amounting to £19k were payable to the schemes at 31 August 2022 (2021: £16k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations

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

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

The employer's pension costs paid to the TPS in the period amounted to £101k (2021: £93k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 11.9% for employers and 5.5% to 12.5% for employees.

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

| Total contributions made | 2022 £'000 | 2021 £'000 |
|--------------------------|---------------|---------------|
| Employer's contributions | 50 | 34 |
| Employees' contributions | 26 | 18 |
| Total contributions | 76 | 52 |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations (Continued)

| Principal actuarial assumptions | 2022 % | 2021 % |
|--|-------------------|-------------------|
| Rate of increase in salaries | 4.2 | 4.2 |
| Rate of increase for pensions in payment/inflation | 2.8 | 2.8 |
| Discount rate for scheme liabilities | 4.2 | 1.7 |
| Inflation assumption (CPI) | 2.7 | 2.7 |
| | <u> </u> | <u> </u> |

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

| | 2022 Years | 2021 Years |
|----------------------|-------------------|-------------------|
| Retiring today | | |
| - Males | 22.7 | 22.8 |
| - Females | 25.3 | 25.3 |
| Retiring in 20 years | | |
| - Males | 24.1 | 24.3 |
| - Females | 27.1 | 27.2 |
| | <u> </u> | <u> </u> |

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

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|-------------------|-------------------|
| Discount rate + 0.1% | 655 | 1,065 |
| 1 year increase in life expectancy | 689 | 1,132 |
| Inflation + 0.1% | 696 | 1,131 |
| Pay growth + 0.1% | 675 | 1,098 |
| | <u> </u> | <u> </u> |

| Defined benefit pension scheme net liability | 2022 £'000 | 2021 £'000 |
|--|-------------------|-------------------|
| Scheme assets | 591 | 527 |
| Scheme obligations | (675) | (1,097) |
| | <u> </u> | <u> </u> |
| Net liability | (84) | (570) |
| | <u> </u> | <u> </u> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations (Continued)

| The Academy Trust's share of the assets in the scheme | 2022 Fair value £'000 | 2021 Fair value £'000 |
|---|-----------------------------|-----------------------------|
| Equities | 273 | 296 |
| Government Bonds | 43 | - |
| Other Bonds | - | 74 |
| Cash/liquidity | 75 | 3 |
| Property | 102 | 82 |
| Other assets | 98 | 72 |
| | <hr/> | <hr/> |
| Total market value of assets | 591 | 527 |
| | <hr/> <hr/> | <hr/> <hr/> |

The actual return on scheme assets was £(4,000) (2021: £83,000).

| Amount recognised in the statement of financial activities | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Current service cost | 212 | 116 |
| Interest income | (10) | (8) |
| Interest cost | 17 | 14 |
| Administration expenses | 3 | 2 |
| | <hr/> | <hr/> |
| Total operating charge | 222 | 124 |
| | <hr/> <hr/> | <hr/> <hr/> |

| Changes in the present value of defined benefit obligations | 2022 £'000 |
|---|---------------|
| At 1 September 2021 | 1,097 |
| Current service cost | 212 |
| Interest cost | 17 |
| Employee contributions | 26 |
| Actuarial (gain)/loss | (672) |
| Benefits paid | (5) |
| | <hr/> |
| At 31 August 2022 | 675 |
| | <hr/> <hr/> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Pension and similar obligations

(Continued)

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

| | 2022 £'000 |
|-------------------------|---------------|
| At 1 September 2021 | 527 |
| Interest income | 10 |
| Actuarial loss/(gain) | (14) |
| Employer contributions | 50 |
| Employee contributions | 26 |
| Benefits paid | (5) |
| Administration expenses | (3) |
| | <hr/> |
| At 31 August 2022 | 591 |
| | <hr/> <hr/> |

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

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| | Notes | |
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (138) | 50 |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (6) | (6) |
| Investment income receivable | 5 - | (2) |
| Defined benefit pension costs less contributions payable | 17 165 | 84 |
| Defined benefit pension scheme finance cost | 17 7 | 6 |
| Depreciation of tangible fixed assets | 36 | 42 |
| Decrease in debtors | 26 | 2 |
| Increase/(decrease) in creditors | 136 | (48) |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | 226 | 128 |
| | <hr/> <hr/> | <hr/> <hr/> |

19 Analysis of changes in net funds

| | 1 September 2021 £'000 | Cash flows £'000 | 31 August 2022 £'000 |
|------|------------------------------|---------------------|----------------------------|
| Cash | 472 | 154 | 626 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ST MARY MAGDALENE ACADEMY: THE COURTYARD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Hive Education Trust, a company incorporated in the UK (England and Wales), company number 05412502 is a related party by virtue of the fact that the majority of the members of the company are also members of Hive Education Trust. During the period, £37k (2021: £81k) was reimbursed to Hive Education Trust in respect of costs incurred by Hive Education Trust on behalf of the Courtyard. At the balance sheet date £4k (2021: £nil) was owed to Hive Education Trust and is included in creditors.

Grow Education Partners Ltd, a company incorporated in the UK (England and Wales), a company number 02874636 is a related party by virtue of being controlled by LDBS. During the year expenditure of £1k (2021: £6k) was incurred. At the balance sheet date £1k (2021: £nil) was owed to Grow Education Partners Ltd and is included in creditors.

In entering into these transactions, the Academy Trust has complied with the requirements of the ESFA's Academy Trust Handbook 2021.

21 Members' liability

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

22 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the Trust had an opening balance brought forward of £1,451 (2021: £1,546), received £1,342 (2021: £2,587) and disbursed £2,793 (2021: £2,682) from the fund. An amount of £nil (2021: £1,451) is included within creditors: amounts falling due in less than one year relating to undistributed funds that are repayable to the ESFA.