

The Alec Reed Academy

Annual Report and Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
04444278 (England and Wales)

Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	19
Statement of regularity, propriety and compliance	24
Statement of Trustees' responsibilities	25
Independent auditor's report on the financial statements	26
Independent reporting accountant's report on regularity	31

Financial statements

Consolidated statement of financial activities	33
Balance sheets	34
Consolidated statement of cash flows	35
Principal accounting policies	36
Notes to the consolidated financial statements	42

Reference and administrative information

Members	Heather Flint BSocSc, MA Baba Abu BSc (Hons) Econ MBA Mike Phillips BSc (Hons) Eng. James Reed MA MBA FCIPD
Trustees	
Chair of Trustees	Louise Prince BA (Hons), BSc (Hons)
Vice Chair of Trustees	Jane Wotherspoon B.Ed (Hons)
Ex-Officio Trustee	Phil Cosby BSc (Hons), MA, PGCEL, NPQH
Trustee	Christopher William Gliddon BA LLB
Trustee	Lucie Hernandez BA (Hons) QTS
Trustee	Sara Hasan MSc, MBA
Local Authority Trustee	Dee Martin BA (Hons)
Trustee	Dee Morrison BA (Hons)
Parent Trustee	Pratik Shah, MSc
Parent Trustee	Gagandeep Sethi
Trustee	Phil Mead MREC
Clerk	Sandra Scott
Company Secretary	Marghanita Muris BA (Hons), FCA
Senior Management Team	
Principal & CEO	Phil Cosby BSc (Hons), MA, PGCEL, NPQH
Associate Principal Head of Primary Phase and Cross Phase Links	Anne Franklin C.Ed, NPQH, MA
Director of Finance and Resources	Marghanita Muris BA (Hons), FCA
Registered address	Alec Reed Academy Bengarth Road Northolt Middlesex UB5 5LQ
Company registration number	04444278 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers Lloyds Bank
2nd Floor
25 St Georges Street
London
W1S 1FS

Solicitors Browne Jacobson LLP
Mowbray House, C
Castle Meadow Road,
Nottingham,
NG2 1BJ

The Trustees present their report together with the financial statements of The Alec Reed Academy and Group for the year ended 31 August 2023. The Group consists of the Alec Reed Academy ("the Academy" or "the Academy Trust") and Alec Reed Academy Enterprise Limited.

The Academy operates an academy for pupils aged 3 to 18 serving a catchment area in Northolt and beyond. It has a pupil capacity of 1660 and had a roll of 1625 in the school census on 5th October 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 36 to 41 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity regulated by the Department for Education. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The trustees of The Alec Reed Academy are also directors of the charitable company for the purposes of company law. The charitable company is known as The Alec Reed Academy.

Details of the trustees who served during the year and up to the date of approving this report are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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 £1, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Academy holds insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Further details are provided in note 12.

Principal activities

The principal activity of the Academy 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 curriculum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

The Academy operates a subsidiary company Alec Reed Academy Enterprise Limited (Company Registration Number 07783289). The principal activity of the company was that of operating some of the commercial activities of the Academy mainly community sports (see note 11). The company distributes any surpluses to the Academy, to the extent that it has sufficient reserves.

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at the date of approval of these financial statements and served throughout the year except where shown.

Trustee	Appointed/Resigned	Appointing body other than Board
Louise Prince		
Jane Wotherspoon		
Dee Martin		
Dee Morrison		
Megan Dick	Resigned 1.10.2023	
Phil Cosby		
Gagandeep Sethi		
Phil Mead		
Christopher Gliddon		
Pratik Shah		
Lucie Hernandez		
Sara Hasan		

Members

The Academy has four Members: Heather Flint, Mike Philips, Baba Abu and James Reed.

The Academy Members are responsible for holding the Trust to account for effective governance. They have a limited role in the running of the Trust and do not sit on the Board. Members are responsible for monitoring overall performance so they can intervene if trustees fail to carry out their responsibilities. They can appoint and remove trustees from office.

Method of recruitment and appointment or election of Trustees

The Articles of Association state the Members of the Trust shall comprise the authorised representative of the Principal Sponsor, Reed Foundation, up to four persons appointed by the Principal Sponsor and one person appointed by the Secretary of State. The Articles of Association require the Members to appoint at least three and no more than fifteen trustees, unless otherwise determined by ordinary resolution. The Trustees shall include the members (although the members may choose not to be a trustee), parent Trustees, staff Trustees and may include a LEA governor and up to four co-opted Trustees. Staff and parents are invited by the Academy to nominate representatives for election.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Trustees

The Board of Trustees looks to ensure a mix of skills and appoint new trustees based on background, experience, representation and specialist skills. It has recently undertaken a skills audit and has recruited a trustee with educational expertise to address a perceived gap. The training and induction provided for new trustees depends on their existing experience and will be tailored accordingly but does include training on student safeguarding, charity, educational, and financial matters. All new trustees are linked to a curriculum department to share their expertise and meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as trustees.

Organisational structure

The Board of Trustees normally meets four times a year to set the strategic direction and policies of the Academy, review performance, take key decisions including adopting the Annual Report and Financial Statements, Budget, Academy Improvement Plan and to review the Corporate Risk register. It has formed an Education Committee, Finance & Resources and Audit & Risk Committee and Human Resources Committee to take a more detailed look at areas and to advise the Board of Trustees in their decision making. These committees each meet between 2 and 5 times a year.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees has approved a Pay Policy, which is reviewed annually by the Human Resources Committee. This sets out the parameters for determining remuneration. Key management personnel are the Board of Trustees, the Principal and Chief Executive, Director of Finance and Resources and Associate Principal-Head of Primary Phase and cross Phase links. Performance pay may be awarded to staff if they exceed their performance targets and awards are reviewed by the Human Resources Committee.

Trade union facility time

The Academy does not employ any staff acting in the capacity of trade union officials. Four members of staff informally represent staff but there was no cost to the Academy for any time spent doing this. The Academy contributed £4,970 to London Borough of Ealing towards the cost of providing Trade Union services to schools in 2022/23.

Related Parties and other Connected Charities and Organisations

The Reed Foundation sponsors The Alec Reed Academy and since the Academy's founding on 1 September 2003, has donated £2,587,091 to assist the Academy in achieving its objectives.

Reed Foundation has a 18% share in Reed Global Ltd, which is the Parent company Reed Specialist Recruitment Ltd. with which the Academy has related party transactions. These transactions are disclosed at note 21.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and other Connected Charities and Organisations (continued)

Reed Foundation has appointed trustees who are employed by Reed companies. Phil Mead, an employee of Reed Education which is a division of Reed Specialist Recruitment, was appointed to the Board on 7 October 2020. There are no other Reed employee trustees. James Reed was appointed by the Principal Sponsor as a Member of the Trust on 8th December 2021.

The Academy operates a wholly owned (100%) subsidiary company Alec Reed Academy Enterprise Limited (Company Registration Number 07783289). The principal activity of the company was that of operating community sports activities on a commercial basis using the Academy facilities (see note 11). The company distributes any surpluses to the Academy, to the extent that it has sufficient reserves.

Management

The day-to-day management of the Academy is undertaken by the Principal and Chief Executive with the support of the Academy Leadership Team ('ALT'). During the year to 31 August 2023, this consisted of the Associate Principal - Head of Primary Phase and Cross Phase links, the Director of Finance and Resources and Vice Principal Secondary Phase, Inclusion and Standards. The ALT manages the Academy at an executive level, implements the policies agreed by the Board of Trustees and reports back to it. As a group, it is responsible for the authorisation of spending within agreed budgets and making recommendations regarding the appointment of staff. The ALT is supported by extended leadership teams in the Primary and Secondary phases.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the Academy is to provide education for children of different abilities between the ages of three and nineteen.

In accordance with the Articles of Association, the Academy has adopted a "Scheme of Government" approved by the Secretary of State of the Department for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

Objectives, strategies and activities

The Academy has a distinctive ethos which guides our work and the education of our children and young people. The Academy's aim is to prepare children for adult life and this underpins our mission which is to:

- ◆ provide high quality education and a thirst for life-long learning;
- ◆ enable everyone to enjoy success and achievement;
- ◆ promote confidence and a strong sense of personal worth;

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ◆ have high expectations which will be reflected in the targets set for staff and students alike;
- ◆ harness the energies of children, students, staff, parents and local community to establish a genuine partnership with the Academy for the benefit of all;
- ◆ establish a business-like ethos by beliefs in values and attitudes such as hard work, honesty, respect and concern for others;
- ◆ provide quality opportunities for the spiritual, moral, social and cultural development of our children and young people; and
- ◆ ensure that the effectiveness of all Academy staff is maintained and developed through continuous professional development.

The Academy's Self Evaluation Summary ('SES') is aligned with the Academy Improvement Plan ('AIP') to deliver these aims. This plan identifies the development priorities for the Academy directly related to pupil outcomes and performance. These priorities are cascaded down to, and aligned with departmental and curriculum action plans and appraisal targets to meet the Academy's strategic focus and objectives. Planned outcomes and the impact of achieving the objectives are clarified within the AIP.

Progress towards objectives is monitored through regular line management meetings, by leadership, pupil progress forums and formal reviews at regular intervals.

Public Benefit

In setting the Academy's objectives and planning its activities, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit.

National Assessment

Whilst the results in Primary were not as good as last year in terms of headline figures, they were generally in line with expectations as the academic profile of the year group was not as high as the class of 2022. The Inspection Data Summary Report (IDSR) suggests that 50% of Year 6 were in the lowest 20% nationally in terms of prior attainment. There were several highlights in the Primary for example almost 40% of the children in EYFS made 6 or more steps of progress and the Academy achieved above the national standard in Year 1 Phonics.

The Key Stage 4 results showed a drop from 2022 figures which was in line with the reduction at a national level following the Government's decision to align pass rates with pre-pandemic levels. Our headline measures, such as the percentage of children achieving grade 4 or above in English and Maths, decreased but not to the same extent as several other Ealing schools. The 2023 cohort was slightly weaker academically than that of 2022, so a decrease was predicted. Overall, the results were better than those achieved in 2019, the last set of pre-covid data.

OBJECTIVES AND ACTIVITIES (continued)

National Assessment (continued)

The biggest disappointment was the proportion of pupils that were within three marks of achieving the next grade. If these pupils had converted to the next grade our results would have been in line with 2022. We submitted a number of papers for a review of marking and we have been successful in about 20% of the papers sent for review being uplifted, which is pleasing for the pupils and in some cases will be life changing.

The Year 13 cohort of 2023 was comprised of 76 students, studying either a mix of three A-levels, a mix of A-level and BTEC subjects or BTEC subjects only. The headline figures were in line with the results from 2022 which was pleasing when compared to other Ealing schools that have seen a dramatic drop in terms of their Average Point Score. In real terms, there has been an uplift in outcomes as we have not suffered in the same way as other schools in terms of the nationally publicised drop in pass rates. We were particularly pleased with the 5% improvement in the percentage of A*- B grades.

Key Stage 2

Key Stage 2	Attainment in reading writing & maths combined		Reaching the expected standard in:			
	Reaching the expected standard	Reaching greater depth	Reading	Writing teacher assessment	Maths	Grammar, punctuation & spelling
2023: Alec Reed Academy	52%	7.7%	61%	64%	74%	66%
<i>2023: National average</i>	59%	7%	73%	71%	73%	72%
2022: Alec Reed Academy	61%	6.7%	70%	71%	71%	72%
<i>2022: National average</i>	59%	7%	74%	69%	71%	72%
2021: Alec Reed Academy	41%	2.2%	60%	63%	58%	70%
<i>2021: National average</i>	<i>Not released</i>	<i>Not released</i>	<i>Not released</i>	<i>Not released</i>	<i>Not released</i>	<i>Not released</i>

OBJECTIVES AND ACTIVITIES (continued)

National Assessment (continued)

Key Stage 4 Accountability Measures

	2023		2022		2021
	ARA	National Average	ARA	National Average	ARA
Grade 5 or above in English & Maths	34%	45%	46.5%	50%	39%
Grade 4 or above in English & Maths	58%	68%	59.3%	69%	60%
Attainment 8	44.7	46%	47.7	48.7	46
Progress 8	-0.05	-0.01	+0.12	-0.03	0.51

Post 16 Key Stage 5 Assessments

Post 16	2023	2022	2021	2020
A2 pass A-E	97%	97%	97.5%	97%
Average grade				
• Academic	C	C	C+	C+
• Vocational*	Merit	Merit	Merit+	Merit

OBJECTIVES AND ACTIVITIES (continued)

National assessment (continued)

Ofsted assessment

In June 2023, the Academy had a full inspection by Ofsted. The Inspection concluded that the Academy is a 'Good School' and its overall effectiveness was assessed to be 'Good' with an Outstanding grading in EYFS. The reports are available on the Ofsted web site at <https://reports.ofsted.gov.uk/provider/28/134369>

Key performance indicators

The number of pupils on roll is an important indicator because the Academy's funding is pupil led.

Pupils on roll compared to previous years:

	2023/24	2022/23	2021/22	2020/21
Nursery (FTE)	27	30	25	26
Primary	544	549	555	542
Secondary	877	864	882	881
Post 16	192	183	195	175
Total	1613	1596	1632	1598

- ◆ Nationally, there has been an increase of 73,800 pupils across all school types from the previous year, to nearly 9.1 million pupils.
- ◆ Numbers in Primary are being maintained, despite the falling birth rate, however only 1 year group is full with 90 pupils.
- ◆ The DfE states "The population attending primary and nursery schools peaked in 2019 and the figures have been dropping since then. This is primarily due to the continued reductions in the birth numbers since 2013, although the larger drop in 2021 may have been connected to the pandemic (for example, parents choosing to home school for reception year). The number of pupils in state-funded nursery has increased slightly, following a 10% decrease in the previous year."
- ◆ The slight increase in numbers in the Secondary Phase is consistent with the national trend as recorded on the DfE Website: "The peak in the secondary school population is still projected to be in 2024, followed by a gradual drop to the end of the projection period 2028".
- ◆ Post 16 is an area targeted for growth by the Academy.

OBJECTIVES AND ACTIVITIES (continued)

Key performance indicators (continued)

	2022/23	2021/22
ARA: Average class size Primary	27.3	27.5
• <i>National average</i>	26.7	26.7
ARA: Pupils eligible for free school meals	36%	37%
• <i>National average</i>	23.8%	22.5%
ARA: Pupil Premium students	37.8%	40.6%
ARA: Pupils with high needs and an Education, Health, and Care (EHC) Plan	2%	2%
• <i>National Average</i>	4.3%	4%
ARA Pupils with SEND Support but no EHC plan	12%	11%
• <i>National Average</i>	13%	12.6%
ARA Pupils whose first language is not English	63%	60.4%
• <i>National Average</i>	20.2%	19.5%

A pupil is recorded to have English as an additional language if they are exposed to a language at home that is known or believed to be other than English. This measure is not a measure of English language proficiency. Although the national average is 20%, the average for London Region is 44%, and at ARA the proportion is 63%.

The percentage of students at ARA with an Educational Healthcare Plan is 2%, which is below the national average of 4.3%. The national increase from 4% continues a trend which has been increasing since 2016. Prior to 2016, the rate had remained steady at 2.8%.

The percentage of ARA pupils with SEN but no EHC plan has increased to 12%, slightly below the national average of 13%.

The most common type of need for those with an EHC plan is Autistic Spectrum Disorders and for those with SEN support, Speech, Language and Communication needs.

Pupil attendance

Pupil attendance is a key performance indicator because there is a clear correlation with pupil educational outcomes. For this reason, the indicator is closely monitored by Ofsted. Nationally schools are finding that Covid is still having a significant influence resulting in higher than pre-Covid levels of absenteeism. A key target for the Academy is to improve attendance.

OBJECTIVES AND ACTIVITIES (continued)

Pupil attendance (continued)

Attendance of pupils age 5 to 15	ARA 2022/23	ARA 2021/22	National average 2022/23
Authorised or unauthorised absence, across the full academic year.	8% Primary 9% Secondary	8.4%	7.5%
The percentage of absent pupils missing 10% or more of the mornings or afternoons they could attend, meaning that if a pupil's overall rate of absence is 10% or higher across the full academic year they will be classified as persistently absent.	30% Primary 35% Secondary	29.3%	17.2% Primary 28% Secondary

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the 'going concern' basis in preparing the financial statements. It has made this assessment in respect to a period of at least one year from the date of approval of these financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on page 38.

Alec Reed Enterprise is a subsidiary of the Academy, and the principal activity of the company is that of community sports centre operating on a commercial basis. The subsidiary was impacted significantly by Covid-19 and was closed for much of 2020 and 2021. Following its reopening in the autumn of 2021, it has returned a surplus and enabled it to make a very positive contribution to eliminate its cumulative loss and this year it has net assets of £17,000 and will start making contributions to the Academy.

Financial review

Financial report for the year

The Academy has performed well to manage its finances at a time of rising costs. It ended the year with an operational surplus of £149,000 before transferring £493,000 to fund the capital investment programme resulting in a final deficit of £344,000. This compared to a surplus of £403,000 in 2021/22, less £324,00 which was transferred to the capital investment programme. These transfers were planned, and the figures exclude "non-cash" adjustments. Non-cash adjustments are made for depreciation on fixed assets to provide for the cost of their renewal, and the estimated cost of pensions. These non-cash adjustments are made to the accounts to comply with financial reporting standards to show the 'true cost' of fixed assets and pensions.

OBJECTIVES AND ACTIVITIES (continued)

Financial review (continued)

Financial report for the year (continued)

Most of the Academy's income is received from the Education and Skills Funding Agency ('ESFA') in the form of the General Annual Grant £10.7m (2021/22 £10.3m). In total, the Academy received £12m grant from ESFA compared to £11.2m in 2021/22. The increase was due to an uplift 3% and additional and supplementary grant received for the rise in Employers National Insurance and wider cost pressures.

Pupil Premium is received for pupils economically disadvantaged and during the period the Academy received £691,000 (2021/22: £681,000) to close the attainment gap for these pupils. Following Covid, Pupil Premium was enhanced with the Recovery Premium to rectify lost learning and the Academy received a further £139,000 (2021/22: £90,000) in Recovery Premium.

The DfE has funded additional small group tuition as part of the National Tutoring Programme, and this has supported the employment of academic mentors in the Primary and Secondary phases and online tutoring with Pearsons. This year the Academy received £53,000 (2021/22: £51,000).

Grants were received from the local authority. In 2022/23, the Academy received £220,000 (2021/22: £220,000) for pupils in the nursery and £417,000 (2021/22: £391,000) for students with high needs.

The cost-of-living pressures were felt with many expenditure budgets over spending. The increase in energy costs was significant but were partially offset by fixed term energy contracts.

Trading activities generate significant income, £1.2m (2021/22: £1.0m) and a breakdown of the income is shown at note 3. The activities include Hospitality, Community Sports Centre, sale of school uniform and facilities provided to John Chilton School.

Overall, there is a net decrease in fixed asset and general funds amounting to £75,000 (2021/22: increase £3,841,000) as shown in the Consolidated Statement of Financial Activities ('SoFA') on page 33. This significant variation is largely due to the actuarial gain last year of £5.2m on the valuation of the Academy's share of the deficit on the Local Government Pension Scheme Fund, as measured in accordance with Financial Reporting Standard 102 ('FRS102').

OBJECTIVES AND ACTIVITIES (continued)

Financial review (continued)

Financial report for the year (continued)

At 31 August 2023 the net book value of fixed assets was £33.6m (2021/22: £34.1m) and movements in fixed assets are shown in note 13 to the Consolidated Financial Statements. The Academy continued to make significant investment in its site and equipment and fixed assets purchased in the year totalled £635,000 (2021/22: £382,000) which is a major investment and programme of work. Expenditure is as follows:

	2023	2022
New assets	£000	£000
Computers for staff and students	36	37
Interactive teaching boards	39	8
Playground improvements	42	38
Roof replacement	161	0
Replacement of smoke vents	108	0
Solar panels	13	115
BMS upgrade / boilers	131	16
Carbon filter for drinking water / kitchen equipment	5	4
Gatehouse refurbishment	6	62
LED lighting	80	-
Gate Intercom Electronic sign in	-	21
External shelters for students primary / secondary	-	82
Furniture	14	-
Total capital expenditure	635	382

Financial and risk management objectives and policies

Trustees have assessed the major risks to which the Academy is exposed and reviewed mitigating actions to manage each risk. The Academy has implemented several systems to assess and manage operational risks, in areas such as responding to Covid-19, teaching, ICT, health and safety, student safeguarding and school trips. Operational procedures such as staff training, vetting of new staff and visitors, supervision of school grounds, ICT back-up and internal financial controls are in place to minimise risk.

OBJECTIVES AND ACTIVITIES (continued)

Financial review (continued)

Reserves policy

The Academy held restricted and unrestricted general reserves at the end of the year totalling £3.1m (2021/22: £3.5m). Trustees annually review the level of reserves held, applying its policy which explains the reasons for holding reserves. The Reserves Policy identifies financial risks facing the Academy and decides how much is needed to address them and how they plan to use the reserves to meet the needs of their pupils. This review encompasses consideration of the needs of the Academy over the medium term to ensure the Academy's continued financial sustainability, with enough liquidity to meet operational liabilities and sufficient funds to make necessary investment in the infrastructure of the estate and equipment for teaching and learning. This year the reserves have decreased by £0.4m due to the use of £0.6m to fund the capital programme.

Liquidity and cashflow: As a stand-alone academy, it is important to hold sufficient income to meet to meet operational liabilities. The Academy holds £0.7m which equates to approximately a half of one month's grant income or a half of one month's salary costs.

Contingency including future change and uncertainty: The revenue budget has been placed under increasing strain due to factors outside of its control including cost pressures, national shortage of teachers, and a forecast decline in pupil numbers. The Medium-Term Financial Plan forecasts in-year deficits from 2023/24. The Academy is responding to these pressures with a medium-term strategy to make structural changes to the budget and will apply reserves in the short term to support the revenue budget whilst making these changes. Use is capped at £250,000 per annum.

Planned investment and improvement: As part of the capital and estates strategy, the Academy undertook an independent condition survey of its site, the grounds, premises and infrastructure fittings and this identified works needed over the next 5 years. These total over £3m. The Academy has earmarked £1.6m to invest in capital projects to upgrade the heating system, complete the conversion to energy efficient LED lighting, to replace the roof, repair flooring, and external areas, and to continue remodelling the playground areas. In addition, the Academy has a rolling programme to upgrade IT equipment for staff and students including replacing computers and smartboards and plans to replace its very old minibuses. In total, £200,000 has been set aside for these improvements.

Other Funds: This year the Pension Fund has a nil balance (2021/22: deficit £818,000) due to an accounting surplus of £121,000 arising as a result of changes in the discount rate used to quantify future liabilities, which has been capped. The Academy's share of the deficit on the London Borough of Ealing's Local Government Pension Scheme is calculated each year by an actuary in accordance with financial reporting standards and has proven to be very volatile. The basis for valuing the Fund for financial reporting purposes, is distinct from the methodology used for the Triennial Valuation of the Fund on which employer contributions are based. Overall, there is continuing uncertainty over the cost to the Academy of this final and career average salary scheme in cash terms, but the current policy is to finance the deficit over time, meeting any increases in employer contributions recommended by the Actuary for the Scheme following the triennial valuation and to make an additional contribution to the deficit.

OBJECTIVES AND ACTIVITIES (continued)

Financial review (continued)

Reserves policy (continued)

Included in the total reserves is £18,000 (2021/22: cumulative deficit £55,000) for the subsidiary, Alec Reed Academy Enterprise Ltd. Also known as the Community Sports Centre. This surplus will be gift aided to the Academy to use for the benefit of pupils at Alec Reed Academy

The Academy's Scheme of Delegation gives responsibility to the Finance & Resources, Audit & Risk Committee for managing the investment of surplus funds. The investment policy and annual report is reviewed by this committee. The investment objectives are to:

- ◆ achieve the best financial return available whilst ensuring that maintaining the security of deposits takes precedence over revenue maximisation;
- ◆ invest funds that are surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn; and
- ◆ manage asset risk through diversification of investments.

In complying with its policy, the Academy ensures that all investment decisions are exercised with care and skill and consequently are taken in the best interests of the Academy, whilst commanding broad public support.

PRINCIPAL RISKS AND UNCERTAINTIES

Corporate risks are recorded in a Risk Register for review by the Board of Trustees. The Register quantifies the likelihood of each risk occurring and the impact of the risk on the Academy's operations should it occur. High scoring risks are categorised as 'red risks' and subject to close monitoring by the leadership and Trustees. This year, the following risks have been identified as red risks:

Risk	Actions being taken to manage the risk
<p>Virus / corruption of Network</p> <p>An increasing risk of viruses infecting the IT network and of cyber-crime resulting in fraudulent payments.</p> <p>A local school has recently suffered a cyber-attack.</p>	<p>The risk is managed through policies and controls. The IT Helpdesk Manager has completed Cyber Essentials Audit recommended by the National Cyber Security Centre and we have implemented the findings. Staff are being trained to mitigate this risk and policies and controls are being updated. Multi-factor authentication has been introduced for when staff log onto a new device.</p> <p>All data is regularly backed up and cloud back up has been installed for Microsoft Office. Virus scanning software and internet filter are used to prevent data corruption.</p>

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk	Actions being taken to manage the risk
<p>Pupil attendance risk</p> <p>Poor attendance impacts on pupil's academic outcomes. The attendance figures in Primary are below national average and in Secondary they are close to national average. The percentage of persistent absences are high in both phases.</p>	<p>This is a national risk and is of high importance to ARA. There is a causal link to under achievement, especially in relation to disadvantaged pupils. Attendance figures are more concerning in the youngest year groups in the Primary phase.</p> <p>A Primary Attendance Officer and Home and Attendance Liaison Officer (HALO) have been appointed. These roles support the organisation and monitoring of home visits. Improved tracking has been introduced and there is clear leadership and staff responsibilities. The Education Sub-committee is monitoring performance and reporting to the Board of Trustees.</p>
<p>Estate strategy Significant investment needed to maintain the Academy premises.</p>	<p>As part of the capital and estates strategy, the Academy undertook an independent condition survey of its site, the grounds, premises and infrastructure fittings and this identified works needed over the next 5 years. These total over £3m. The Academy has prioritised these works and earmarked £1.6m to invest in capital projects to upgrade the heating system, complete the conversion to energy efficient LED lighting, to replace the roof, repair flooring, and external areas, and to continue remodelling the playground areas.</p>
<p>Grants receivable risk</p> <p>Grant received for SEND support is not sufficient to cover the cost of providing support to children with Education Health Care plans and with SEND needs. There are significant delays to the funding.</p>	<p>This term 17 students are awaiting assessment and the Academy has not received top up income to support these students. The assessment delay is placing significant pressure on the budget. Services are being restructured for SEND to reduce costs and improve the service for pupils.</p> <p>An audit has been carried out of the assessment process to identify any improvements.</p>
<p>Recruitment risk</p> <p>Ability to recruit to key posts with national shortage of teachers.</p>	<p>The Academy is creative in considering how and where roles are advertised and takes every effort to ensure the recruitment process is rapid so as not to lose good candidates. Emphasis is being placed on staff retention and development, to support succession planning,</p>
<p>Staff Budget</p> <p>In 2023/24 staff budget salaries account for 87% of income. The budget draws on reserves which is unsustainable in the medium to longer term.</p>	<p>Both phases are considering ways in which they can reduce expenditure on staff salaries.</p>

FUNDRAISING

The Academy has held varied small fundraising events during the year to support many charities including National Autistic Society, Eid Festival Fund Raiser – Turkey/Syria Appeal, Islamic Relief, BBC Children in Need, Save the Children, Crowd Fund Donations – School Food Matter, Macmillan Cake Sale Income; World Mental Health Day Mental health Foundation and Comic Relief – Red Nose Day. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. The fundraising is normally for named charities.

PLANS FOR FUTURE PERIODS

The Academy continues to strive to deliver on its strategic aims for providing an excellent education for all students in an inclusive way. The Academy's aim in the medium term is be judged as outstanding as confirmation it has met these aims and is fully meeting the needs of children from the ages of 3 to 18.

Our core aims, which feature in our Academy Improvement Plan, include securing excellent outcomes from starting points, improving pupil attendance across all phases, decreasing persistent absence, and building on the Academy's reputation within the local community so that ARA is a 'first choice' school. Our plans for the coming years include the following:

- ◆ creating an innovative all through curriculum,
- ◆ embedding effective transition for all phases,
- ◆ focussing on improving student attendance,
- ◆ using IT to facilitate a range of teaching and learning methods,
- ◆ improving communications with the local community through reaching out to parents, feeder primaries and nurseries.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as a custodian trustee.

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Trustees and signed on its behalf by:



Chair of Trustees Louise Prince

Date: 06 December 2023

Scope of responsibility

As Trustees, we acknowledge that we have overall responsibility for ensuring that the Academy Group (which consists of The Alec Reed Academy and Alec Reed Academy Enterprise Ltd) has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Principal and Chief Executive Officer, 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 the Academy 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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for 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 four times during the year. Whilst it has met fewer than six times advocated by the Academies Trust Handbook, the Trustees are of the opinion that that they have been able to maintain sufficient oversight of the Academy Trust's finances through the establishment of three sub-committees: Education, Finance & Resources and Audit & Risk, and Human Resources, to which responsibilities have been formally delegated in the Scheme of Delegation. The purpose of the sub-committees is to assist the decision-making of the full Board of Trustees by enabling more detailed consideration of the Academy's operations. The committees draw any matters of significance or concern to the attention of the full Board of Trustees. The strategic business of the Board of Trustees is identified and programmed across the four meetings.

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

Trustee	Meetings attended	Out of possible
Louise Prince (Chair)	4	4
Dee Morrison	3	4
Phil Mead (Vice Chair)	3	4
Phil Cosby	4	4
Dee Martin	4	4
Christopher Gliddon	3	4
Lucie Hernandez	4	4
Sara Hasan	4	4
Jane Wotherspoon	4	4
Gagandeep Sethi	3	4
Megan Dick	4	4
Pratik Shah	2	4

Conflicts of interest

The Academy maintains a register of business interests for trustees, members and senior leadership and publishes this on its website. The register is kept up to date and all trustees who join during the year are asked to complete a declaration of interests. This identifies any potential conflicts of interest between trustees and their related parties and the Academy. In addition, the meetings of the Trust Board and its committees commence with a declaration of any interests for items on the agenda. These arrangements cover the Subsidiary as well as the Academy.

Governance reviews

The Board of Trustees has continued to review its involvement in the operations of Academy and its strategic direction, and trustees have extended their involvement by partnering curriculum and other areas and taking the lead for policy areas. This has increased the impact and effectiveness of the Board of Trustees in understanding the operational challenges. Trustee skill sets have been reviewed and new trustees with appropriate skills recruited as necessary.

The Board has three committees: Education, Finance & Resources and Audit & Risk, and Human Resources, to which responsibilities have been formally delegated in the Scheme of Delegation.

The Finance & Resources and Audit & Risk Committee assists the Board's decision making, by giving more detailed consideration to financial areas, controls and audit arrangements including recommending the appointment of the external and internal auditors and to review their audit and internal scrutiny reports, which the Board is responsible for. This supports the sound management of the Academy's finances, resources, audit and risk including proper planning, monitoring and probity.

Finance & Resources and Audit & Risk committee attendance:

Trustee	Meetings attended	Out of possible
Pratik Shah	2	5
Phil Cosby	5	5
Phil Mead	4	5
Gagandeep Sethi	5	5
Sara Hasan (chair)	5	5

Review of Value for Money

As accounting officer, the Principal and Chief Executive, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to 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's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data published by the ESFA. The Accounting Officer for the Academy has delivered value for money during the year by:

Review of Value for Money (continued)

- ◆ Continuing to make effective use of information about student progress for teachers to use to close the attainment gaps and tailor teaching approaches and interventions, motivate students and to involve and inform parents and carers.
- ◆ Collaborating with other schools through the Ealing Learning Partnership and the PiXL Club, Partners in Excellence. PiXL is a partnership of primary through to post 16 academies and aims to share best practice, raise educational standards and develop character in young people.
- ◆ Income has been generated through using the Academy for community sports lettings and events. The Community Sports Centre made a surplus of £71,000 and income from external lettings totalled £75,000. The Navratri festival returned to the Academy, with over 5,000 people visiting the Academy over 6 nights.
- ◆ The Academy made a successful bid to the ESFA for Condition Improvement Funding amounting to £452,000 to replace a large part of the premises roof. The Academy's commitment to part fund the project, contributing £243,000, helped to ensure the success of the bid.
- ◆ The Academy has fixed term contracts for electricity and gas which are providing protection during the current period of price increases and volatility. For example, the gas contract which comes to an end in February 2024 was renewed in June 2023 for 2 years when prices were at a 12-month low and as a result the unit cost was halved.
- ◆ The strategy to reduce energy costs has been progressed through the installation of further LED lights, in addition to the 360 solar panels installed last summer. This year our electricity consumption was 170 kWh, or 15%, lower than 2021/22, which costed out at our current prices has saved us in the region of £61,000.
- ◆ Over £67,000 was saved in recruitment fees by managing all our own recruitment.
- ◆ Identifying savings through rigorous uptake of competitive quotes, retendering of contracts, and energy efficiency measures. The Government's framework contracts are used to obtain competitive contracts wherever possible and appropriate including purchase of energy and IT hardware.

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 the Alec Reed Academy and Group's 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 The Alec Reed Academy and Group for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Alec Reed Academy and Group is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Alec Reed Academy and Group's significant risks that has been in place for the year ending 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 Trustees.

The risk and control framework

The Alec Reed Academy and Group's system of internal financial control is based on a framework of regular management information and procedures including the segregation of duties and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting and monitoring systems with an annual budget, medium term financial forecast which are reviewed and agreed by the Board of Trustees;
- ◆ monthly management accounts monitoring financial performance against the forecasts, major purchase plans, capital works and expenditure programmes, all reviewed by the Finance & Resources, Audit & Risk Committee;
- ◆ oversight of internal controls by the Finance & Resources and Audit & Risk Committee;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ benchmarking financial performance with similar academies using data provided by the ESFA;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Trustees has appointed Stephen Meredith from Alliotts Chartered Accountants to perform an Internal Scrutiny function reviewing the control environment and regulatory structure of the Academy based upon a program designed to review all significant financial and other control processes. The appointment is compliant with the revised FRC Ethical Standard and the role includes giving advice on financial matters and performing a range of checks on the Alec Reed Academy and Group's financial systems. The checks carried out last year included a review of capital projects and payroll procedures and controls. In the current period Alliotts reviewed systems for managing special educational needs and disability assessments for pupils.

Stephen Meredith reported in September 2023 and concluded "From the work that we have carried out, our assessment indicates that the academy has sound controls with appropriate review, authorisation and approval procedures".

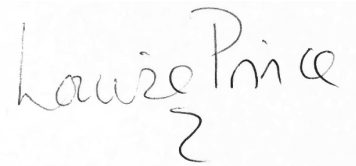
Review of effectiveness

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

- ◆ the work of the internal scrutiny programme;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the review of the Finance & Resources and Audit & Risk Committee; and
- ◆ the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

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



Louis Prince

Chair of Trustees



Phil Cosby

Accounting Officer

Date: 06 December 2023

Statement of regularity, propriety and compliance 31 August 2023

As Accounting Officer of The Alec Reed Academy, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

A handwritten signature in blue ink, appearing to read 'Phil Cosby', with a long horizontal stroke extending to the right.

Phil Cosby

Accounting Officer

Date: 06 December 2023

Statement of Trustee's responsibilities 31 August 2023

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

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

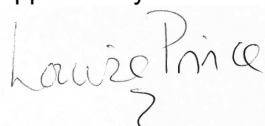
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2022 to 2023;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the Academy 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 the ESFA/DfE have been applied for the purposes intended.

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

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



Chair of Trustees Louise Prince

Date: 06 December 2023

Independent auditor's report to the members of The Alec Reed Academy

Opinion

We have audited the financial statements of The Alec Reed Academy (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2023, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

Conclusions relating to going concern (continued)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or

Matters on which we are required to report by exception (continued)

- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable 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 group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and

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;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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. International Standards on Auditing 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.

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 auditor's report.

Use of our report

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



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

11 December 2023

Independent reporting accountant's assurance report on regularity to The Alec Reed Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 October 2021 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 The Alec Reed Academy during the period from 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 The Alec Reed Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Alec Reed Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Alec Reed Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Alec Reed Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Alec Reed Academy's funding agreement with the Secretary of State for Education dated 17 June 2003 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 period from 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.

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.

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 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.



Reporting Accountant
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

11 December 2023

Consolidated statement of financial activities (including income and expenditure account)
Year to 31 August 2023

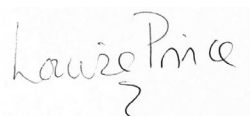
		Restricted funds		2023 Total funds £'000	2022 Total funds £'000
	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000		
	Notes				
Income from:					
Donations and capital grants	2	—	—	152	79
Charitable activities					
. Funding for the academy's educational operations	3	—	12,784	—	11,977
Other trading activities	4	1,172	—	—	1,020
Investment income	5	60	—	—	7
Total income		1,232	12,784	152	13,083
Expenditure on:					
Raising funds	6	913	—	—	835
Charitable activities					
. Academy's educational operations	6,7	—	13,067	1,194	13,636
Total expenditure		913	13,067	1,194	14,471
Net income (expenditure) before other recognised gains and losses		319	(283)	(1,042)	(1,388)
Transfers between funds	16	—	(493)	493	—
Other recognised gains and losses					
Actuarial gains on defined benefit pension scheme	20	—	931	—	5,229
Net movement in funds		319	155	(549)	3,841
Reconciliation of funds					
Total fund balances brought forward at 1 September 2022		2,415	272	34,072	32,918
Total fund balances carried forward at 31 August 2023		2,734	427	33,523	36,759

All of the group's activities are continuing operations. All gains and losses are included in the Statement of Financial Activities.

Balance sheets 31 August 2023

	Notes	2023		2022	
		Group £'000	Academy £'000	Group £'000	Academy £'000
Fixed assets					
Tangible fixed assets	13	33,610	33,610	34,169	34,169
		33,610	33,610	34,169	34,169
Current assets					
Debtors	14	702	754	380	503
Short term deposits		2,810	2,810	2,508	2,508
Cash at bank and in hand		914	844	1,797	1,726
		4,426	4,408	4,685	4,738
Liabilities					
Creditors: amounts falling due within one year	15	(1,352)	(1,352)	(1,277)	(1,277)
Net current assets		3,074	3,056	3,408	3,461
Net assets excluding pension scheme liability					
		36,684	36,666	37,577	37,630
Defined benefit pension scheme liability	20	—	—	(818)	(818)
Total net assets		36,684	36,666	36,759	36,812
Funds of the Academy					
Restricted income funds					
. Fixed assets fund	16	33,523	33,523	34,072	34,072
. General fund	16	427	427	1,090	1,090
. Pension reserve	16	—	—	(818)	(818)
		33,950	33,950	34,344	34,344
Unrestricted funds					
. General fund	16	2,716	2,716	2,468	2,468
. Funds retained with subsidiary	16	18	—	(53)	—
Total funds		36,684	36,666	36,759	36,812

The financial statements on page 33 to 59 were approved by the Trustees, and authorised for issue and are signed on their behalf by:



Chair of Trustees Louise Prince
The Alec Reed Academy
Company Limited by Guarantee
Registration Number: 04444278 (England and Wales)

Date: 06 December 2023

Consolidated statement of cash flows Year to 31 August 2023

		2023 £'000	2022 £'000
Net cash inflows from operating activities			
Net cash provided by operating activities	A	(158)	402
Cash flows from investing activities			
	B	(423)	(339)
Change in cash and cash equivalents in the year		(581)	63
Cash and cash equivalents at the start of the year		4,305	4,242
Cash and cash equivalents at the end of the year		3,724	4,305

A Reconciliation of net expenditure to net cash flow provided by operating activities

		2023 £'000	2022 £'000
Net expenditure for the year (as per the statement of financial activities)			
		(1,006)	(1,388)
Adjusted for:			
Depreciation		1,194	1,189
Capital grants from DfE and other capital income		(152)	(79)
Interest receivable		(60)	(7)
Defined benefit pension scheme cost less contributions payable		97	576
Defined benefit pension scheme finance cost		16	105
(Increase) in debtors		(322)	(94)
Increase in creditors		75	100
Net cash (used in) provided by operating activities		(158)	402

B Cash flows from investing activities

		2023 £'000	2022 £'000
Dividends, interest and rents from investments		60	7
Purchase of tangible fixed assets		(635)	(425)
Capital grants from DfE/ESFA		152	79
Net cash used in Operating Activities		(423)	(339)

C Analysis of cash and cash equivalents

		2023 £'000	2022 £'000
Cash at bank and in hand		914	1,797
Short term deposits		2,810	2,508
Total cash and cash equivalents		3,724	4,305

D Analysis of changes in net debt

	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash and cash equivalents	4,305	(581)	3,724
Total	4,305	(581)	3,724

Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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.

The accounts are presented in sterling and rounded to the nearest thousand.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the company and those of its subsidiary made up at the balance sheet date.

No separate statement of financial activities has been presented for Alec Reed Academy alone, as permitted by section 408 of the Companies Act 2006 and the charities SORP FRS 102.

Going concern

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

Income

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

Income (continued)

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.

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

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

Donations

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

Other income

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

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.

Expenditure on raising funds

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

Expenditure (continued)

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,500 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

◆ Freehold buildings	30 - 50 years
◆ Plant and machinery	4 years
◆ Fixtures, fittings and equipment	4 - 20 years
◆ Computer equipment and software	3 years
◆ Motor vehicles	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits made for longer than three months but less than one year have been disclosed as short term deposits.

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due from the Academy's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency and Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the London Borough of Ealing.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The useful economic lives of tangible fixed assets held by the Academy have been estimated as disclosed on page 38.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Critical areas of judgement

No judgements have been made which have had a significant impact on the preparation of these financial statements.

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2023.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000	2022 Total funds £'000
Capital grants	—	152	152	35
Donated fixed assets	—	—	—	44
	—	152	152	79

	<i>Unrestricted funds £'000</i>	<i>Restricted fixed assets funds £'000</i>	<i>2022 Total funds £'000</i>
<i>Capital grants</i>	—	35	35
<i>Donated fixed assets</i>	—	44	44
	—	79	79

3 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
DfE/ESFA revenue grants				
. General Annual Grant (GAG) (note 1)	—	10,698	10,698	10,285
. Other DfE/ESFA grants				
. UIFSM	—	69	69	68
. Pupil Premium	—	691	691	681
. Mainstream Schools Additional and Supplementary Grant		441	441	124
. Others	—	58	58	35
	—	11,957	11,957	11,193
Other Government grants				
. Local Authority grants	—	646	646	607
	—	646	646	607
COVID-19 additional funding (DfE/ESFA)				
Catch-up / recovery premium	—	139	139	90
Other DfE/ESFA COVID-19 funding	—	42	42	70
	—	181	181	160
Exceptional government funding				
Coronavirus job retention scheme grant	—	—	—	—
Other coronavirus funding	—	—	—	17
	—	—	—	17
2023 total funds	—	12,784	12,784	11,977

The academy received £139,000 (2022: £90,000) funding for catch-up/recovery premium and costs incurred in respect of this funding totalled £183,000 (2022: £79,000), with no balance remaining (2022: £44,000 to spend in 2022/23)

The funding received is shown above under “exceptional government funding”.

- ◆ The funding received for coronavirus exceptional support covers £nil (2022: £17,000) of mass testing costs. These costs are included in notes 6 and 7 below as appropriate.

3 Funding for academy's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2022 Total funds £'000</i>
DfE/ESFA revenue grants			
. General Annual Grant (GAG) (note 1)	—	10,285	10,285
Other DfE/ESFA grants			
UIFSM	—	68	68
Pupil Premium	—	681	681
Others	—	159	159
	<u>—</u>	<u>11,193</u>	<u>11,193</u>
Other Government grants			
. Local Authority grants	—	607	607
	<u>—</u>	<u>607</u>	<u>607</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up/ recovery premium	—	90	90
Other DfE/ESFA COVID-19 funding	—	70	70
	<u>—</u>	<u>160</u>	<u>160</u>
Exceptional government funding			
Coronavirus job retention scheme grant	—	—	—
Other coronavirus funding	—	17	17
	<u>—</u>	<u>17</u>	<u>17</u>
2022 total funds	<u>—</u>	<u>11,977</u>	<u>11,977</u>

4 Other trading activities

	<i>Unrestricted funds £'000</i>	2023 Total funds £'000	<i>2022 Total funds £'000</i>
Hire of facilities	152	152	71
Trip income	48	48	40
Miscellaneous income	90	90	84
Uniform sales	48	48	48
Community Sports Centre income	145	145	101
Adult Education Centre income	9	9	5
Catering income	399	399	455
Facilities used by John Chilton School	281	281	216
	<u>1,172</u>	<u>1,172</u>	<u>1,020</u>

4 Other trading activities (continued)

	<i>Unrestricted funds £'000</i>	<i>2022 Total funds £'000</i>
<i>Hire of facilities</i>	71	71
<i>Trip income</i>	40	40
<i>Miscellaneous income</i>	84	84
<i>Uniform sales</i>	48	48
<i>Community Sports Centre income</i>	101	101
<i>Adult Education Centre income</i>	5	5
<i>Catering income</i>	455	455
<i>Facilities used by John Chilton School</i>	216	216
	<u>1,020</u>	<u>1,020</u>

5 Investments

	<i>Unrestricted funds £'000</i>	2023 Total funds £'000	<i>2022 Total funds £'000</i>
Interest receivable	60	60	7

	<i>Unrestricted funds £'000</i>	<i>2022 Total funds £'000</i>
<i>Interest receivable</i>	7	7

6 Expenditure

	<i>Staff costs £'000</i>	<i>Non pay expenditure</i>		2023 Total funds £'000	<i>2022 Total funds £'000</i>
		<i>Premises £'000</i>	<i>Other costs £'000</i>		
Expenditure on raising funds					
. Direct costs	308	31	306	645	550
. Allocated support costs	90	130	48	268	285
Academy's educational operations:					
. Direct costs	10,025	—	778	10,803	9,727
. Allocated support costs	1,156	1,669	633	3,458	3,909
	<u>11,579</u>	<u>1,830</u>	<u>1,765</u>	15,174	<u>14,471</u>

Net expenditure for the year includes:

Depreciation	1,194	1,189
Fees payable to auditor for:		
. Statutory audit	16	13
. Other services	3	3

6 Expenditure (continued)

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Expenditure on raising funds</i>				
. Direct costs	274	22	254	550
. Allocated support costs	120	115	50	285
<i>Academy's educational operations:</i>				
. Direct costs	9,069	—	658	9,727
. Allocated support costs	1,645	1,579	685	3,909
	11,108	1,716	1,647	14,471
<i>Net expenditure for the year includes:</i>				
Depreciation				1,189
<i>Fees payable to auditor for:</i>				
. Statutory audit				13
. Other services				3

7 Charitable activities - academy's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs- educational operations	10,803	9,727
Support costs – educational operations	3,458	3,909
	14,261	13,636

	2023 Total funds £'000	2022 Total funds £'000
Analysis of support costs		
Support staff costs	1,156	1,645
Depreciation	1,108	1,108
Technology costs	86	123
Premises costs	561	471
Legal costs – other	24	2
Other support costs	484	526
Governance costs	39	34
Total support costs	3,458	3,909

Notes to the Consolidated financial statements Year to 31 August 2023

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2022 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted funds		2022 Total funds £'000
			General £'000	Fixed assets fund £'000	
<i>Income from:</i>					
Donations and capital grants	2	—	—	79	79
<i>Charitable activities</i>					
. Funding for the academy's educational operations	3	—	11,977	—	11,977
Other trading activities	4	1,020	—	—	1,020
Investment income	5	7	—	—	7
Total income		1,027	11,977	79	13,083
<i>Expenditure on:</i>					
Raising funds	6	835	—	—	835
<i>Charitable activities</i>					
. Academy's educational operations	6,7	—	12,447	1,189	13,636
Total expenditure		835	12,447	1,189	14,471
<i>Net income(expenditure) before other recognised gains and losses</i>		192	(470)	(1,110)	(1,388)
Transfers between funds	16	—	(324)	324	—
<i>Other recognised gains and losses</i>					
Actuarial gains on defined benefit pension scheme	20	—	5,229	—	5,229
Net movement in funds		192	4,435	(786)	3,841
<i>Reconciliation of funds</i>					
Total fund balances brought forward at 1 September 2021		2,223	(4,163)	34,858	32,918
Total fund balances carried forward at 31 August 2022		2,415	272	34,072	36,759

9 Staff

(a) Staff costs

Staff costs during the year were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	8,087	7,459
Social security costs	894	826
Pension costs	1,660	1,959
	10,641	10,244
Staff supply costs	938	864
	11,579	11,108

9 Staff (continued)

(b) Staff numbers

The average number of persons (including the Senior Management Team) employed by the charitable company during the year ended 31 August 2023 expressed as average headcount and full time equivalent ('FTE') were as follows:

Charitable activities	2023 No.	2022 No.
Teachers	81	82
Administration and support	143	139
Management	11	10
	235	231

Charitable activities	2023 FTE	2022 FTE
Teachers	79	80
Administration and support	124	116
Management	11	10
	214	206

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	Group 2023 No.	Group 2022 No.
£60,001 - £70,000	17	15
£70,001 - £80,000	6	1
£80,001 - £90,000	2	1
£90,001 - £100,000	—	2
£100,001 - £110,000	1	1
£120,001 - £130,000	1	—
	1	—

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £ 508,265 (2022: £490,567).

10 Trustees' remuneration and expenses

The CEO and Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and Principal and staff and not in respect of their services as Trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	2023 £'000	2022 £'000
P Cosby, (CEO and Principal)		
. Remuneration	120-125	110-115
. Employer's pension contributions	25-30	25-30
M Dick, Staff trustee		
. Remuneration	65-70	60-65
. Employer's pension contributions	15-20	15-20
S Bhatti, Staff trustee		
. Remuneration	—	35-40
. Employer's pension contributions	—	—

During the year ended 31 August 2023, travel and subsistence expenses totalling £58 (2022: £35) were reimbursed to one trustee (2022: one trustee).

Other related party transactions involving the Trustees are set out in note 21.

11 Commercial trading operations

The charity has a wholly owned trading subsidiary, Alec Reed Academy Enterprise Limited, which is incorporated in the UK. This company managed and operated the Community Sports Centre and lettings.

	2023 £'000	2022 £'000
Turnover	168	122
Cost of sales	(34)	(29)
Gross profit	134	93
Administrative expenses	(62)	(45)
Profit on ordinary activities before taxation	72	48
Tax	—	—
Profit on ordinary activities after taxation	72	48

The assets and liabilities of the subsidiary were:

	2023 £'000	2022 £'000
Non-current assets	70	70
Current liabilities	(52)	(125)
Total assets less current liabilities	18	(55)

12 Trustees' and Officers' Indemnity insurance

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

13 Tangible fixed assets

Group and Academy	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation					
At 1 September 2022	47,701	3,441	1,813	75	53,030
Additions	168	392	75	—	635
Disposals	—	(110)	(496)	—	(606)
At 31 August 2023	<u>47,869</u>	<u>3,723</u>	<u>1,392</u>	<u>75</u>	<u>53,059</u>
Depreciation					
At 1 September 2022	14,436	2,717	1,633	75	18,861
Charge in year	955	96	143	—	1,194
Disposals	—	(110)	(496)	—	(606)
At 31 August 2023	<u>15,391</u>	<u>2,703</u>	<u>1,280</u>	<u>75</u>	<u>19,449</u>
Net book value					
At 31 August 2023	<u>32,478</u>	<u>1,020</u>	<u>112</u>	<u>—</u>	<u>33,610</u>
At 31 August 2022	<u>33,265</u>	<u>724</u>	<u>180</u>	<u>—</u>	<u>34,169</u>

For the purposes of these financial statements, the land is deemed to have no commercial value.

As permitted by FRS 102, the Trustees have adopted a policy of not revaluing tangible fixed assets and, under the transitional arrangements set out in FRS 102, with effect from 1 September 2014, the value assigned to the building is now deemed to be its cost.

14 Debtors

	Group 2023 £'000	Academy 2023 £'000	Group 2022 £'000	Academy 2022 £'000
Trade debtors	214	214	104	104
VAT recoverable	94	94	56	56
Amount due from subsidiary	—	52	—	123
Other debtors	—	—	31	31
Prepayments and accrued income	394	394	189	189
	<u>702</u>	<u>754</u>	<u>380</u>	<u>503</u>

15 Creditors: amounts falling due within one year

	Group 2023 £'000	Academy 2023 £'000	Group 2022 £'000	Academy 2022 £'000
Trade creditors	404	404	217	217
Taxation and social security	213	213	205	205
Other creditors	423	423	391	391
Accruals and deferred income	312	312	464	464
	1,352	1,352	1,277	1,277
Deferred income				
Deferred Income at 1 September 2022	110	110	163	163
Released during the year	(69)	(69)	(122)	(122)
Resources deferred in the year	76	76	69	69
Deferred Income at 31 August 2023	117	117	110	110

Included in the deferred income figure of £117,000 (2022: £110,000) was £72,000 (2022: £70,000) received in advance from the ESFA.

16 Funds

Group	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	1,038	10,698	(10,816)	(493)	427
UIFSM	—	69	(69)	—	—
Pupil premium	—	691	(691)	—	—
Catch-up/ recovery premium	52	139	(191)	—	—
Other DfE/ESFA COVID-19 funding	—	42	(42)	—	—
Other grants	—	1,145	(1,145)	—	—
Pension reserve	(818)	—	(113)	931	—
	<u>272</u>	<u>12,784</u>	<u>(13,067)</u>	<u>438</u>	<u>427</u>
Restricted fixed assets fund					
DfE/ESFA capital grants	33,046	152	(1,194)	—	32,004
Capital expenditure from GAG	1,026	—	—	493	1,519
	<u>34,072</u>	<u>152</u>	<u>(1,194)</u>	<u>493</u>	<u>33,523</u>
Total restricted funds	<u>34,344</u>	<u>12,936</u>	<u>(14,261)</u>	<u>931</u>	<u>33,950</u>
Unrestricted funds					
. General funds	2,468	1,064	(816)	—	2,716
. Alec Reed Academy Enterprise Limited	(53)	168	(97)	—	18
Total unrestricted funds	<u>2,415</u>	<u>1,232</u>	<u>(913)</u>	<u>—</u>	<u>2,734</u>
Total funds	<u>36,759</u>	<u>14,168</u>	<u>(15,174)</u>	<u>931</u>	<u>36,684</u>

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2023. Note 1 discloses that the limit has not been exceeded.

Fixed assets fund

The fixed assets fund represents the movement on fixed assets throughout the year. It is comprised of the net book value of tangible fixed assets and any unused capital funding.

Unrestricted funds

These represent those funds which can be used by the trustees' for any purpose that falls within the charitable objects of the Academy. It includes the net assets of Alec Reed Academy Enterprise Limited.

Transfers

A transfer of £493,000 (2022: £324,000) has been made from GAG to the fixed asset fund to purchase capital items.

16 Funds (continued)

Comparative information

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

Group	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<i>Restricted general funds</i>					
General Annual Grant (GAG)	1,170	10,285	(10,093)	(324)	1,038
Other DfE/ESFA grants	—	227	(227)	—	—
Pupil premium	—	681	(681)	—	—
Catch-up/ recovery premium	33	90	(71)	—	52
Other DfE/ESFA COVID-19 funding	—	87	(87)	—	—
Other grants	—	607	(607)	—	—
Pension reserve	(5,366)	—	(681)	5,229	(818)
	(4,163)	11,977	(12,447)	4,905	272
<i>Restricted fixed assets fund</i>					
DfE/ESFA capital grants	34,156	75	(1,185)	—	33,046
LA Capital Grants	—	4	(4)	—	—
Capital expenditure from GAG	702	—	—	324	1,026
	34,858	79	(1,189)	324	34,072
Total restricted funds	30,695	12,056	(13,636)	5,229	34,344
<i>Unrestricted funds</i>					
. General funds	2,325	905	(762)	—	2,486
. Alec Reed Academy Enterprise Limited	(102)	122	(73)	—	(53)
Total unrestricted funds	2,223	1,027	(835)	—	2,415
Total funds	32,918	13,083	(14,471)	5,229	36,759

Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

Group and Academy	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2023 £'000
Tangible fixed assets	—	—	33,610	33,610
Current assets	2,734	1,692	—	4,426
Current liabilities	—	(1,265)	(87)	(1,352)
Total net assets	2,734	427	33,523	36,684

16 Funds (continued)

Analysis of net assets between funds (continued)

Fund balances at 31 August 2022 are represented by:

<i>Group and Academy</i>	<i>Unrestricted funds</i> £'000	<i>Restricted General Funds</i> £'000	<i>Restricted Fixed Asset Fund</i> £'000	<i>Total 2022</i> £'000
<i>Tangible fixed assets</i>	—	—	34,169	34,169
<i>Current assets</i>	2,415	2,270	—	4,685
<i>Current liabilities</i>	—	(1,180)	(97)	(1,277)
<i>Pension scheme liability</i>	—	(818)	—	(818)
<i>Total net assets</i>	2,415	272	34,072	36,759

17 Capital Commitments

	2023 £'000	2022 £'000
Contracted for, but not provided in the financial statements	424	—

18 Commitments under operating leases

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £'000	2022 £'000
Amounts due within one year	8	5
Amounts due between one and five years	32	—
	40	5

19 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

20 Pension and similar obligations

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

20 Pension and similar obligations (continued)

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme relating to the period ended 31 March 2020 was published in October 2023.

Contributions amounting to 178,000 were payable to the schemes at 31 August 2023 (2022: £158,000) and are included in creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 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 actuarial valuation of the TPS which applied during the year ended 31 August 2023 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; and
- ◆ 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%.

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contributions rates will increase to 28.68% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £948,174 (2022: £886,649).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 and contribution to past service cost was £799,000 (2022: £662,000), of which employer's contributions totalled £612,000 (2022: £496,000) and employees' contributions totalled £187,000 (2022: £166,000). The agreed contribution rates are 19.9% (17.40% pre-April 2023) for employers and between 5.5% and 12.5% for employees (the average being 6.5%).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	4.05%	4.15%
Rate of increase for pensions in payment / inflation	2.90%	3.00%
Discount rate for scheme liabilities	5.40%	4.30%
Inflation assumption (CPI)	2.80%	2.90%

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.5	22.9
Females	23.9	25.0
<i>Retiring in 20 years</i>		
Males	22.8	24.4
Females	25.7	26.9

The net (increase) / decrease in net pension liability as a result of changes to assumptions is as follows:

	At 31 August 2023 £'000	At 31 August 2022 £'000
Discount rate +0.1%	(193)	(233)
Discount rate -0.1%	196	238
Mortality assumption - 1 year increase	229	253
Mortality assumption - 1 year decrease	—	(248)
CPI rate +0.1%	196	238
CPI rate -0.1%	(193)	(233)

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	7,175	6,601
Corporate bonds	2,220	2,527
Property	812	1,115
Cash and other liquid assets	297	228
Other	938	910
Total market value of assets	11,442	11,381
Present value of scheme liabilities		
Funded	(11,321)	(12,199)
Net pension asset/(liability)	121	(818)
Adjustment recognised in actuarial losses to cap the scheme surplus	(121)	—
Deficit in the scheme	—	(818)

The actual return on scheme assets was £343,000 (2022: £862,000).

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service cost net of employer contribution	97	742
Net interest cost	16	105
Total operating charge	113	847
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	508	204
Interest on pension liabilities	(524)	(291)
Pension finance income/(costs)	(16)	(87)

Changes in the present value of defined benefit obligations were as follows:	2023 £'000	2022 £'000
At 1 September	12,199	17,161
Current service cost	679	1,072
Interest cost	524	291
Employee contributions	187	166
Actuarial (gain) loss after adjustment to cap the scheme surplus	(2,110)	(6,296)
Benefits paid	(158)	(195)
At 31 August	11,321	12,199

Changes in the fair value of the Academy's share of scheme assets:	2023 £	2022 £
At 1 September	11,381	11,795
Administration expenses	(30)	(18)
Interest income	508	204
Actuarial (loss) gain	(1,058)	(1,067)
Employer contributions	612	496
Employee contributions	187	166
Benefits paid	(158)	(195)
At 31 August	11,442	11,381

21 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are disclosed in the Financial Statements and are conducted at arm's length and in accordance with the Academy's financial regulations and procurement procedures. In accordance with the Academy Trust Handbook, transactions above the de minimis of £2,500 are transacted at cost to the Academy.

21 Related party transactions (continued)

Reed Foundation is the sponsor of Alec Reed Academy and has a 18% share in Reed Global Ltd. Reed Global is the Parent company of Reed Specialist Recruitment Ltd. The Academy had transactions with this company during the year.

- ◆ Phil Mead, Trustee, is an employee of Reed Education Ltd which is a subsidiary of Reed Specialist Recruitment Ltd which provided supply teachers with fees totalling £nil (2022: £1,436).

22 Agency arrangements

The academy trust distributed 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2023, the trust received £22,163 (2022: £20,959) and disbursed £25,399 (2022: £32,318) from the fund. At 31 August 2023, an amount of £6,771 (2022: £10,007) was included within current liabilities relating to undistributed funds.