

Company registration number 07465249 (England and Wales)

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

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JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Morris
F Myers MBE
N Pascoe
D Sheppard
E Hermon (Resigned 2 May 2022)

Trustees

N P J Griffiths (Headteacher and accounting officer) (Resigned 6 September 2021)
R Barker (Community (Chair)) (Resigned 13 April 2022)
A E J McIntyre (Community (Chair)) (Appointed 20 September 2021)
K Scott (Community) (Appointed 20 September 2021 and resigned 29 April 2022)
J Sturgess (Parent) (Appointed 20 September 2021 and resigned 30 May 2022)
S Parker (Parent) (Appointed 29 November 2021)
E Hermon (Community) (Appointed 3 May 2022)
M Nelson (Community) (Appointed 11 February 2022 and resigned 13 April 2022)
M Lee (Community) (Appointed 17 October 2022)

Senior leadership group

- Headteacher
- Deputy headteacher
- Assistant headteacher
- Assistant headteacher/SENCO
- Assistant headteacher
- Assistant headteacher
- Finance Director
- Headteacher
- Operational headteacher

J Morgan (appointed 1 September 2022)
M Burton
K Phillips
T Clarke
M Croad
R Wallace (resigned 31 August 2022)
C Bryan
N Griffiths (resigned 31 December 2021)
D Boyd (resigned 31 August 2022)

Company registration number

07465249 (England and Wales)

Principal and registered office

Ledbury Road
Ross-On-Wye
Herefordshire
HR9 7ET
United Kingdom

Independent auditor

Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester
GL3 4AD
United Kingdom

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank PLC
1-3 Broad Street
Hereford
HR4 9BH
United Kingdom

Solicitors

H Y Education Services Ltd
Reed House
Hunters Lane
Rochdale
Lancashire
OL16 1YL
United Kingdom

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates as a school for ages 11-18, serving the catchment area of Ross on Wye and surrounding area. It currently has on roll 1,429 students as at September 2022.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Academy was incorporated on 9th December 2010 and commenced as an Academy Trust from 1 January 2011. John Kyrle's Memorandum and Articles of Association, together with the funding agreement, are the primary governing documents of the Academy Trust.

The trustees act for the charitable activities of John Kyrle High School & Sixth Form Centre and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as John Kyrle High School & Sixth Form Centre.

Members of an academy have a different status from Trustees. The members, who are the subscribers to the academy's memorandum of association, have an overview of the governance arrangements.

The Members passed a special resolution in September 2021, to adopt revised articles of association for John Kyrle High School & Sixth Form Centre. These articles follow the Department of Education document dated 30 June 2021. The changes adopted following the approved revision, is the constitution of the trustee board and the removal of the trustee status to the position of headteacher.

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

Members' liability

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

Trustees' indemnities

Trustees are responsible under the academy's articles of association for controlling its management and administration. They have responsibility for directing its affairs and for ensuring that it is solvent, well run and delivering the trust's charitable outcomes for the benefit of the public, holding the school's leadership and Headteacher to account.

In accordance with normal commercial practice John Kyrle High School & Sixth Form Centre has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance is held with Zurich Municipal until the current policy expiry on 31 March 2023.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Method of recruitment and appointment or election of trustees

Eligibility to act as a trustee of John Kyrle High School & Sixth Form Centre is within the Constitutional Framework and Clauses 50-79 of the Articles of Association.

Trustees have been appointed via members; are sought via election from the parent body and co-opted from the local community dependent upon skill requirements. Community trustees can be appointed on the recommendation of trustees and based on the needs linked to the competency framework for trustees.

The board of trustees has an ongoing policy of attracting trustees with a range of skills and backgrounds to provide the academy with the best possible advice and support; those sought must be willing to be committed to the role of a trustee, including a willingness to take on continuous development and education for their role. The school engages with S4S to act as clerk to the trustee board and for training. As part of its governance review, a national leader of governance was supporting the board for the majority of the academic year 2021-22.

Policies and procedures adopted for the induction and training of trustees

The school has adopted an in-house programme of induction for all new trustees. This includes information about the school, the company and the trust.

Organisational structure

The new board held its first meeting on 8 October 2021 in order to make decisions on how the committees and board function going forward.

The board of trustees acts upon the guidance for trustees as laid out in the Governance Handbook October 2020.

The board of trustees manages the academy on behalf of the members of the academy trust. Their core functions are:

- ensuring clarity of vision, ethos and strategic direction;
- overseeing financial performance of the school and ensuring money is well spent; and
- holding the Headteacher to account for educational performance of the school and management of staff.

All trustees are both directors of the company and trustees of the charity. This encourages participation, devolved responsibility and encourages decision-making.

Trustees are responsible for setting strategic direction and general policy. They adopt an annual development plan and monitor the development of the academy through this.

The Trustees make decisions about the future direction of the Academy, capital expenditure and, with the senior leadership team, on staff appointments and pay. During 2021-22 committees monitored the effectiveness of the school through:

- audit and risk committee
- education committee
- resources committee
- personnel committee
- safeguarding committee.

Committees monitor the effectiveness of the school in terms of curriculum, finance and personnel, with at least termly meetings and up to six meetings per year for certain committees. Evidence including position papers, live data and benchmarking are provided by the school for the trustees. All decisions reserved for the board of trustees are taken at the appropriate level. Committees discuss key matters and are advised by leaders. Recommendations are shared with the board of trustees for approval or rejection. All decisions delegated to management are clearly communicated and outcomes monitored.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The headteacher acts as the accounting officer and works in close collaboration with the chair of the trust, the chairs of the individual committees, auditors, internal audit, and the Business and Finance director (SBM). The headteacher is informed in his role by the SBM who sits on the budget working group and schools' forum at Herefordshire Council. The board of trustees is made aware not only of the financial position of the school, but of any changes forthcoming in the local management of schools and also any impending national funding agreements and how this can impact on the school and throughout the locality of Herefordshire and nationally.

Arrangements for setting pay and remuneration of key management personnel

The board of trustees has oversight of the school's performance management system. Evidence is presented to support all pay progressions, or recommendations that progression does not occur. The evidence provided in recognition of all teaching pay progressions is based on the National Teachers' Standards, what contributions have been made to the school development, also performance at examination level, taking data from a range of indicators.

Pay progressions for leaders below the headteacher are assessed annually via performance management, where targets and previous performance are considered. The Chair of Trustees is informed of the recommendations from the headteacher for appropriate pay progressions or rejections and decisions are passed to the Personnel Committee for review.

Teaching staff have the ability to progress through the pay range, their performance is assessed annually via the appraisal process to ascertain if progression should occur. The pay progressions are then verified by the trustees' personnel committee once a year (November). Teaching staff are employed on the national teaching pay scales as identified in the DfE STPCD.

Support staff are employed under the previous pay ranges that were devised by Herefordshire Council's job evaluation process in 2004 and in line with NJC (National Joint Council). Salaries were regraded to ensure each job attribute had a relevant score and an appropriate level of pay awarded for the score given. Under the trust, all support employees have an appropriate John Kyrle High School & Sixth Form Centre job description.

Related parties and other connected charities and organisations

The school works closely with the surrounding cluster of primary schools where we provide facilities they can use, especially for sport and specialist facilities including science, technology and art. This supports educational improvement for all children, aids transition into John Kyrle and assists collaboration with the wider community.

We have a suite of facilities that are open to the public to hire for sporting events, meetings, concerts to name a few. We have a full lettings schedule for Monday to Fridays between 18:00 and 22:00, and some weekend hire also.

The school works in partnership with various contractors in order to ensure quality for the school, including services and the site as a whole. This includes Alliance in Partnership who provide catering services and is a host kitchen for providing school lunches to many primary schools in the local area

Trade Union Facility Time

John Kyrle did not have any trade union representatives in the organisation during 2021-22. We joined the Herefordshire SLA for Trade Union from January 2022 and during September 2022 staff elected two union representatives for John Kyrle.

Therefore, during the period 1 September 2021 and 31 August 2022 there is no data to submit

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

We pride ourselves on our achievement culture and successes are always celebrated. We ask for individual students to aim for their personal best in the classroom, music studio, drama theatre, on the sports field or wherever their talents emerge.

Our vision

The school's student council has condensed our aspiration for students as:

Happy, healthy and successful

- We are a truly safe, inclusive, and comprehensive school
- We are committed to raising the achievement of students of all abilities
- We focus upon the individual, tailoring a programme of study and pastoral support to enable students to leave us as confident, articulate, and empowered young adults
- We ensure students are well prepared to respect others and contribute to wider society and life in Britain today
- We help our students to respect themselves, the school and wider environment; and
- Our students will experience a rich and broad curriculum.

Objectives, strategies, and activities

Our key priorities as a school are simple and we all work towards our "TEACH" goals:

- T = Teaching and Learning
- E = Engagement
- A = Academic Outcomes
- C = Community
- H = High Quality Leadership.

More detailed strategies and activities to achieve the 'TEACH' goals are contained in the school SDP (School Development Plan).

Public benefit

The academy trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising powers or duties. This has been with particular reference to Principles 1 and 2 as found in 'The Advancement of Education for the Public Benefit: 2008'.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The return in September 2021 was a positive start to the academic year due to the previous disruptions from covid. Unfortunately, covid throughout the autumn and spring terms, still had an impact on teaching and learning, as students and staff alike, were still required to isolate if positive with covid-19. Despite the disruptions, we experienced high student attendance throughout.

We continued with virtual parents' evenings, as this had proven to be a successful move during the pandemic to a more structured event.

We held a very positive Year 6 transition day at John Kyrle during July 2022 and now Year 7 students, they have settled well and are a credit to their primary schools.

Summer term saw a return to examinations, students were pleased with their outcomes in August. Most students gained places at their first-choice institution. As ever, there was success in gaining higher apprenticeships.

We envisage no student will be NEET.

Following a two-day Ofsted inspection in March 2022, the school's overall rating was 'Requires Improvement', the sub-gradings are as follows:

| | |
|-----------------------------|----------------------|
| • The quality of education | Requires Improvement |
| • Behaviour and attitudes | Good |
| • Personal development | Good |
| • Leadership and management | Requires Improvement |
| • Sixth-form provision | Good |

Whilst the school were disappointed with the overall judgement, the inspection team identified that the school are taking effective steps to remove inconsistency.

With the appointment of a new headteacher from September 2022, the trustees are focussed on the school development and improvement plan, providing clear aims and objectives with regards to teaching and learning and ensuring consistency throughout all the departments, linking to the TEACH goals mentioned.

The outward-facing nature of the school is emphasised with school-to-school and community support:

- formal links with primary schools, for example using our specialist facilities to assist them to deliver their priorities
- close work with primary schools on transition, especially for students with learning and/or attendance challenges
- the school deploying specialist to support schools (SLEs).

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Extra-curricular activities

The school offers a range of additional provision for students. This includes sport, music, drama, chess and a range of clubs and societies.

All aspects of PSHE/Citizenship/FBV are delivered across the curriculum and within our bespoke 'Happy, Healthy, Successful' curriculum. This aspect of our provision was given greater prominence as a result of Covid-19.

Trips planned in the academic year 2020-21 included:

- Geography field trips to the Forest of Dean, Cardiff, Oxwich Bay, Nettlecombe and Birmingham;
- Geology field trips to Lulworth and Broadhaven;
- History trips to Hampton Court;
- Biology field trip to Orierton;
- English and drama trips to the theatre in Birmingham and London.

Clearly, the usual offer of trips had to be scaled back from September 2021 due to the risk of foreign travel and covid-19 risks. We have made plans to run some foreign trips during 2022-23, which include:

- MFL trip to the Cologne Christmas Markets;
- Maths field trip to Disneyland Paris;
- Physics trip to CERN.

We will also be looking at adding value to student lives, through day trips to enhance their cultural capital experiences, to include theatre trips, museum experiences and team building opportunities. .

Due to the current economic situation in particular for all families and businesses facing large increases with energy costs, we are mindful that as a school we wish to offer students the opportunity for enrichment activities, but at a minimal cost to parents/carers. We will be looking carefully at the opportunities throughout the year and will ensure all students get the chance to take part in extra-curricular activities during 2022-23 with a low or little cost to the families.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

Student numbers

One, possibly the key, indicator of a school's success is parental preference. The school has seen an upward trend in student numbers, despite recent falling rolls in the primary sector. While still fulfilling its mission to draw students mainly from its locality, the school is increasingly popular with parents outside the traditional catchment area and across local authorities.

Number on roll:

| | | | |
|------------------|-------|-----------|-------|
| • September 2022 | 1,429 | • 2018-19 | 1,452 |
| • 2021-22 | 1,419 | • 2017-18 | 1,387 |
| • 2020-21 | 1,408 | • 2016-17 | 1,373 |
| • 2019-20 | 1,427 | • 2015-16 | 1,428 |

Sixth Form

The current intake of Year 12 is 115 which is between 30-60 lower than in previous years, this can be attributed to several factors including the options offered at other local sixth form establishments that are different to what John Kyrle currently offer, also the locality of a new school sixth form just over the border in Gloucestershire.

Gathering parental feedback

We are aiming to utilise a system to gauge student and parental feedback on at least a half termly basis, via an online system. We also wish to utilise our site and staff to offer engagement with the primary schools and the wider community.

Attendance

Our attendance during September was 94.12%, although this is below the target set by the school during 2021-22 of 96%, is it above the national average. We continue to monitor the attendance of our individual learner groups, including SEN and Pupil Premium, as we want to work together to improve school attendance as per the DfE expectations and aiming for 100% attendance for all students, with our continued approach of engaging with families and utilising our pastoral system to make regular contact home via tutors, heads of year, pastoral assistant, attendance and the senior leadership team.

Risk management

Since incorporation, the trustees and SLT have completed a whole-school risk assessment to identify and implement strategies for addressing risk. Trustees have reviewed the risks to which the school is exposed, and considered those relating to teaching, provision of facilities, other operational areas of the school, and its finances. Where significant risks remain, they have ensured adequate insurance cover and discussed significant risk mitigation measures.

As part of the risk management of the organisation, the trustees have ensured they have an appropriate Whistleblowing Policy, which provides written procedures and is to protect staff who report individual(s) they believe are doing something wrong or illegal.

School Development Plan 2021-22

The school used the Ofsted model as the framework for its school development plan. In 2021-22 we focused upon:

- outcomes;
- quality of education;
- behaviour and attitudes;
- personal development; and
- leadership and management.

The aim is for high-quality provision in all areas.

The school set 10 key performance indicators. Each department/year group took several of these KPI's and developed them within the context of their area. Each KPI was the responsibility of a member of SLT who reported progress to the relevant trustee committee. This group, in turn RAG (red, amber, green) rated each area on a least a termly basis. Many areas were graded green, with nothing red.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. In particular, in light of financial forecasts and the trustees' assessment of the impact following the final settlement in relation to the employment tribunal, we do not believe that there is any material uncertainty in respect of going concern. We as a board are keeping this matter under constant review, together with regular communication with the ESFA and Regional Schools Commissioner. With the impending opportunity of joining a multi-academy trust, this will also provide benefits to John Kyrle with regards to financial and curriculum opportunities.

For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The accounting period is from the 1 September 2021 to 31 August 2022. The majority of the school's income is obtained from the ESFA in the form of a recurrent grant, the use of which is restricted to a particular purpose. The grant received from the ESFA during the year ending 31 August 2022 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

Key performance indicators include: Student / Teacher ratio

2021/22: 15.7

2020/21:16.3

2019/20:18.6

2018/19: 19.1

2017/18: 17.8

2016/17: 17.6

2015/16: 17.1

Staff costs as % of GAG income:

2021/22: 92.01%

2020/21:93.4%

2019/20:90.0%

2018/19: 90.0%

2017/18: 88.0%

2016/17: 85.9%

2015/16: 86.5%

Financial position

An in year revenue deficit of £843,143 has been made prior to transfers to fund capital expenditure, however this includes exceptional net expenditure of £558,449 in relation to the final agreed settlement in respect of the employment tribunal (refer to the Exceptional items note). The underlying deficit on operating activities is therefore £284,694. The school continues to maintain a positive level of funds with unrestricted reserves at £152,895, restricted revenue reserves of £226,358, before a pension deficit of £1,753,000 and restricted fixed asset funds of £19,731,824.

In July 2021, the academy received a valuation certificate from the DfE for the land and buildings at John Kyrle High School & Sixth Form Centre. The board of trustees at the time decided that additional information was required in order to consider the appropriateness of this valuation, with regard to the quality of the information used and make an informed decision, compared to the information used to estimate the initial transfer upon academy conversion in 2010-11. Following this decision and with the trust now seeking to join a multi-academy trust, the valuation will be reviewed in line with transferring assets to the MAT upon consolidation.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Reserves policy

The Resources committee has established a Reserves' Policy in line with guidelines. The trustees can view the reserves of the academy at each financial committee meeting, from the management accounts. The Academy's 'free' reserves are the funds remaining after excluding any restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for the Academy's purposes once it has met its commitments and covered other planned expenditure.

The Academy's policy states that the appropriate level of revenue reserves should ideally be equivalent to one month's expenditure, currently estimated to be between £600,000 and £650,000. This being to provide sufficient working capital, in order to cover delays between spending and receipt of grants.

The free reserves figure is currently £153k (2021: £876k) the value of approximately 0.24 (2021: 1.3) month's academy expenditure which provides a cushion to deal with unexpected emergencies such as urgent maintenance. The significant drop in our reserves is predominantly due to the tribunal settlement and therefore we plan to budget carefully over the coming years, to re-establish the reserves to the appropriate level of one month's expenditure.

Due to the accounting requirements for the Local Government Pension Scheme (LGPS), we have recognised a significant pension fund deficit. Where this creates a deficit in the restricted general fund this does not mean that an immediate liability for this amount will crystallize. The deficit position of the pension scheme results in a cash flow effect for the Academy Trust in the form of an increase in employers' pension contributions over a period of 19 years from 2011.

Investment policy

The investment policy is required to ensure that investments are protected rather than maximising interest. Short-term investments are restricted to transfers to the academy deposit account. The academy's business and finance director ensures that surplus funds are deposited to maximize interest. The academy's current account will hold enough funding to cover the monthly outgoings.

Details of monthly deposit account transfers will be sent by the business and finance director to:

- headteacher for authorisation
- chair of trustees (for information)
- chair of resources committee (for information)

Principal risks and uncertainties

The trustees, in conjunction with senior managers, complete a whole-school risk assessment each year. Regular finance committee meetings also highlight uncertainties enabling us to plan any potential impact. The following areas of potential impact which pose as a risk to the academy are:

Funding/expenditure:

- Impact of lower student numbers (also catchment schools v nearest school)
- Impact of national funding formula, particularly in an area with a proliferation of schools requiring top-slicing by the Local Authority for both small-school protection and receiving minimum-funding guarantee
- Impact of inflationary pressures over the next three years, especially the increase in energy costs
- Impact of teachers' pay award and pension contributions
- Increase in NI costs from April 2022

Competition:

- The relatively small number of available staff to either replace existing teachers or expand departments is becoming an increasing pressure. Recruitment and retention throughout the teaching profession is a concern nationally.
- Impact of new post-16 facility locally is seen in reduced numbers of external sixth form students.

Financial and risk management objectives and policies

All risks are assessed annually against a three-year rolling budget forecast verified by the Internal Auditors. The trust does not anticipate any credit, cash flow or liquidity risks for the foreseeable future. The pension deficit is covered in detail within note 25.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

John Kyrle students are involved in raising money for charities each year. The students mainly raise funds through cake sales. A record of the total sum raised, is banked within the School Fund bank account. Once all the funds have been collected, the total amount is provided to the fundraiser and paid directly to the charity. The student council as a collective are able to decide which charity they wish to support in any year, once the event is arranged, funds collected and banked, the amount is shared with the student council and either split between several chosen charities or paid to a single one as agreed by the students.

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the CFO.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

Energy consumption (kWh)

Aggregate of energy consumption in the year

kWh
1,313,709

Emissions of CO2 equivalent

Scope 1 - direct emissions

- Gas combustion

metric tonnes
149.40

- Fuel consumed for owned transport

metric tonnes
605.96

755.36

Scope 2 - indirect emissions

- Electricity purchased

95.40

Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the academy trust

654.57

Total gross emissions

1,505.33

Intensity ratio

Tonnes CO2e per pupil

1.06

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol – Corporate Standards and have used the 2020 and 2021 UK Government's conversion factors for company reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes in CO2e per student, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have undertaken an audit of LED lighting throughout the school buildings and where appropriate have already replaced old lights with LED alternatives.

Plans for future periods

As with all schools we operated successfully during the unprecedented period of covid-19 lockdowns. We continue to build and work on, to include communication with parents/carers and effective partnership work with the community.

Herefordshire local authority funded a capital development to the value of £2.3million at the school to accommodate 30 additional students per annum for the next five years. The new building houses six science laboratories, prep room, office and additional student toilets. September 2021 also saw the school increase its PAN from 210 to 240.

The Trustees spent several months considering the options of joining a multi-academy trust and, at their Board meeting on 27 June 2022, agreed that the Heart of Mercia MAT was their preferred choice. The Chair then registered an expression of interest which was warmly received by the Heart of Mercia MAT. The Trustees have appointed Mr George Craig to manage the process for the school and Browne Jacobson Solicitors to act for the school. It is expected that the transfer will take place in 2023. The regional schools' commissioner's office has encouraged the school in our move to join a multi-academy trust (MAT). This will be a significant focus for John Kyrle during 2022-23 as we look to become part of wider school community, where we can draw on expertise and share best practice with other schools in the MAT and build on the already good work the school does on a daily basis.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2022 and signed on its behalf by:

A E J McIntyre
Community (Chair)



JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Kyrle High School & Sixth Form Centre and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| N P J Griffiths (Headteacher and accounting officer) (Resigned 6 September 2021) | 0 | 0 |
| R Barker (Community (Chair)) (Resigned 13 April 2022) | 4 | 4 |
| A E J McIntyre (Community (Chair)) (Appointed 20 September 2021) | 6 | 6 |
| K Scott (Community) (Appointed 20 September 2021 and resigned 29 April 2022) | 4 | 4 |
| J Sturgess (Parent) (Appointed 20 September 2021 and resigned 30 May 2022) | 4 | 5 |
| S Parker (Parent) (Appointed 29 November 2021) | 3 | 4 |
| E Hermon (Community) (Appointed 3 May 2022) | 2 | 2 |
| M Nelson (Community) (Appointed 11 February 2022 and resigned 13 April 2022) | 1 | 2 |
| M Lee (Community) (Appointed 17 October 2022) | | |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The global pandemic has seen a change in how the role of governance is provided, especially as the school has moved to virtual committee and board meetings and now offers a hybrid of face to face and virtual.

It has been a challenging year throughout and the trustees undertake an annual review of their effectiveness, using the RAG rating to establish areas for improvement.

Following the loss of an employment tribunal in the summer 2020, the members instructed a governance review. The then governing body enacted a number of developments via an action plan, drawn up by the trust's members. There was work to enact this plan during the summer of 2021 with more work to be undertaken in 2021-22.

Continuity is provided by school leadership, and national leader of governance and the vice chair of trustees who stepped up to the role of chair in April 2022.

The RSC's office is fully involved with changes.

Trustees usually meet formally six times during the year, and review their effectiveness, where they set aside time to discuss the effectiveness of governance using a range of approaches such as:

- annual skills audit to identify any skills gap which in turn informs recruitment and effective use of all trustee skills;
- evaluation of training e.g., induction training for new trustees, safeguarding, Prevent;
- short quizzes to check trustee knowledge; and
- review of effectiveness benchmarked to national standards of effective governance e.g. NGA 20 questions and most recent Ofsted framework for leadership and management.

The Resources Committee

The Resources Committee is a sub-committee of the trust board, it has delegated responsibility to review and approve all information in relation to finance and in line with the academies trust handbook (ATH). It confirms to the schools financial value standards for academies and primarily oversees finance, staffing and premises information, including health and safety.

The Resources committee during 2021-22 have needed to understand the financial implications arising from the employment tribunal outcome and building the school's reputation following any negative impact this may have had. They have also reviewed IT audits, with lessons learnt from the school's cyber-attack in January 2020. Also been kept abreast of the new building project of £2.3m for the science department expansion, which completed in April 2022.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|--|--------------------------|------------------------|
| R Barker (Community (Chair)) (Resigned 13 April 2022) | 2 | 2 |
| A E J McIntyre (Community (Chair)) (Appointed 20 September 2021) | 0 | 2 |
| K Scott (Community) (Appointed 20 September 2021 and resigned 29 April 2022) | 2 | 2 |
| J Sturgess (Parent) (Appointed 20 September 2021 and resigned 30 May 2022) | 2 | 2 |
| S Parker (Parent) (Appointed 29 November 2021) | 1 | 1 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As accounting officer, the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- the school works well within its budget as evidenced by auditors' reports and a positive carry forward.
- challenges if met will not be a compromise in terms of student outcomes.
- 2022-23 academic year will no doubt continue to see changes throughout the school as we embark on a new journey by joining a multi-academy trust, under a new headteacher.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Kyrle High School & Sixth Form Centre for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks, to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, premises and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The board of trustees during 2021-22 decided to buy-in an internal audit service from Devon Audit Partnership for the year.

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

- testing of governance, accounting and financial control systems;
- testing of purchase and payment systems;
- testing of salaries, wages and expense systems;
- testing of income, debtors and debt management systems;
- testing of contract and tendering control systems; and
- testing of asset control systems.

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

The internal audit function has delivered the schedule of work as planned for 2021-22. There have been no material control issues arising from the internal audit reports.

Conflicts of interest

The definition is that '*any direct or indirect duty or personal interest (including but not limited to a personal financial interest) which conflicts or may conflict with their duties as a trustee*'. Conflicts of interest can arise and this does not mean trustees should not have any other interests outside the school and they are discouraged from becoming a trustee.

At John Kyrle, we ask trustees and senior staff to identify and allow the board to manage conflicts of interest, which will ensure this demonstrates that public funds have been used appropriately, thereby protecting the reputation of the academy trust. In order to eliminate conflicts of interest, we expect trustees and senior staff to identify any conflict at an early stage of discussion. We also have a requirement at each trustee meeting, as a recurring agenda item, for each person present to confirm any potential conflicts of interests in relation to the agenda. If an interest is declared, the person is to withdraw from the agenda item and not vote.

Each trustee is also asked to review their business and pecuniary interests each September and update their records as appropriate. This is published on the school's website and updated throughout the year if the information should change. The information required must include details of directorships, partnerships and employment with businesses, also trusteeships and governorships at other educational institutions or charities.

If a risk should arise, in order to remove the risk, the board can consider not pursuing the course of action, proceeding in a different way, securing the resignation or removal of a trustee or not appointing a trustee.

In relation to subsidiaries, joint ventures or associates, we do not have any of these to list.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process; and
- the work of the senior leaders within the academy who have responsibility for the development and maintenance of the internal control framework.


JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE


GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

Approved by order of the board of trustees on 12 December 2022 and signed on its behalf by:


J Morgan
Headteacher and accounting officer


A E J McIntyre
Community (Chair)

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of John Kyrle High School & Sixth Form Centre, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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



J Morgan
Headteacher and accounting officer

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of John Kyrle High School & Sixth Form Centre for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2022 and signed on its behalf by:

A E J McIntyre
Community (Chair)



JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

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

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

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

Azets Audit Services

**Katherine Parkin (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

20 December 2022
.....

**Chartered Accountants
Statutory Auditor**

Epsilon House
The Square
Gloucester Business Park
Gloucester
United Kingdom
GL3 4AD

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 14 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Kyrle High School & Sixth Form Centre during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of John Kyrle High School & Sixth Form Centre's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of John Kyrle High School & Sixth Form Centre's funding agreement with the Secretary of State for Education dated 22 December 2010 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment or risk of material irregularity.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: 20 December 2022

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | Unrestricted funds £ | Restricted funds: General £ | Fixed asset £ | Total 2022 £ | Total 2021 £ |
|--|----------|-------------------------|-----------------------------------|------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 2,068,565 | 2,068,565 | 352,583 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 149,661 | 8,057,561 | - | 8,207,222 | 8,032,988 |
| Other trading activities | 5 | 44,174 | - | - | 44,174 | 17,341 |
| Investments | 6 | 417 | - | - | 417 | 100 |
| Exceptional income | 13 | - | 150,000 | - | 150,000 | 100,000 |
| Total | | 194,252 | 8,207,561 | 2,068,565 | 10,470,378 | 8,503,012 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 8 | 127,991 | 8,408,516 | 933,755 | 9,470,262 | 8,715,584 |
| Exceptional expenditure | 13 | 558,449 | 150,000 | - | 708,449 | 465,060 |
| Total | 7 | 686,440 | 8,558,516 | 933,755 | 10,178,711 | 9,180,644 |
| Net income/(expenditure) | | (492,188) | (350,955) | 1,134,810 | 291,667 | (677,632) |
| Transfers between funds | 17 | (230,439) | - | 230,439 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial gains on defined benefit pension schemes | 25 | - | 2,430,000 | - | 2,430,000 | 145,000 |
| Net movement in funds | | (722,627) | 2,079,045 | 1,365,249 | 2,721,667 | (532,632) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 875,512 | (3,605,687) | 18,366,575 | 15,636,400 | 16,169,032 |
| Total funds carried forward | | 152,885 | (1,526,642) | 19,731,824 | 18,358,067 | 15,636,400 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

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

FOR THE YEAR ENDED 31 AUGUST 2022

| Comparative year information Year ended 31 August 2021 | Notes | Unrestricted | Restricted funds: | | Total |
|---|----------|------------------|-------------------|------------------|------------------|
| | | funds | General | Fixed asset | 2021 |
| | | £ | £ | £ | £ |
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | - | - | 352,583 | 352,583 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | 114,887 | 7,918,101 | - | 8,032,988 |
| Other trading activities | 5 | 17,341 | - | - | 17,341 |
| Investments | 6 | 100 | - | - | 100 |
| Exceptional income | 13 | - | 100,000 | - | 100,000 |
| Total | | 132,328 | 8,018,101 | 352,583 | 8,503,012 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| - Educational operations | 8 | 109,065 | 7,807,191 | 799,328 | 8,715,584 |
| Exceptional expenditure | 13 | 365,060 | 100,000 | - | 465,060 |
| Total | 7 | 474,125 | 7,907,191 | 799,328 | 9,180,644 |
| Net income/(expenditure) | | (341,797) | 110,910 | (446,745) | (677,632) |
| Transfers between funds | 17 | (256,601) | - | 256,601 | - |
| Other recognised gains/(losses) | | | | | |
| Actuarial gains on defined benefit pension schemes | 25 | - | 145,000 | - | 145,000 |
| Net movement in funds | | (598,398) | 255,910 | (190,144) | (532,632) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,473,910 | (3,861,597) | 18,556,719 | 16,169,032 |
| Total funds carried forward | | 875,512 | (3,605,687) | 18,366,575 | 15,636,400 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2022

| | Notes | 2022 | | 2021 | |
|--|-------|------------------|--------------------------|------------------|--------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 19,731,825 | | 18,366,575 |
| Current assets | | | | | |
| Debtors | 14 | 477,569 | | 769,980 | |
| Cash at bank and in hand | | 547,939 | | 1,736,187 | |
| | | <u>1,025,508</u> | | <u>2,506,167</u> | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 15 | (646,266) | | (1,226,342) | |
| Net current assets | | | <u>379,242</u> | | <u>1,279,825</u> |
| Net assets excluding pension liability | | | <u>20,111,067</u> | | <u>19,646,400</u> |
| Defined benefit pension scheme liability | 25 | | (1,753,000) | | (4,010,000) |
| Total net assets | | | <u><u>18,358,067</u></u> | | <u><u>15,636,400</u></u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | 17 | | | | |
| - Fixed asset funds | | | 19,731,824 | | 18,366,575 |
| - Restricted income funds | | | 226,358 | | 404,313 |
| - Pension reserve | | | (1,753,000) | | (4,010,000) |
| Total restricted funds | | | <u>18,205,182</u> | | <u>14,760,888</u> |
| Unrestricted income funds | 17 | | <u>152,885</u> | | <u>875,512</u> |
| Total funds | | | <u><u>18,358,067</u></u> | | <u><u>15,636,400</u></u> |

The accounts on pages 28 to 52 were approved by the trustees and authorised for issue on 12 December 2022 and are signed on their behalf by:

A E J McIntyre
Community (Chair)

Company registration number 07465249

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|-------------|------------------|-----------|------------------|
| Cash flows from operating activities | | | | | |
| Net cash (used in)/provided by operating activities | 21 | | (1,067,770) | | 137,259 |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 417 | | 100 | |
| Capital grants from DfE Group | | 114,646 | | 29,552 | |
| Capital funding received from sponsors and others | | 2,300,900 | | - | |
| Purchase of tangible fixed assets | | (2,536,441) | | (195,676) | |
| Net cash used in investing activities | | | <u>(120,478)</u> | | <u>(166,024)</u> |
| Net decrease in cash and cash equivalents in the reporting period | | | (1,188,248) | | (28,765) |
| Cash and cash equivalents at beginning of the year | | | 1,736,187 | | 1,764,952 |
| Cash and cash equivalents at end of the year | | | <u>547,939</u> | | <u>1,736,187</u> |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. After making appropriate enquiries and in light of financial forecasts and the trustees' assessment of the potential impact of a final settlement expected in relation to the employment tribunal, the board of trustees have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and the ESFA have indicated that financial support would be forthcoming if required. Therefore the trustees believe that 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 accounts.

1.3 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

| | |
|--------------------------|-----------|
| Long leasehold buildings | 2% |
| Leasehold improvements | 10% |
| Plant and machinery | 10% |
| Fixtures and fittings | 25% - 33% |
| Motor vehicles | 25% |

The Academy Trust leases land and buildings from Herefordshire Council. On conversion the Trustees agreed to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation would be onerous compared with the additional benefit derived by users of the accounts.

Due to the Academy Trust's buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost for recognition purposes.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 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.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education and School Fund accounts.

1.13 Long Leasehold Buildings

The academy has a 125 year lease for the property it operates from. The terms and conditions attached to the lease have been considered by the Trustees and they have concluded that the risk and rewards of ownership have substantially transferred to the Academy and therefore a Long Leasehold Buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The valuation of the Long Leasehold Building has also been considered by the Trustees and included at what they consider a reasonable and reliable estimate of the current market value.

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing certain monies to students, for example 16-19 Bursary funding from ESFA in so far as these are not discretionary in nature.

1.15 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 2,068,565 | 2,068,565 | 352,583 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 7,305,780 | 7,305,780 | 6,975,429 |
| Other DfE/ESFA grants: | | | | |
| Pupil premium | - | 203,907 | 203,907 | 194,546 |
| Supplementary grant | - | 88,403 | 88,403 | - |
| Teachers pension grants | - | 52,688 | 52,688 | 279,680 |
| Teachers pay grants | - | 18,646 | 18,646 | 98,976 |
| Others | - | 150,337 | 150,337 | 148,992 |
| | - | 7,819,761 | 7,819,761 | 7,697,623 |
| Other government grants | | | | |
| Local authority grants | - | 143,740 | 143,740 | 114,307 |
| COVID-19 additional funding | | | | |
| DfE/ESFA | | | | |
| Catch-up premium | - | 27,876 | 27,876 | 90,800 |
| Other funding | | | | |
| School fund | - | 63,854 | 63,854 | 15,371 |
| Other incoming resources | 149,661 | 2,330 | 151,991 | 114,887 |
| | 149,661 | 66,184 | 215,845 | 130,258 |
| Total funding | 149,661 | 8,057,561 | 8,207,222 | 8,032,988 |

The academy received £27,876 (2021: £90,800) of funding for catch-up premium and costs incurred in respect of this funding totalled £27,876 (2021: £90,800).

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 44,174 | - | 44,174 | 17,341 |

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 417 | - | 417 | 100 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

| | Staff costs | Non-pay expenditure | | Total | Total |
|----------------------------------|------------------|---------------------|------------------|-------------------|------------------|
| | £ | Premises | Other | 2022 | 2021 |
| | £ | £ | £ | £ | £ |
| Academy's educational operations | | | | | |
| - Direct costs | 5,917,748 | - | 518,131 | 6,435,879 | 6,048,091 |
| - Allocated support costs | 982,069 | 1,306,789 | 745,525 | 3,034,383 | 2,667,493 |
| Exceptional expenditure | - | - | 708,449 | 708,449 | 465,060 |
| | <u>6,899,817</u> | <u>1,306,789</u> | <u>1,972,105</u> | <u>10,178,711</u> | <u>9,180,644</u> |

Refer to the Exceptional items note for further details regarding items of exceptional expenditure.

| Net income/(expenditure) for the year includes: | 2022 | 2021 |
|---|----------------|------------------|
| | £ | £ |
| Fees payable to auditor for: | | |
| - Audit | 12,810 | 10,420 |
| - Assurance services other than audit | 3,585 | 2,915 |
| - Other services | 2,250 | 1,550 |
| Operating lease rentals | 30,148 | 30,853 |
| Depreciation of tangible fixed assets | 933,755 | 799,328 |
| Net interest on defined benefit pension liability | 66,000 | 69,000 |
| | <u>968,558</u> | <u>1,714,071</u> |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 8 Charitable activities | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | - | 6,435,879 | 6,435,879 | 6,048,091 |
| Support costs | | | | |
| Educational operations | 127,991 | 2,906,392 | 3,034,383 | 2,667,493 |
| | <u>127,991</u> | <u>9,342,271</u> | <u>9,470,262</u> | <u>8,715,584</u> |
| | | | 2022 | 2021 |
| | | | £ | £ |
| Analysis of support costs | | | | |
| Support staff costs | | | 982,069 | 872,166 |
| Depreciation | | | 933,755 | 799,328 |
| Technology costs | | | 105,685 | 166,569 |
| Premises costs | | | 373,034 | 267,227 |
| Legal costs | | | 6,633 | 6,486 |
| Other support costs | | | 589,859 | 515,580 |
| Governance costs | | | 43,348 | 40,137 |
| | | | <u>3,034,383</u> | <u>2,667,493</u> |

During the year ended 31 August 2022, the Academy Trust incurred £22,632 of Governance costs that are included in the Direct costs of Educational Operations (2021 - £73,471). Total Governance costs were £65,980 (2021: £113,878).

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

Staff costs

Staff costs during the year were:

| | 2022 £ | 2021 £ |
|---------------------------|-----------|-----------|
| Wages and salaries | 4,880,689 | 4,718,593 |
| Social security costs | 517,887 | 476,718 |
| Pension costs | 1,287,495 | 1,215,155 |
| Staff costs - employees | 6,686,071 | 6,410,466 |
| Agency staff costs | 139,857 | 107,763 |
| Staff restructuring costs | 73,889 | - |
| Total staff expenditure | 6,899,817 | 6,518,229 |

Staff restructuring costs comprise:

| | | |
|--------------------|--------|---|
| Severance payments | 73,889 | - |
|--------------------|--------|---|

Severance payments

The Academy paid 1 severance payment in the year, disclosed in the following bands:

£50,001 - £75,000 1

Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £26,272 (2021: £Nil). Individually, the payments were: £26,272.

Staff numbers

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

| | 2022 Number | 2021 Number |
|----------------------------|----------------|----------------|
| Teachers | 90 | 86 |
| Administration and support | 104 | 84 |
| Management | 8 | 9 |
| | 202 | 179 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Higher paid staff

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

| | 2022 Number | 2021 Number |
|---------------------------------|-------------------|-------------------|
| In the band £80,001 - £90,000 | 4 | 4 |
| In the band £90,001 - £100,000 | 1 | 1 |
| In the band £100,001 - £110,000 | 1 | 1 |
| In the band £120,001 - £130,000 | 1 | - |
| In the band £140,001 - £150,000 | - | 1 |
| | <u> </u> | <u> </u> |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership group as listed on the reference and administrative details pages. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £964,053 (2021: £1,144,064).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

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

Nigel Griffiths (Headteacher/Accounting Officer)

Remuneration £0 - £5,000 (2021 - £145,000 - £150,000)

Employer's pension contributions £0 - £5,000 (2021 - £30,000 - £35,000)

During the year ended 31 August 2022, travel expenses reimbursed to trustees totalled £Nil (2021 - £Nil).

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

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £214 (2021: £214). The cost of this insurance is included in the total insurance cost.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 12 | Tangible fixed assets | Long leasehold improvements buildings | Leasehold improvement | Assets under construction | Computer equipment | Plant and Fixtures and machinery fittings | Motor vehicles | Total |
|----|-----------------------|---------------------------------------|-----------------------|---------------------------|--------------------|---|----------------|------------|
| | | £ | £ | £ | £ | £ | £ | £ |
| | Cost | | | | | | | |
| | At 1 September 2021 | 21,312,529 | 3,526,292 | 400,813 | 437,160 | 57,058 | 25,305 | 25,848,015 |
| | Reclassification | 400,813 | - | (400,813) | - | - | - | - |
| | Additions | 1,997,625 | 224,799 | - | 62,354 | - | - | 2,299,005 |
| | At 31 August 2022 | 23,710,967 | 3,751,091 | - | 499,514 | 57,058 | 25,305 | 28,147,020 |
| | Depreciation | | | | | | | |
| | At 1 September 2021 | 4,546,680 | 2,472,906 | - | 309,434 | 46,155 | 25,305 | 7,481,440 |
| | Charge for the year | 537,012 | 330,904 | - | 55,597 | 3,975 | - | 933,755 |
| | At 31 August 2022 | 5,083,692 | 2,803,810 | - | 365,031 | 50,130 | 25,305 | 8,415,195 |
| | Net book value | | | | | | | |
| | At 31 August 2022 | 18,627,275 | 947,281 | - | 134,483 | 6,928 | - | 19,731,825 |
| | At 31 August 2021 | 16,765,849 | 1,053,386 | 400,813 | 127,726 | 10,903 | - | 18,366,575 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Exceptional items

Exceptional expenditure was incurred during the year ended 31 August 2022 in respect of compensation and legal fees in relation to an employment tribunal totalling £708,448 (2021: £465,060).

Exceptional income was recognised during the year ended 31 August 2022 in respect of an insurance claim that was awarded in relation to a claim for legal expenses and compensation awards arising as a result of the employment tribunal totalling £150,000 (2021: £100,000).

14 Debtors

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 11,953 | 38,415 |
| VAT recoverable | 139,165 | 124,763 |
| Other debtors | 9,283 | - |
| Prepayments and accrued income | 317,168 | 606,802 |
| | <u>477,569</u> | <u>769,980</u> |

15 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade creditors | 146,913 | 94,080 |
| Other taxation and social security | 126,014 | 125,073 |
| Other creditors | 147,479 | 120,160 |
| Accruals and deferred income | 225,860 | 887,029 |
| | <u>646,266</u> | <u>1,226,342</u> |

16 Deferred income

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Deferred income is included within: | | |
| Creditors due within one year | 71,726 | 37,660 |
| | <u>71,726</u> | <u>37,660</u> |
| Deferred income at 1 September 2021 | 37,660 | 38,967 |
| Released from previous years | (37,660) | (38,967) |
| Resources deferred in the year | 71,726 | 37,660 |
| | <u>71,726</u> | <u>37,660</u> |
| Deferred income at 31 August 2022 | <u>71,726</u> | <u>37,660</u> |

Income received during the period specific to funding for future periods, such as rates relief, has been deferred accordingly.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 358,744 | 7,305,780 | (7,457,519) | - | 207,005 |
| Pupil premium | - | 203,907 | (203,907) | - | - |
| Catch-up premium | - | 27,876 | (27,876) | - | - |
| Other DfE/ESFA grants | 17,799 | 221,671 | (239,470) | - | - |
| Supplementary grant | - | 88,403 | (88,403) | - | - |
| Other government grants | - | 143,740 | (143,740) | - | - |
| School funds | 27,770 | 63,854 | (72,271) | - | 19,353 |
| Insurance claim | - | 150,000 | (150,000) | - | - |
| Other restricted funds | - | 2,330 | (2,330) | - | - |
| Pension reserve | (4,010,000) | - | (173,000) | 2,430,000 | (1,753,000) |
| | <u>(3,605,687)</u> | <u>8,207,561</u> | <u>(8,558,516)</u> | <u>2,430,000</u> | <u>(1,526,642)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 17,237,174 | 114,646 | (527,789) | - | 16,824,031 |
| Capital expenditure from GAG | 169,038 | - | (94,250) | - | 74,788 |
| Local authority grants | 346,981 | 1,953,919 | (100,087) | - | 2,200,813 |
| Other grants and donations | 36,765 | - | (10,672) | - | 26,093 |
| Other donations | 63,000 | - | (11,000) | - | 52,000 |
| Unrestricted funds | 488,279 | - | (183,946) | 230,439 | 534,772 |
| Section 106 Monies | 25,338 | - | (6,011) | - | 19,327 |
| | <u>18,366,575</u> | <u>2,068,565</u> | <u>(933,755)</u> | <u>230,439</u> | <u>19,731,824</u> |
| Total restricted funds | <u>14,760,888</u> | <u>10,276,126</u> | <u>(9,492,271)</u> | <u>2,660,439</u> | <u>18,205,182</u> |
| Unrestricted funds | | | | | |
| General funds | 875,512 | 194,252 | (127,991) | (788,888) | 152,885 |
| Employment tribunal award | - | - | (558,449) | 558,449 | - |
| | <u>875,512</u> | <u>194,252</u> | <u>(686,440)</u> | <u>(230,439)</u> | <u>152,885</u> |
| Total funds | <u>15,636,400</u> | <u>10,470,378</u> | <u>(10,178,711)</u> | <u>2,430,000</u> | <u>18,358,067</u> |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

The Restricted General Funds includes GAG and other grants receivable from the ESFA and Local Authority towards the School's educational activities. School funds held in respect of educational visits and events are also included in the Restricted General Fund.

The Restricted General Fixed Assets Fund includes amounts receivable from the ESFA in respect of tangible fixed assets held for Academy use and amounts received from the Local Authority in respect of donated tangible fixed assets held for Academy use.

The Pension Reserve relates to the School's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers between funds relate to fixed asset purchases made from GAG and unrestricted reserves.

The academy trust is not subject to GAG carried forward limits.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|------------------|--------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 127,202 | 6,975,429 | (6,743,887) | - | 358,744 |
| Pupil premium | - | 194,546 | (194,546) | - | - |
| Teachers pension grants | - | 279,680 | (279,680) | - | - |
| Teachers pay grants | - | 98,976 | (98,976) | - | - |
| COVID-19 catch up premium | - | 90,800 | (90,800) | - | - |
| Other DfE/ESFA grants | - | 148,992 | (131,193) | - | 17,799 |
| Other government grants | - | 114,307 | (114,307) | - | - |
| Insurance claim | - | 100,000 | (100,000) | - | - |
| Other restricted funds | 42,201 | 15,371 | (29,802) | - | 27,770 |
| Pension reserve | (4,031,000) | - | (124,000) | 145,000 | (4,010,000) |
| | <u>(3,861,597)</u> | <u>8,018,101</u> | <u>(7,907,191)</u> | <u>145,000</u> | <u>(3,605,687)</u> |
| Restricted fixed asset funds | | | | | |
| DfE group capital grants | 17,759,238 | 29,552 | (527,666) | (23,950) | 17,237,174 |
| Capital expenditure from GAG | 271,544 | - | (102,506) | - | 169,038 |
| Local authority grants | 13,088 | - | (13,088) | - | - |
| Local authority grants | - | 323,031 | - | 23,950 | 346,981 |
| Other grants and donations | 48,134 | - | (11,369) | - | 36,765 |
| Other donations | 74,000 | - | (11,000) | - | 63,000 |
| Unrestricted funds | 359,366 | - | (127,688) | 256,601 | 488,279 |
| Section 106 Monies | 31,349 | - | (6,011) | - | 25,338 |
| | <u>18,556,719</u> | <u>352,583</u> | <u>(799,328)</u> | <u>256,601</u> | <u>18,366,575</u> |
| Total restricted funds | <u>14,695,122</u> | <u>8,370,684</u> | <u>(8,706,519)</u> | <u>401,601</u> | <u>14,760,888</u> |
| Unrestricted funds | | | | | |
| General funds | 1,473,910 | 132,328 | (109,065) | (621,661) | 875,512 |
| Employment tribunal award | - | - | (365,060) | 365,060 | - |
| | <u>1,473,910</u> | <u>132,328</u> | <u>(474,125)</u> | <u>(256,601)</u> | <u>875,512</u> |
| Total funds | <u>16,169,032</u> | <u>8,503,012</u> | <u>(9,180,644)</u> | <u>145,000</u> | <u>15,636,400</u> |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2022 are represented by: | | | | |
| Tangible fixed assets | - | - | 19,731,825 | 19,731,825 |
| Current assets | 152,885 | 763,079 | 109,544 | 1,025,508 |
| Current liabilities | - | (536,721) | (109,545) | (646,266) |
| Pension scheme liability | - | (1,753,000) | - | (1,753,000) |
| Total net assets | 152,885 | (1,526,642) | 19,731,824 | 18,358,067 |

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 18,366,575 | 18,366,575 |
| Current assets | 1,240,572 | 852,087 | 413,508 | 2,506,167 |
| Current liabilities | (365,060) | (447,774) | (413,508) | (1,226,342) |
| Pension scheme liability | - | (4,010,000) | - | (4,010,000) |
| Total net assets | 875,512 | (3,605,687) | 18,366,575 | 15,636,400 |

19 Capital commitments

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Expenditure contracted for but not provided in the accounts | - | 1,990,056 |

The prior year commitment relates to capital expenditure, of which £2,300,900 was funded by a local Government grant.

20 Long-term commitments

Operating leases

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

| | 2022 £ | 2021 £ |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 19,691 | 18,353 |
| Amounts due in two and five years | 20,777 | 29,235 |
| | 40,468 | 47,588 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 21 Reconciliation of net income/(expenditure) to net cash flow from operating activities | 2022 | 2021 |
|--|--------------------|----------------|
| | £ | £ |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 291,667 | (677,632) |
| Adjusted for: | | |
| Capital grants from DfE and other capital income | (2,068,565) | (352,583) |
| Investment income receivable | (417) | (100) |
| Defined benefit pension costs less contributions payable | 107,000 | 55,000 |
| Defined benefit pension scheme finance cost | 66,000 | 69,000 |
| Depreciation of tangible fixed assets | 933,755 | 799,328 |
| (Increase) in debtors | (54,570) | (50,753) |
| (Decrease)/increase in creditors | (342,640) | 294,999 |
| Net cash (used in)/provided by operating activities | (1,067,770) | 137,259 |

| 22 Analysis of changes in net funds | 1 September 2021 | Cash flows | 31 August 2022 |
|-------------------------------------|------------------|-------------|----------------|
| | £ | £ | £ |
| Cash | 1,736,187 | (1,188,248) | 547,939 |

23 Contingent liabilities

There are no contingent liabilities as at the year ended 31 August 2022.

During the year ended 31 August 2020, the court ruled in favour of an employee in respect of an employment tribunal. After the year ended 31 August 2021, an interim compensation payment was made to the employee which was accrued as at 31 August 2021 and was recognised as exceptional expenditure. As at 31 August 2021 a further liability was expected to arise in relation to legal costs and further compensation, however the amount of the obligation could not be estimated with sufficient reliability to recognise a provision. During the year ended 31 August 2022 these costs were were quantified and recognised in exceptional expenditure.

Contingent asset

There are no contingent assets as at the year ended 31 August 2022.

Prior to 31 August 2021, the Trust made an insurance claim in relation to legal costs and compensation awards in respect of the above employment tribunal. Exceptional income of £100,000 was recognised within the Statement of Financial Activities during the year ended 31 August 2021. It was probable that further insurance reimbursements would be received up to the value of £150,000 as at 31 August 2021. An asset was not recognised in respect of this as the amount of the reimbursement was dependant on the final legal costs and award amounts which were unknown as at 31 August 2021. Final reimbursements in relation to this were included in exceptional income for the year ended 31 August 2022.

Further details regarding the above is provided in the Exceptional items note.

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 Related party transactions

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

No related party transactions took place in the period of account (2021: £Nil), other than certain trustees' remuneration and expenses already disclosed in note 10.

25 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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £99,564 (TPS) and £19,062 (LGPS) were payable to the schemes at 31 August 2022 (2021 - £101,546 (TPS) and £17,369 (LGPS)) and are included within creditors.

Additional LGPS contributions amounting to £81,842 were prepaid at 31 August 2022 (2021: £78,808) and are included within prepayments.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £864,161 (2021: £865,626).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.60% for employers and 5.5 - 12.5% for employees.

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

| | | |
|--|-------------|-------------|
| Total contributions made | 2022 | 2021 |
| | £ | £ |
| Employer's contributions | 316,000 | 295,000 |
| Employees' contributions | 56,000 | 51,000 |
| Total contributions | 372,000 | 346,000 |
| Principal actuarial assumptions | 2022 | 2021 |
| | % | % |
| Rate of increase in salaries | 4.4 | 4.2 |
| Rate of increase for pensions in payment/inflation | 3.0 | 2.8 |
| Discount rate for scheme liabilities | 4.3 | 1.7 |
| Inflation assumption (CPI) | 2.9 | 2.7 |
| Commutation of pensions to lump sums | 50 | 50 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Pension and similar obligations

(Continued)

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

| | 2022 | 2021 |
|----------------------|--------------|--------------|
| | Years | Years |
| Retiring today | | |
| - Males | 22.6 | 22.7 |
| - Females | 25.0 | 25.1 |
| Retiring in 20 years | | |
| - Males | 24.1 | 24.4 |
| - Females | 27.0 | 27.1 |

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

| | 2022 | 2021 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Discount rate + 0.1% | (101,000) | (139,000) |
| Discount rate - 0.1% | 103,000 | 141,000 |
| Mortality assumption + 1 year | 127,000 | 261,000 |
| Mortality assumption - 1 year | (124,000) | (253,000) |
| CPI rate + 0.1% | 104,000 | 140,000 |
| CPI rate - 0.1% | (102,000) | (138,000) |

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

| | 2022 | 2021 |
|------------------------------|-------------------|-------------------|
| | Fair value | Fair value |
| | £ | £ |
| Equities | 3,018,000 | 3,293,000 |
| Other bonds | 111,000 | 4,000 |
| Cash/liquidity | 74,000 | 99,000 |
| Property | 341,000 | 174,000 |
| Other assets | 567,000 | 388,000 |
| Total market value of assets | 4,111,000 | 3,958,000 |

The actual return on scheme assets was £(90,000) (2021: £600,000).

Amount recognised in the Statement of Financial Activities

| | 2022 | 2021 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Current service cost | 419,000 | 347,000 |
| Interest income | (69,000) | (59,000) |
| Interest cost | 135,000 | 128,000 |
| Administration expenses | 4,000 | 3,000 |
| Total operating charge | 489,000 | 419,000 |

JOHN KYRLE HIGH SCHOOL & SIXTH FORM CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| 25 Pension and similar obligations | (Continued) | |
|--|--------------------|------------------|
| Changes in the present value of defined benefit obligations | 2022 | 2021 |
| | £ | £ |
| At 1 September 2021 | 7,911,000 | 7,142,000 |
| Current service cost | 419,000 | 347,000 |
| Interest cost | 135,000 | 128,000 |
| Employee contributions | 56,000 | 51,000 |
| Actuarial (gain)/loss | (2,589,000) | 396,000 |
| Benefits paid | (125,000) | (153,000) |
| | <u>7,911,000</u> | <u>7,911,000</u> |
| At 31 August 2022 | <u>5,807,000</u> | <u>7,911,000</u> |
| | | |
| Changes in the fair value of the academy trust's share of scheme assets | 2022 | 2021 |
| | £ | £ |
| At 1 September 2021 | 3,901,000 | 3,111,000 |
| Interest income | 69,000 | 59,000 |
| Actuarial loss/(gain) | (159,000) | 541,000 |
| Employer contributions | 316,000 | 295,000 |
| Employee contributions | 56,000 | 51,000 |
| Benefits paid | (125,000) | (153,000) |
| Effect of non-routine settlements and administration expenses | (4,000) | (3,000) |
| | <u>4,054,000</u> | <u>3,901,000</u> |
| At 31 August 2022 | <u>4,054,000</u> | <u>3,901,000</u> |

26 Members' liability

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

27 Events after the end of the reporting period

After the balance sheet date, the Trustees confirmed their intention for the academy to join the Heart of Mercia Multi-Academy Trust, however no formal agreement is yet in place.