
APPLECROFT SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

APPLECROFT SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs L M Gardner (appointed 10 October 2023) Mrs J Fennell (appointed 10 October 2023) Mr C M Hailey (appointed 10 October 2023) Mrs G Rockall (appointed 10 October 2023)
Trustees	Mrs L Bright, Community Governor Mrs C A Coe, Parent Governor Mr N Gallacher, Staff Governor Mrs L M Gardner, Chair of Governors (appointed 24 October 2022) Mr C M Hailey, Parent Governor (resigned 24 October 2022) Mr B Kirby, Parent Governor Mrs G Rockall, Parent Governor (resigned 30 January 2023) Mrs C L Theophile, Parent Governor Mr T Virtanen, Parent Governor Rev R Wakefield, Community Governor (resigned 12 June 2023) Mr S Williams, Community Governor Mrs L Withe, Head Teacher Mr P Wyatt, Staff Governor Mr C Ivie, Community Governor (resigned 1 September 2022) Mr A Kanellopoulos, Parent Governor (appointed 28 April 2023) Mrs B A Crawford, Community Governor (appointed 30 December 2023) Mrs E Wilson, Community Governor (appointed 2 March 2023) Mr C Clarke, Parent Governor (appointed 17 April 2023)
Company registered number	07917745
Company name	Applecroft School
Principal and registered office	Applecroft Road Welwyn Garden City Hertfordshire AL8 6JZ
Company secretary	Mrs O C Coe
Senior management team	Mrs L Withe, Headteacher Mr P Wyatt, Deputy Headteacher Miss R Kerry, Assistant Headteacher for Inclusion and Wellbeing Mrs S Boulton, KS2 Phase Leader Mrs S Gardiner (resigned April 2023), Early Years and KS1 Phase Leader Mrs O Coe, Finance and Business Manager Miss E Yates (appointed April 2023), Early Years and KS1 Phase Leader

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

Independent auditors	Streets Audit LLP Potton House Wyboston Lakes Great North Road Wyboston Bedfordshire MK44 3BZ
Bankers	Lloyds Bank PLC 49 Howardsgate Welwyn Garden City Hertfordshire AL8 6BA Cambridge & Counties Bank Charnwood Court 5B New Walk Leicester Leicestershire LE1 6TE Redwood Bank Limited The Nexus Building Broadway Letchworth Garden City Hertfordshire SG6 3TA
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham Nottinghamshire NG1 7BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The Charitable Company operates an Academy for pupils aged 3-11 serving the catchment area of Welwyn Garden City. It has a pupil capacity of 420 in the main school and 60 in the nursery and a roll of 420 for the main school and 37 for the nursery in the October 2023 school census.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles of Association is the primary governing document of the Academy.

The Governors of Applecroft School are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Applecroft School.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 13 to the accounts.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The arrangements are as set out in the Articles of Association. The Articles make provision for up to 15 Governors made up of 6 Parent, 3 Staff, and 5 Community Governors plus the Headteacher.

The trust benefits from having good connections within the community. We are often approached by individuals or are recommended to contact certain members of the local community that have knowledge and experience that would benefit the board.

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who decide the successful candidate. If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure. The Chair and Vice Chair are elected to the position annually.

All Governors serve a four-year term, but can be re-elected in a similar or different capacity once their term of office ends. Community Governors are appointed by the Governing Body based on either their previous involvement with the Academy or their understanding of issues likely to be relevant to the Academy's community. Parent Governors are elected by the parents of students at the Academy. Staff Governors are elected by the staff within the Academy. The Headteacher is a member of the Governing Body. Further governors may be appointed by the Secretary of State. Member Governors may be appointed directly by members.

e. Policies adopted for the induction and training of Trustees

All Governors undergo induction training on appointment and then continue to attend training courses and other events organised by Herts for Learning or other bodies to ensure they keep up to date with what is happening generally, within the national and local educational sector, and their responsibilities within the Governing Board. The governing board has aligned induction training with Herts for Learning 'GREAT' training scheme. One Governor is designated as the Training Governor and they are responsible for overseeing training and development needs. Governors also undertake to make regular visits to the Academy to improve their understanding and to offer guidance and support.

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

Structure, governance and management (continued)

f. Organisational structure

At present, the current articles in place for Applecroft School, mean that the Governing Board has no separation between members and trustees, all governors are members. These have been updated to the latest recommended version on 10 October 2023. The Governing Board, which meets on at least 6 occasions per year, is responsible for the strategic direction of the Academy. The Governing Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set general policy, review and monitor Academy financials, approve the budget for the following year, review and approve the organisational staffing structure, and agree the performance objectives of the Headteacher, along with an external provider, Herts Improvement Partner (HIP).

The Governing Board delegates certain areas of its functions to its sub-committees: Finance and Premises Committee, Audit and Risk, Personnel and Pupil Welfare Committee and the Curriculum and Assessment Committee. Some meetings are also attended by members of the Academy's Senior Leadership Team (SLT) several of whom are Associate Governors. The Governors have a Schedule of Financial Delegation in place which clearly defines boundaries with regards to budget authority. This is adhered to, ensuring appropriate levels of discussion and consideration before any spend commitments are made.

The Headteacher is a Governor, a member of the Trust, and the Accounting Officer. The Headteacher directly line manages the SLT, which for the 2022/23 academic year comprised of;

- Deputy Headteacher, PE & Maths Leader & Y2-3 Leader,
- Assessment Leader, English Leader & Y4-6 Leader,
- Assistant Headteacher for Inclusion and Well-Being,
- Early Years & Year 1 Leader, and
- Finance and Business Manager.

As a group, the SLT is responsible for the day-to-day operation of the Academy - in particular the curriculum strategy, organising the teaching and non-teaching staff, facilities and students. The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Headteacher has overall responsibility for the day-to-day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders.

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

The Pay Committee (a subset of the Finance & Premises Committee) approves leadership scales and adheres to the Staff Pay Policy. This policy is reviewed on an annual basis.

The Academy's Staff Pay Policy 2022 details the Pay Committee's responsibilities which includes considering recommendations from the Headteacher regarding pay and remuneration of the Academy's key management personnel and reviewing the appraisal process I documentation at key times during the year.

The Academy sets its pay in accordance with the pay ranges recommended by Hertfordshire County Council. Hertfordshire County Council carry out a full consultation with employers' representatives nationally to assist them in developing appropriate rationale in setting pay ranges.

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

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Any transaction where a Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Handbook.

Applecroft is involved in several active partnerships with a variety of schools and agencies;

- The Academy is part of a local partnership (Handside Schools' Partnership) along with a local Secondary School and a Special School. The schools have worked closely to enable children to participate in joint curriculum projects.
- The Academy is involved with a cluster of primary and secondary schools in the Welwyn Garden City area of Hertfordshire. Several sporting events covering football, netball, athletics and cross-country are arranged throughout the academic year.

Objectives and activities

a. Objects and aims

The Academy Trust's object is 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 and balanced curriculum and to promote for the benefit of individuals living in Welwyn Garden City, Hatfield and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

At Applecroft School we believe in developing the whole child and this is evident in the curriculum on offer. We are proud of the inclusive and creative opportunities provided and the high standards of achievement and progress which are attained: the personal development achieved through the 'Leader in Me' process, high quality PSHE curriculum; the excellent arts learning; the many visitors and trips which enrich our learning and the diverse sporting opportunities and clubs we offer are all part of the wider curriculum. However, we continue to welcome the opportunity to review and refresh our curriculum in order to enhance learning opportunities for our pupils. Any changes we incorporate are carefully considered in line with our vision, mission and values.

We encourage everyone to be independent and creative, embracing challenge with enthusiasm, confidence and resilience. At Applecroft School the children are at the heart of everything we do. The whole community has high expectations for themselves and for what our children can achieve, whatever their starting points. We endeavor to instill a love of learning and curiosity, encouraging children to ask questions and to have a voice.

Applecroft School's Vision:

To create a positive and inspiring community that nurtures each individual and empowers leaders for life.

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

Objectives and activities (continued)

Applecroft School's Mission:

'Nurturing Potential, Inspiring Minds, Changing Lives' underpins all we do.

Applecroft School Values: (identified by the whole school community are)

- o Ambition and Leadership
- o Kindness and Supportiveness
- o Respect and Honesty
- o Determination and Resilience

b. Objectives, strategies and activities

The School Development Plan has been tailored specifically to meet the overall objects and aims of the school, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupils progress, pupils health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

Our main priorities involved:

- developing the Reading curriculum across the school,
- embracing technology
- strengthening middle leaders
- further develop our curriculum offer, ensuring it is broad and balanced with a clear intent and strong implementation

c. Public benefit

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

The Governors believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy has operated in accordance with its funding agreement and appeals as a non-charging, not for profit organisation throughout the period in question. Pupil admissions to the Academy have been conducted in accordance with Hertfordshire County Council Admissions for children detailed in the Admissions Arrangements for 2022/23.

The pupil admission criteria were:

1. Children looked after and children who were previously looked after, but ceased to be in state care as a result of being adopted or became subject to a child arrangements order or a special guardianship order
2. Children for whom it can be demonstrated that they have a particular medical or social need to go to the school
3. Children who have a sibling on the roll of the school at the time of application
4. Children of staff where:
 - a) Where the member of staff has been employed at the school for two or more years at the time at which the application for admissions to the school is made, and/or
 - b) The member of staff is recruited to fill a vacant post for which there is a demonstrable skill shortage

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

Objectives and activities (continued)

5. Nearest School
6. Distance

This is consistent with objects detailed in our Memorandum of Association Clause 4.

Strategic report

Achievements and performance

The Academy measures its success partly through a series of performance indicators. These indicators comprise:

- On-going self-evaluation
- Pupil voice and survey data
- Parent/ Carer voice and survey data
- Hertfordshire Improvement Partner (HIP) report
- Pupil Progress Meetings where every child's progress is evaluated, and appropriate actions taken as necessary
- Academy popularity/admissions
- SATs results and other indicators of student progress
- Staff performance monitoring
- Staff voice and survey data
- Staff turnover
- Financial health

We aim to cultivate learners and enable them to feel confident to achieve their full potential and make a valuable contribution to their immediate and wider world. The Applecroft community will retain and develop its values and support a culture of self-improvement from an individual and whole school perspective. We aim to unlock professional and personal potential by sharing best practice and moving with the educational landscape. Applecroft School's objectives link back to the initial vision and mission and are, in part, an acknowledgement of the above indicators.

To ensure standards are continually raised, the Academy:

- Operates a programme of lesson observations
- Carries out termly pupil progress meetings
- Operates a programme of monitoring including deep dives, learning walks, book scrutiny, pupil and staff voice
- Operates a programme of appraisal reviews
- Tracks and tackles underachievement as indicated by a number of measures (for example, by ongoing data analysis at class, year, key stage and faculty levels)
- Employs an external adviser (HIP)
- Requests external reviews (Pupil Premium and Safeguarding)
- Sets ambitious and achievable objectives in its School Improvement Plan
- Conducts regular Link Governor visits/meetings
- Critical friend challenges and enquires at FGB meetings, evidenced within FGB minutes
- Thoroughly completing a Self-Evaluation document, highlighting areas of opportunity for further development.

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

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Governors receive regular information at each Committee meeting to enable them to monitor the performance of the school against aims, strategies, and financial budgets. In addition the Chair of Governors receives monthly financial monitoring reports (Trial Balance, Balance Sheet and Cash flow). The Finance & Premises Committee undertakes continual monitoring of income and expenditure against financial budgets to ensure effective management of the grants and funds received and to ensure that the budget is set and managed appropriately.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2022/23 were 415 and the school has maintained its popularity within the community.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2022/23 this was 76% (vs 78% for 2021/22). The Governing Board is confident that staffing levels are closely monitored to agreed staffing structures. The Governing Board also recognise the importance of experienced, committed staff to the Academy's continued performance, but also are mindful of the funding landscape the school operates within, and steadily rising costs.

The number of pupils entering Applecroft School with SEND including those with more complex needs continues to grow year on year. This is an area of the Academy's provision that requires continued attention to ensure the school is resourced appropriately to support the needs of all children.

The percentage of children eligible for the Pupil Premium Grant (PPG) has also seen a steady increase in recent years. The Governing Board are mindful of this and the Academy's statutory requirements around PPG and are therefore closely monitoring the PPG expenditure and strategy.

b. Going concern

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

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Academy Trust received £2,614,264 of funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education (see KPI's above). During the year the Trust spent £2,763,785, on general running costs (excluding depreciation of £89,606). The Academy brought forward from 2021/22 is £3,768,136, (excluding pension reserve) of restricted funds and £458,536 of unrestricted funding. The carry forward for 2022/23 is £3,706,037 of restricted funds and £401,114 of unrestricted funding. Included within restricted fixed asset funds is £144,043 which relates to two CIF projects for which the remaining funds are expected to be spent in 23/24 accounting year.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is not recognising a pension fund surplus of £100,000. This asset is not available for the trust to use for cash flow purposes but may provide the benefit of having stable or lower pension contributions to the fund in the future.

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

Strategic report (continued)

a. Reserves policy

The Governors are aware of the requirement to balance current and future needs. The Governors always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £401,114.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £961,518. In line with the Reserves Policy the Academy holds a cash contingency of £200,000, the equivalent of 4 weeks of ESFA and Local Authority income, to cover unexpected or emergency expenditure .

b. Investment policy

The Investment Policy was reviewed by the Finance & Premises Committee on behalf of the Governing Board in March 2023 and the current investments reviewed by the Finance & Premises Committee at the meeting on 9 November 2022 - existing investments held in two low risk interest bearing savings accounts were maintained, and an additional bond agreed to ensure all accounts were kept below £85k per bank limit as agreed by the Finance & Premises committee.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to continually research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

c. Principal risks and uncertainties

The Governors maintain a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Governors by the Audit and Risk Committee. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trust has recognised the change COVID-19 has had on the level of risk the Academy has and continues to be exposed to. To mitigate potential risks, as much as is feasibly possible, of the ongoing impact of COVID-19 the Academy have undertaken an in-depth analysis of all categories of risk - to include but not a full list - educational outcomes, impact on the Academy's finances and operational levels.

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- The academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Our School Finance and Business Manager has shared our three-year financial plan, and we are aware that the trust is likely to be in deficit within two years if income and expenditure fail to diverge.
- Failure in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Board of Governors continue to review and ensure that appropriate measures are in place to mitigate these risks with the assistance of the School Finance and Business Manager. The Board of Governors with the support of the School Finance & Business Manager have appointed SBM Services to conduct the internal auditor activity on a termly basis.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governing Board ensures that student success and achievement are closely monitored and reviewed. We have seen no diminution in student and parental enthusiasm and do not anticipate this will change. The school continues to be oversubscribed and we see every sign of this continuing.
- Loss of Outstanding status - Applecroft School achieved outstanding status at its Ofsted inspection in 2008. The school conducts regular self-evaluation exercises and external consultations to continually improve its effectiveness and the school uses the results of such exercises to shape annual objectives and form an overall strategy for school improvement. Governors are acutely aware of continually rising national expectations in the intervening decade since our last inspection, of what a good and outstanding school is. The Governing Board are striving for the best outcomes but take the view it is prudent to plan for a good outcome.
- Staff recruitment: The ongoing maintenance of 100% of qualified teachers in the classroom continues to be a significant risk, particularly given the changing funding landscape. We are confident that our reputation, future ambitions, and continued financial prudence will ensure our competitiveness.
- The Academy's IT infrastructure is protected through installation of appropriate security procedures which are regularly updated ensuring protection of school data and safeguarding of students within the network. Staff and Governors are aware of e-safety issues and are ever mindful of possible risks. A disaster recovery strategy is in place.
- Disaster recovery and protection. The Academy has taken various insurance policies to mitigate any financial and business risk wherever possible.
- Safeguarding and Child Protection - the Governing Board continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of Child Protection policies and procedures, Health & Safety, Online Safety, Preventing Extremism and Radicalisation, Safeguarding and Behaviour and Discipline policies.
- The Academy is mindful of pupils being negatively influenced by radicalisation and work with Parents and staff to monitor and protect against radical influences.
- The Academy continues to operate its GDPR policies and procedures to keep the Trust's practices at the required standard.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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

Fundraising

The Trust has not engaged in any significant fundraising activity directly in the past year or significantly relied upon fundraising as a component of its income generation. However, it does support the endeavours of a parent-led group who raise money through various activities, which is then spent in a way jointly agreed upon with the Trust and which supports the purpose of the Trust. Governors receive reports of the activities of the parent-led group and how these funds are spent via the Headteacher's Report.

Processes and policies exist, approved by the Board, which govern how funds are spent and how risk is identified and mitigated. The Trust additionally has a 'Gifts and Hospitality' policy to ensure cash cannot be received by staff and consequently helping to ensure no individual or organisation has undue influence over the Trust. Procedures exist for concerns and complaints to be raised by the public or parents if they have any issues with the fundraising activity carried out on behalf of the Trust. Governors are required to declare any interests in meetings and at the start of the year, to assist the Trust to protect itself from conflicts.

No complaints have ever been received for any fundraising activities at the school. The school only ever asks for voluntary contributions towards its fundraising and would never discriminate against any student or parent who did not want to contribute towards any activity. We do not place undue pressure on individuals to donate.

Streamlined energy and carbon reporting

As the academy trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for future periods

The Academy will continue to improve the level of performance of all students at all levels and will maintain its position within the community with a continued high-level of pupil subscriptions.

The School Development Plan establishes the priorities for the coming year. The purpose of the plan is to identify how we can further improve and develop the work of the school, how we will manage change and how we can make best use of resources and new opportunities available to us.

The Governing Board in conjunction with the Academy's Senior Leadership Team will continue to monitor and prioritise the actions to deliver against its five strategic themes for 2020-2023:

- Leadership - Leadership of Applecroft at all levels is exceptional leading to outstanding provision and outcomes for all pupils.
- The Quality of Education – Our ambitious curriculum's intent and implementation are embedded securely and consistently across the school which leads to high levels of engagement, achievement and progress for all children, regardless of their starting points
- Behaviour & Attitudes – Children display high levels of proactivity, responsibility and self-control throughout the school consistently demonstrating behavior and attitudes that are exemplary
- Personal Development – Children are confident, resilient and respectful individuals with the knowledge to keep themselves healthy and supportive and caring of one another

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

Plans for future periods (continued)

- Early Years Foundation Stage (EYFS) – Our EYFS is nurturing, supportive and highly ambitious for every child, regardless of their starting points, leading to strong progress and children who are curious, highly engaged and motivated

The Governing Board want to encourage and support the school to be a leading school within the region and country; a school which engages with its stakeholders - both members of the school and its wider community; and a school which empowers each member, staff and pupil, to achieve their best performance. The Headteacher is continually reviewing initiatives in line with the latest educational thinking, provision of a best practice service to advance education whether it is in support of communities locally, nationally or at a global level. To this end, the Academy will focus on developing strategies for the use of IT both operationally and for learning purposes; will develop strategies for communications and engagement; and will continue to support staff embedding into the new structure and particularly support the leadership of the school to recognise priorities for development.

Funds held as custodian on behalf of others

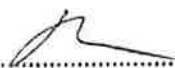
Applecroft School doesn't hold any funds on behalf of other organisations.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *4th December '23* and signed on its behalf by:


.....
Mrs L M Gardner
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

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

Trustee	Meetings attended	Out of a possible
Mrs L Bright, Community Governor	5	6
Mrs C A Coe, Parent Governor	4	6
Mr N Gallacher, Staff Governor	2	6
Mrs L M Gardner, Chair of Governors (appointed 24 October 2022)	6	6
Mr C M Hailey, Parent Governor	1	1
Mr B Kirby, Parent Governor	6	6
Mrs G Rockall, Parent Governor	2	3
Mrs C L Theophile, Parent Governor	5	6
Mr T Virtanen, Parent Governor	5	6
Rev R Wakefield, Community Governor	5	5
Mr S Williams, Community Governor	6	6
Mrs L Withe, Head Teacher	6	6
Mr P Wyatt, Staff Governor	6	6
Mr C Ivie, Community Governor	0	0
Mr A Kanellopoulos, Parent Governor	2	2
Mrs B A Crawford, Community Governor	4	5
Mrs E Wilson, Community Governor	4	4
Mr C Clarke, Parent Governor	1	2

The Governing Board continues to review and develop its governance structure to ensure that it has the skills and capabilities to carry out the governance role and responsibilities. The Governing Board has identified specialist governor roles (Health & Safety, Safeguarding, SEND & Children Looked After, Pupil Premium and Training) and has monitored the skills and capabilities available within the team to ensure training needs to be identified and training planned.

There were 2 new parent governors elected to the governing board in the period 1 September 2022 to 31 August 2023, along with 2 new community governors who were co-opted by the board. In addition one parent governor was co-opted to a community position. As it is no longer recommended by the Academies Handbook to elect new staff representatives, the staff governor vacancy was converted into a parent governor vacancy.

APPLECROFT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Conflicts of interest

These are taken very seriously by the governing board, and are managed on an ongoing basis by maintaining an up-to-date and completed register of interests (including any pupils at the school or relationships to staff members). This information is used to ensure committee membership is suitable and appropriate, and to ensure when investigation or notification to the governing board is required that appropriate members can be selected. In addition governors are required to declare any interests at the start of every meeting to assist the Trust to protect itself from conflicts.

Governance reviews

At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be measured and to help the school improve.

Termly, at every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be monitored and to help the school improve.

In addition, the governing board carried out a comprehensive self- evaluation exercise across all committees and including the full governing board. Actions as a result of this were divided amongst the relevant committees to help build on their successes.

A full external governance review was carried out in 2019, and resulting actions have been completed in the period 1 September 2022 to 31 August 2023, with the exception of the update to the articles of association which will be concluded in the subsequent period. The governing board is confident that the improvements it has made since this review are significant, and another external review will be arranged to measure these successes.

The Finance and premises committee is a sub-committee of the main board of governors. Its purpose is to: oversee all aspects of the Academy's finances, including the School budget setting and monitoring and compliance with the Academies Financial Handbook. The Finance and Premises Committee was chaired by T Virtanen in 2022/23.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Withe (Headteacher)	6	6
P Wyatt (Staff Governor)	5	6
L Gardner (Parent Governor)	6	6
G Rockall (Parent Governor)	1	3
C Clarke (Parent Governor)	2	2
T Virtanen (Chair of Finance and Premises, Parent Governor)	6	6
S Williams (Community Governor)	3	3
N Gallacher (Staff Governor)	6	6

In addition, Mrs O Coe (Chief Financial Officer) attended 6 out of a possible 6 meetings.

APPLECROFT SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Audit and Risk committee is also a sub-committee of the main board of governors. Its purpose is to: take delegated responsibility on behalf of the board of governors for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management, advise the governors on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes and review the annual report and accounts. The Audit & Risk Committee was chaired by L Gardner in 2022/23.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
L Gardner (Chair)	3	3
T Virtanen	2	3
C Coe	2	2
S Williams	2	2
G Rockall	1	1
L Withe (Accounting Officer)	3	3
O Coe (Chief Financial Officer)	3	3

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- o Sustained good practice in procurement enabling continued savings and efficiencies.
- o Careful management of staffing models and monitoring of staffing costs to sustain staff morale.
- o Support and training to ensure continued professional development and minimise staff turnover
- o Careful tracking of training budgets to support staff development and performance management.
- o Offering children a broad range of experiences.
- o Using Pupil Premium funding to deliver carefully targeted interventions and services.
- o Ensuring buildings are fit for purpose and improving energy efficiency of the site for future use.

The purpose of the system of internal control

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

APPLECROFT SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors.
- regular reviews by the Finance and Premises 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, along with identification and management of risks.

The Governing Board has considered the need for a specific internal audit function and for 2022/23 has appointed SBM Services as internal auditor.

The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a periodic basis, the internal auditor reports to the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included: Financial Governance, Financial Administration, Payroll, Purchasing and Creditors, Bank and Cash, Lettings and Personnel Compliance.

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

During the period covered by this report there were no material control issues identified by the internal auditor. and all audits took place as per the schedule of work agreed. There were a small number of minor areas for improvement identified by the internal auditor, and these were reported to the Audit and Risk Committee and acted on accordingly by the Academy leadership team. The only risk scored as 'high' was in regard to the Academy's Articles of Association, which the governors had already identified as a risk and are already in process of changing.

APPLECROFT SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the Finance and Business Manager within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

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


.....
Mrs L M Gardner
Chair of Trustees
Date: 04/12/2023


.....
Mrs L Withe
Accounting Officer

APPLECROFT SCHOOL
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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



L Withe
Accounting Officer

Date: 04/12/2023

APPLECROFT SCHOOL
(A company limited by guarantee)

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

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

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

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

The Governors 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 Governors and signed on its behalf by:


.....
Mrs L M Gardner
Chair of Governors

Date: 4 December 2023

APPLECROFT SCHOOL
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

APPLECROFT SCHOOL
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees, and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Academy Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

APPLECROFT SCHOOL
(A company limited by guarantee)

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims and
- reviewing correspondence relevant regulators.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

APPLECROFT SCHOOL
(A company limited by guarantee)

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

Use of our report

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


Alan Endersby, ACA (Senior statutory auditor)

for and on behalf of
Streets Audit LLP
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

Date: 07/12/2023

APPLECROFT SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 26 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Applecroft School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Applecroft School's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions included:

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

APPLECROFT SCHOOL
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Streets Audit LLP

Reporting Accountant
Streets Audit LLP

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

Date: *07/12/2023*

APPLECROFT SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	91,399	-	28,232	119,631	1,139,637
Other trading activities	5	126,164	-	-	126,164	108,280
Investments	6	3,274	-	-	3,274	1,905
Charitable activities		-	2,365,195	-	2,365,195	2,237,907
Total income		220,837	2,365,195	28,232	2,614,264	3,487,729
Expenditure on:						
Charitable activities	8	64,789	2,609,390	89,606	2,763,785	2,721,100
Total expenditure		64,789	2,609,390	89,606	2,763,785	2,721,100
Net income/(expenditure)		156,048	(244,195)	(61,374)	(149,521)	766,629
Transfers between funds	18	(213,470)	229,411	(15,941)	-	-
Net movement in funds before other recognised gains/(losses)		(57,422)	(14,784)	(77,315)	(149,521)	766,629
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	24	-	223,000	-	223,000	1,380,000
Defined Benefit Pension Scheme Asset Not Recognised		-	(100,000)	-	(100,000)	-
Net movement in funds		(57,422)	108,216	(77,315)	(26,521)	2,146,629

APPLECROFT SCHOOL
(A company limited by guarantee)

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

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:					
Total funds brought forward	458,536	(75,291)	3,750,427	4,133,672	1,987,043
Net movement in funds	(57,422)	108,216	(77,315)	(26,521)	2,146,629
Total funds carried forward	<u>401,114</u>	<u>32,925</u>	<u>3,673,112</u>	<u>4,107,151</u>	<u>4,133,672</u>

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

The notes on pages 33 to 58 form part of these financial statements.

APPLECROFT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07917745

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	3,529,069	2,777,548
		<u>3,529,069</u>	<u>2,777,548</u>
Current assets			
Stocks	15	10,268	6,597
Debtors	16	265,271	677,514
Cash at bank and in hand		961,518	915,593
		<u>1,237,057</u>	<u>1,599,704</u>
Creditors: amounts falling due within one year	17	(658,975)	(150,580)
		<u>578,082</u>	<u>1,449,124</u>
Net current assets		<u>578,082</u>	<u>1,449,124</u>
Total assets less current liabilities		<u>4,107,151</u>	<u>4,226,672</u>
Net assets excluding pension asset / liability		<u>4,107,151</u>	<u>4,226,672</u>
Defined benefit pension scheme asset / liability	24	-	(93,000)
Total net assets		<u><u>4,107,151</u></u>	<u><u>4,133,672</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	3,673,112	3,750,427
Restricted income funds	18	32,925	17,709
		<u>3,706,037</u>	<u>3,768,136</u>
Restricted funds excluding pension asset	18	3,706,037	3,768,136
Pension reserve	18	-	(93,000)
		<u>3,706,037</u>	<u>3,675,136</u>
Total restricted funds	18	<u>3,706,037</u>	<u>3,675,136</u>
Unrestricted income funds	18	<u>401,114</u>	<u>458,536</u>
Total funds		<u><u>4,107,151</u></u>	<u><u>4,133,672</u></u>

APPLECROFT SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07917745

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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

The financial statements on pages 28 to 58 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mrs L M Gardner
Chair of Governors
Date: 04/12/2023

The notes on pages 33 to 58 form part of these financial statements.

APPLECROFT SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	855,546	(591,416)
Cash flows from investing activities	21	(809,621)	939,151
Change in cash and cash equivalents in the year		45,925	347,735
Cash and cash equivalents at the beginning of the year		915,593	567,858
Cash and cash equivalents at the end of the year	22, 23	<u>961,518</u>	<u>915,593</u>

The notes on pages 33 to 58 form part of these financial statements

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

• **Grants**

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

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.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Leasehold improvements	- 50 years straight line
Furniture and equipment	- 5-10 years straight line
Computer equipment	- 3-4 years straight line

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

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

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

APPLECROFT SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investment, economic utilisation and the physical condition of the assets. See note 14 for the carrying value of the property, plant and equipment and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	91,399	-	-	91,399	112,992
ESFA Capital Grants	-	-	28,232	28,232	1,024,645
Other Capital Grants	-	-	-	-	2,000
Total 2023	91,399	-	28,232	119,631	1,139,637
<i>Total 2022</i>	<i>112,992</i>	<i>2,000</i>	<i>1,024,645</i>	<i>1,139,637</i>	

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

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational supplies			
DfE/ESFA grants			
Gernal annual grant (GAG)	1,769,975	1,769,975	1,747,240
Other DfE/ESFA grants			
UIFSM	59,985	59,985	58,115
Pupil premium	66,315	66,315	69,234
Teachers pension grants	4,170	4,170	6,394
Others	121,670	121,670	69,932
	<hr/>	<hr/>	<hr/>
	2,022,115	2,022,115	1,950,915
Other Government grants			
Local authority grants	340,701	340,701	254,127
Other grant income	2,379	2,379	32,865
	<hr/>	<hr/>	<hr/>
	343,080	343,080	286,992
	<hr/>	<hr/>	<hr/>
	2,365,195	2,365,195	2,237,907
	<hr/>	<hr/>	<hr/>
Total 2023	2,365,195	2,365,195	2,237,907
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2022</i>	2,237,907	2,237,907	
	<hr/> <hr/>	<hr/> <hr/>	

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

5. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Hire of facilities	62,213	62,213	54,938
Catering income	5,116	5,116	4,998
Other income	58,835	58,835	48,344
Total 2023	<u>126,164</u>	<u>126,164</u>	<u>108,280</u>
<i>Total 2022</i>	<u>108,280</u>	<u>108,280</u>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	3,274	3,274	1,905
<i>Total 2022</i>	<u>1,905</u>	<u>1,905</u>	

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

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational supplies:					
Direct costs	1,149,125	-	85,749	1,234,874	1,207,286
Allocated support costs	844,806	160,645	523,460	1,528,911	1,513,814
Total 2023	<u>1,993,931</u>	<u>160,645</u>	<u>609,209</u>	<u>2,763,785</u>	<u>2,721,100</u>
<i>Total 2022</i>	<u>2,021,695</u>	<u>144,427</u>	<u>554,978</u>	<u>2,721,100</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Educational operations	64,789	2,698,996	2,763,785	2,721,100
<i>Total 2022</i>	<u>49,652</u>	<u>2,671,448</u>	<u>2,721,100</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations	1,234,874	1,528,911	2,763,785	2,721,100
<i>Total 2022</i>	<u>1,207,286</u>	<u>1,513,814</u>	<u>2,721,100</u>	

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	992,960	992,960	1,048,793
Agency supply	156,165	156,165	75,652
Professional development	12,805	12,805	8,534
Educational supplies	70,250	70,250	72,800
Recruitment fees	2,694	2,694	1,507
Total 2023	<u>1,234,874</u>	<u>1,234,874</u>	<u>1,207,286</u>
<i>Total 2022</i>	<u>1,207,286</u>	<u>1,207,286</u>	

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension finance costs	5,000	5,000	22,000
Staff costs	844,806	844,806	897,250
Depreciation	89,606	89,606	84,851
Technology costs	17,374	17,374	10,598
Maintenance of premises and equipment	73,114	73,114	92,366
Cleaning	6,156	6,156	7,341
Energy costs	68,320	68,320	32,692
Rent, rates and other occupancy costs	13,055	13,055	12,028
Insurance	30,092	30,092	36,354
Catering	70,626	70,626	72,225
Other support costs	279,923	279,923	222,259
Governance costs	30,839	30,839	23,850
Total 2023	<u>1,528,911</u>	<u>1,528,911</u>	<u>1,513,814</u>
<i>Total 2022</i>	<u>1,513,814</u>	<u>1,513,814</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	<i>2022 £</i>
Depreciation of tangible fixed assets	89,606	84,851
Fees paid to auditors for:		
- audit	9,500	9,000
- other services	2,650	3,000
	<u>12,156</u>	<u>12,000</u>

APPLECROFT SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,380,147	1,324,193
Social security costs	115,870	109,571
Pension costs	341,749	512,279
	<u>1,837,766</u>	<u>1,946,043</u>
Agency staff costs	156,165	75,652
	<u>1,993,931</u>	<u>2,021,695</u>

b. Staff numbers

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

	2023 No.	2022 No.
Teachers	20	20
Administration and support	48	56
Management	4	6
	<u>72</u>	<u>82</u>

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

11. Staff (continued)

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Governors 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 was £422,919 (2022 - £424,833).

12. Trustees' remuneration and expenses

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

		2023	2022
		£	£
Mrs L Withe, Head Teacher	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Mr P Wyatt, Staff Governor	Remuneration	55,000 - 60,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mrs L Lamaison, Staff Governor (resigned 19 July 2022)	Remuneration		15,000 - 20,000
	Pension contributions paid		0 - 5,000
Mr N Gallacher, Staff Governor	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000

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

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

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £72 (2022 - 72). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	2,753,314	503,739	224,798	272,039	3,753,890
Additions	-	836,318	1,333	3,476	841,127
At 31 August 2023	<u>2,753,314</u>	<u>1,340,057</u>	<u>226,131</u>	<u>275,515</u>	<u>4,595,017</u>
Depreciation					
At 1 September 2022	510,405	44,877	200,292	220,768	976,342
Charge for the year	34,646	14,435	9,559	30,966	89,606
At 31 August 2023	<u>545,051</u>	<u>59,312</u>	<u>209,851</u>	<u>251,734</u>	<u>1,065,948</u>
Net book value					
At 31 August 2023	<u>2,208,263</u>	<u>1,280,745</u>	<u>16,280</u>	<u>23,781</u>	<u>3,529,069</u>
At 31 August 2022	<u>2,242,909</u>	<u>458,862</u>	<u>24,506</u>	<u>51,271</u>	<u>2,777,548</u>

Included within leasehold land and building is land with a value of £1,000,239 which is not being depreciated.

15. Stocks

	2023 £	2022 £
School uniform	<u>10,268</u>	<u>6,597</u>

APPLECROFT SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	14,128	7,836
Other debtors	3,314	21,840
Prepayments and accrued income	247,829	647,838
	265,271	677,514
	265,271	677,514

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	22,234	25,095
Other creditors	583,076	81,602
Accruals and deferred income	53,665	43,883
	658,975	150,580
	658,975	150,580

	2023 £	2022 £
Deferred income at 1 September 2022	43,883	70,000
Resources deferred during the year	53,665	43,883
Amounts released from previous periods	(43,883)	(70,000)
	53,665	43,883
	53,665	43,883

Deferred income includes universal free school meals received in advance (£36,734), rates relief (£5,274), local authority (£1,146) and trip income (£10,511), which all relates to 2023/2024.

APPLECROFT SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	458,536	220,837	(64,789)	(213,470)	-	401,114
Restricted general funds						
General annual grant	-	1,769,975	(1,999,386)	229,411	-	-
UFSM	-	59,985	(59,985)	-	-	-
Pupil premium	14,155	81,813	(66,315)	-	-	29,653
PE and sports premium	3,554	19,560	(19,842)	-	-	3,272
Other DfE/ESFA grants	-	125,840	(125,840)	-	-	-
Other government grants	-	308,022	(308,022)	-	-	-
Pension reserve	(93,000)	-	(30,000)	-	123,000	-
	<u>(75,291)</u>	<u>2,365,195</u>	<u>(2,609,390)</u>	<u>229,411</u>	<u>123,000</u>	<u>32,925</u>
Restricted fixed asset funds						
Fixed asset reserves	2,777,548	-	(89,606)	841,127	-	3,529,069
CIF funds - windows	367,870	-	-	(328,403)	-	39,467
CIF funds - water fabric tightness	605,009	-	-	(500,433)	-	104,576
Devolved formula capital	-	28,232	-	(28,232)	-	-
	<u>3,750,427</u>	<u>28,232</u>	<u>(89,606)</u>	<u>(15,941)</u>	<u>-</u>	<u>3,673,112</u>

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

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Total Restricted funds	3,675,136	2,393,427	(2,698,996)	213,470	123,000	3,706,037
Total funds	4,133,672	2,614,264	(2,763,785)	-	123,000	4,107,151

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

Unrestricted funds

The Academy's general funds represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

Restricted funds

General Annual Grant

This represents funding from the ESFA to cover the normal running costs of the Academy.

Other DfE/ESFA grants

This includes pupil premium, Covid 19 catchup premium, teachers pension grant, teachers pay grant and the PE and sports grant.

Other government grants

This represents allocated funding for special educational needs pupils and various other small grants from local and national government bodies for the provision of specific services to pupils of the school.

Other restricted funds

This includes donations for the provision of specific services to pupils of the school.

Pension reserves

As stated in note 25 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Applecroft School can only be determined for one of these schemes. This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Restricted Fixed Asset Fund

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

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

DfE/ESFA capital grants

This represents income received from both the Department for Education and the Education and Skills Funding Agency for capital projects undertaken by the Academy.

Two CIF bids were granted in the 21/22 accounting year for the replacement of some windows and some building fabric water tightness. Most of these funds have been carried forward at the reporting date, as the majority of work is to take place in the 22/23 accounting period.

Transfers

The transfer between funds represent the net adjustment for additions purchased using GAG funding and DfE/ESFA capital funding.

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 2023.

The balance on the restricted general funds (excluding pension reserve) aggregated with the balance on unrestricted funds at 31 August 2023 is £4,107,151.

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

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	428,660	223,177	(71,652)	(121,649)	-	458,536
Restricted general funds						
General annual grant	-	1,747,240	(1,833,256)	86,016	-	-
Covid catchup premium	15,512	-	(15,512)	-	-	-
UFSM	-	58,115	(58,115)	-	-	-
Pupil premium	3,306	69,234	(58,385)	-	-	14,155
PE and sports premium	9,204	19,570	(25,220)	-	-	3,554
Early years pupil premium	1,361	2,624	(3,985)	-	-	-
Other DfE/ESFA grants	-	56,756	(56,756)	-	-	-

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18. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Other government grants	-	251,503	(251,503)	-	-	-
Other restricted funds	-	34,865	(34,865)	-	-	-
Pension reserve	(1,246,000)	-	(227,000)	-	1,380,000	(93,000)
	<u>(1,216,617)</u>	<u>2,239,907</u>	<u>(2,564,597)</u>	<u>86,016</u>	<u>1,380,000</u>	<u>(75,291)</u>
Restricted fixed asset funds						
Fixed asset reserves	2,775,000	-	(84,851)	87,399	-	2,777,548
CIF funds - windows	-	379,951	-	(12,081)	-	367,870
CIF funds - water fabric tightness	-	623,146	-	(18,137)	-	605,009
Devolved formula capital	-	14,282	-	(14,282)	-	-
CIF old project	-	7,266	-	(7,266)	-	-
	<u>2,775,000</u>	<u>1,024,645</u>	<u>(84,851)</u>	<u>35,633</u>	<u>-</u>	<u>3,750,427</u>
Total Restricted funds	<u>1,558,383</u>	<u>3,264,552</u>	<u>(2,649,448)</u>	<u>121,649</u>	<u>1,380,000</u>	<u>3,675,136</u>
Total funds	<u><u>1,987,043</u></u>	<u><u>3,487,729</u></u>	<u><u>(2,721,100)</u></u>	<u><u>-</u></u>	<u><u>1,380,000</u></u>	<u><u>4,133,672</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	3,529,069	3,529,069
Current assets	401,114	691,900	144,043	1,237,057
Creditors due within one year	-	(658,975)	-	(658,975)
Total	<u>401,114</u>	<u>32,925</u>	<u>3,673,112</u>	<u>4,107,151</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	2,777,548	2,777,548
Current assets	458,536	168,289	972,879	1,599,704
Creditors due within one year	-	(150,580)	-	(150,580)
Provisions for liabilities and charges	-	(93,000)	-	(93,000)
Total	<u>458,536</u>	<u>(75,291)</u>	<u>3,750,427</u>	<u>4,133,672</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2023	2022
	£	£
Net (expenditure)/income for the year (as per Statement of financial activities)	(149,521)	766,629
Adjustments for:		
Depreciation	89,606	84,852
Capital grants from DfE and other capital income	(28,232)	(1,024,645)
Interest receivable	(3,274)	(1,905)
Defined benefit pension scheme cost less contributions payable	25,000	205,000
Defined benefit pension scheme finance cost	5,000	22,000
(Increase)/decrease in stocks	(3,671)	742
Decrease/(increase) in debtors	412,243	(623,041)
Increase/(decrease) in creditors	508,395	(21,048)
Net cash provided by/(used in) operating activities	855,546	(591,416)

21. Cash flows from investing activities

	2023	2022
	£	£
Dividends, interest and rents from investments	3,274	1,905
Purchase of tangible fixed assets	(841,127)	(87,399)
Capital grants from DfE Group	28,232	1,024,645
Net cash (used in)/provided by investing activities	(809,621)	939,151

22. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand and at bank	961,518	915,593
Total cash and cash equivalents	961,518	915,593

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

23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	915,593	45,925	961,518
	<u>915,593</u>	<u>45,925</u>	<u>961,518</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £30,235 were payable to the schemes at 31 August 2023 (2022 - £32,922) and are included within creditors.

Teachers' Pension Scheme

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £176,249 (2022 - £185,099).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £155,000 (2022 - £155,000), of which employer's contributions totalled £123,000 (2022 - £123,000) and employees' contributions totalled £32,000 (2022 - £32,000). The agreed contribution rates for future years are 22.65 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.50	3.45
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	23.6	24.4
<i>Retiring in 20 years</i>		
Males	20.5	22.9
Females	25.4	26.0

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.5%	220	225
Mortality assumption - 1 year increase	77	76
Salary increase +0.5%	15	15
Pension increase + 0.5%	210	215

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	1,038,360	906,000
Corporate bonds	488,640	416,760
Property	285,040	271,800
Cash and other liquid assets	223,960	217,440
Total market value of assets	2,036,000	1,812,000

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

The actual return on scheme assets was £80,000 (2022 - £31,000).

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

	2023 £	2022 £
Current service cost	169,000	328,000
Interest income	80,000	31,000
Interest cost	(85,000)	(53,000)
Total amount recognised in the Statement of financial activities	164,000	306,000

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

	2023 £	2022 £
At 1 September	1,905,000	3,052,000
Current service cost	169,000	328,000
Interest cost	85,000	53,000
Employee contributions	38,000	32,000
Actuarial gains	(241,000)	(1,530,000)
Benefits paid	(20,000)	(30,000)
At 31 August	1,936,000	1,905,000

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

	2023 £	2022 £
At 1 September	1,812,000	1,806,000
Interest income	80,000	31,000
Actuarial losses	(18,000)	(150,000)
Employer contributions	144,000	123,000
Employee contributions	38,000	32,000
Benefits paid	(20,000)	(30,000)
At 31 August	2,036,000	1,812,000

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NOTES TO THE FINANCIAL STATEMENTS
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25. Members' liability

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

26. Related party transactions

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

During the year G Williams, wife of S Williams, a trustee, was employed as a finance assistant. G Williams is paid within the standard pay scale for her role and receives no special treatment as a result of her relationship to a trustee.