

**BISHOP OTTER ACADEMY TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

<b>Members:</b>	The Right Revd Dr Martin Warner Gabrielle Higgins Jenny Barnard-Langston Diocese of Chichester Education Trust	
<b>Trustees:</b>	Jenny Barnard-Langston	Appointed 9 April 2020
	Christine Bartley	Appointed 9 April 2020
	Trevor Cristin	Appointed 1 April 2022
	Matt Davis	Appointed 9 April 2020
	Lesley Hurst	Appointed 12 April 2018
	Martin Lloyd-Williams	Appointed 12 April 2018
	Claire Rivers	Appointed 1 April 2022
	Stephen Paynter	Appointed 9 April 2020, Resigned 7 September 2022
<b>Company Secretary:</b>	Wendy Cooke	
<b>Senior Management Team:</b>	David Etherton, Chief Executive Officer Wendy Cooke, Chief Financial Officer	
<b>Company Name:</b>	Bishop Otter Academy Trust	
<b>Registered Office:</b>	St Nicolas and St Mary's CE Primary School Eastern Avenue Shoreham-by-Sea West Sussex BN43 6PE	
<b>Company Registration Number:</b>	11307754	
<b>Independent Auditor:</b>	Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR	
<b>Bankers:</b>	Lloyds Bank	
<b>Solicitors:</b>	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT	

**BISHOP OTTER ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> June 2022 to 31<sup>st</sup> August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Shoreham-by-Sea. It has a pupil capacity of 420 and had a roll of 389 in the school census on 6<sup>th</sup> October 2022.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Bishop Otter Academy Trust (BOAT) are also the directors of the charitable company for the purposes of company law. The charitable company operates as Bishop Otter Academy Trust or 'BOAT'.

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 the preceding pages of this document.

#### **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**

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

#### **Method of Recruitment and Appointment or Election of Trustees**

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- A minimum of 5 Directors, at least one of whom shall be a member of the local clergy, appointed by the members by ordinary resolution.
- One or more additional directors, appointed by the Diocesan Corporate Member, in any circumstances where the Secretary of State is entitled to serve a warning notice under the Relevant Funding Agreement or in the opinion of the Diocesan Corporate Member the standards or the ethos of any Church of England Academy have fallen unacceptably low
- A minimum of 2 parent directors, and otherwise such number as the Members shall decide who shall be appointed or elected, in circumstances where the Directors have not appointed Local Governing Bodies in respect of the Academies or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body.
- Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Director.
- The Directors may appoint Co-opted Directors. The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Chief Executive Officer to the extent he is a Director.

The term of office for any trustee is 4 years. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given the opportunity to tour the academy/ies and the chance to meet with staff and pupils. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

**BISHOP OTTER ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Structure, Governance and Management (continued)**

**Organisational Structure**

The academy trust has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the CEO and CFO who are the senior executive leadership team. Then there is the local governing body (LGB) and headteacher with two deputy heads and a School Business Manager, supported by an Executive Headteacher

The role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The trust has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders and terms of reference. The CEO is directly responsible for the day to day running of the academy trust and is assisted by the central staff team. The headteacher is responsible for the day to day running of the academy and is assisted by the Senior Leadership Team.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Chief Executive Officer assumes the accounting officer role.

**Arrangements for setting Pay and Remuneration of Key Management Personnel**

The Board has responsibility for setting the pay and remuneration for executive directors and senior management. The Board reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

This Board also sets the band of annual pay increases for all staff as guidelines for each of the academies pay committees. The Trust scheme of delegation sets out the responsibility for pay increases for all staff to the Principal and the pay committee.

**Trade Union Facility Time**

There has been no Trade Union Facility Time.

**Related Parties and other Connected Charities and Organisations**

There are no Related Parties and other Connected Charities and Organisations other than:

- Diocesan Board of Education (DBE) for the Diocese of Chichester
- Diocese of Chichester Education Trust (DoCET)

**Objectives and Activities**

**Objects and Aims**

1. The Company's object ("the Object") is specifically restricted to the following:  
to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which:
  - (i) shall include Church of England Academies ("Church Academies" and each a "Church Academy") designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
  - (ii) may include other Academies whether with or without a designated religious character;

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Where an Academy is designated as or recognised as a Church Academy, in relation to the ethos and religious education provided at the academy the Directors shall have regard to any advice and follow any directives issued by the Diocesan Corporate Member.

**BISHOP OTTER ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Objectives and Activities (continued)**

**Objects and Aims (continued)**

The trust has agreed the following with the DfE:

- Church of England academies: Church supplemental agreement: single and multi-academy model
- Academy and free school: master funding agreement
- Mainstream and free school: supplemental funding agreement

**Objectives, Strategies and Activities**

**Public Benefit**

Our memorandum and articles of association detail the powers that the company can exercise for public benefit. This includes to:

- Operate bank accounts and raise funds
- acquire, alter, improve and charge or otherwise dispose of property
- employ such staff
- establish or support, any charitable companies, trusts, associations or institutions formed for all or any of the Objects;
- Co-operate with other charities, other independent and maintained schools, academies and institutions within the further education sector, voluntary bodies and statutory authorities
- establish, maintain, carry on, manage and develop the Academies
- offer scholarships, exhibitions, prizes and awards to pupils and students former pupils and former students, and otherwise to encourage and assist the educational attainment of pupils and students and former pupils and former students
- provide educational facilities and services to students of all ages and the wider community for the public benefit
- carry out research into the development and application of new techniques in education and to their approach to curriculum development and delivery
- borrow and raise money for the furtherance of the Object
- deposit or invest any funds of the Company not immediately required for the furtherance of its Object
- do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object and appropriate to the religious character of any Academy including entering into any protocol, arrangement or agreement with the Diocesan Corporate Member in relation to the exercise of powers and discharge of functions under the Measure

**Strategic Report - Achievements and Performance**

**Key Performance Indicators**

In the first three months, the trust set and achieved the following:

- Smooth transition to new HR and payroll, insurance (buildings and staff absence),
- Implementation of new MIS pupil system
- Financial systems are 'live'
- Start internal communications
- Ensure all statutory policies are on track to be in place by early Autumn
- Undertake range of self-evaluation and assurance work
- Set budgets for 2022-23 at school and trust level
- Establish Finance, Audit and Risk Committee

As the trust had only been operating with an academy for three months, some Key Performance Indicators are to be reviewed after a year of operation. E.g. Performance Management, trustee, governor and staff training.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**BISHOP OTTER ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic Report - Financial Review**

**Finance Review**

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**Reserves Policy**

Academy trusts are expected to maintain reserves, as they are standalone charitable companies. The Academies Financial Handbook (AFH) also states that the board of trustees must notify ESFA within 14 days if proposing a deficit revenue budget for the current financial year which it cannot address after considering unspent funds from previous years.

The amount of reserves each academy trust should set aside will depend on the type and size of the academy trust as well as the particular risks that it faces (for instance, if they are locked into a PFI contract). Trustees also need to consider how "liquid" their revenue reserves should be. This is in addition to any reserves which trustees wish to set aside for any capital projects.

Total reserves at the end of the period amounted to £257,495. This balance includes unrestricted funds (free reserves) of (£568), which are considered appropriate for the Academy Trust, and restricted funds of £258,063.

The policy of the trust is that each school has a reserve of at least 5% of GAG funding (excluding restricted funds such as SEND Funding, Pupil Premium and other grants). In addition the trust will maintain a reserve of at least 5% of its central core costs. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

**Investment Policy**

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2022, no investments were held.

**Principal Risks and Uncertainties**

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust's system of internal controls ensures risk is minimal in these areas.

A risk management policy has been approved by trustees. A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, behaviour and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The predecessor school had an effective system of internal financial controls and this is being updated for the Trust.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2022. 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.

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

**Fundraising**

The Trust has not engaged in any fundraising activities for the period of this report. However, the PTA of the school has undertaken fundraising for specific projects in the school.

Due consideration is given at all times to ensuring that no fundraising practices are unreasonably intrusive or apply undue pressure especially with regard to vulnerable persons.

**Plans for Future Periods**

Strategic Priority 1: Partnership and Growth

Our goal is to work in partnerships with others which is of benefit to all and could lead to growth of the trust and the development of a strong family of schools collaborating together.

The trust is in the process of developing a four-stage approach:

- 1) Proposing – inviting and inspiring heads to take ownership in leading the trust's school improvement agenda
- 2) Pioneering – working and planning with imaginative and innovative heads
- 3) Partnering – collaborating with others on school improvement and potentially some back-office functions
- 4) Performing – making a transformational difference to the lives of children.

This priority is also about giving schools the opportunity to join and grow the trust. The trust is in the process of putting a growth plan together.

Strategic Priority 2: Educational Excellence

Our goal is to develop educational excellence that is transformational for the pupils in the trust and our partner schools. Our aim is to provide a church education which is as broad as possible and promotes life in all its fullness. Our vision is that all our schools provide academic rigor united with the well-being of pupils. We want all the children in our trust and our associate and partner schools to 'shine'.

This will be achieved, partly through Strategic Priority 1 but also by putting a trust school improvement strategy together.

Strategic Priority 3: Operational Effectiveness

Alongside our two core strategic priorities, the trust wants to ensure that it is 'fit for purpose'. There will be an ongoing focus on operational systems and processes e.g. structures, communication, finance and compliance, to ensure that the trust is efficient and effective. All of this will be developed into more detail:

- Finance: Financial sustainability and resilience strategy
- Compliance: Policies, premises etc.
- Communication: Effective communication to facilitate all that we hope to achieve.
- Governance and Leadership: Developing outstanding governance and leadership including clear roles, responsibilities and expectations

**Funds Held as Custodian Trustee on Behalf of Others**

The Academy Trust and its trustees did not act as custodian trustee during the current or previous period.



**BISHOP OTTER ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 15 December 2022 and signed on the board's behalf by:



**Christine Bartley**  
**Chair of Finance, Audit and Risk Committee**

**BISHOP OTTER ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Bishop Otter Academy Trust 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 Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bishop Otter Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 2 times during the period 1st June to 31st August 2022).

Attendance at meetings of the board of trustees during this two-month period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jenny Barnard-Langston	2	2
Christine Bartley	2	2
Matt Davis	1	2
Lesley Hurst	2	2
Stephen Paynter	1	2
Revd Martin Lloyd Williams	1	2
Claire Rivers	2	2
Trevor Cristin	2	2

The board maintains a complete register of pecuniary interests, which is published on the trust's website. This is updated at least annually. The trust has a Trustee and Governor Code of Conduct which outlines how conflicts of interest are managed.

The board will normally meet 6 times per year but for the academic year 2021-22 it met 10 times. However, the board only met twice in the three-month period from when the first school joined the Trust.

The Finance, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the details oversight of finance and risk. For the first three months, the sub-committee did not meet as full board took responsibility whilst it established the Terms of Reference for the sub-committee.

**Review of value for money**

As accounting officer, the Chief Executive Officer 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year (3-month period) by:

- Overseeing the tendering process for appointment of auditors
- Overseeing purchase of staff absence insurance – comparing quotes.

## **GOVERNANCE STATEMENT (CONTINUED)**

### **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 for the school for the period up until to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st June to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

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

The board of trustees has decided:

- not to appoint an auditor for this purpose. However, the trustees have appointed Stephen Paynter, a trustee, to carry out a programme of internal checks.

The internal auditor's / reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. The trustee with financial expertise undertook some internal checks in the period prior to conversion, including bank statement reconciliation and ordering and authorisation processes. The trust has been working in partnership with Bishop Luffa Learning Partnership who have assisted in the setting up of financial systems and ensuring that they are robust.

On a termly basis, the auditor / reviewer will report to the board of trustees, through the finance, 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 agreed schedule of work will be delivered for the first full financial year.

**BISHOP OTTER ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

As accounting officer, the Chief Executive Officer 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 / reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on their behalf by:



**Christine Bartley**  
**Chair of Finance, Audit and Risk Committee**



**David Etherton**  
**Accounting Officer**

**BISHOP OTTER ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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



**David Etherton**  
**Accounting Officer**  
Date: 15 December 2022

**BISHOP OTTER ACADEMY TRUST**  
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**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:



**Christine Bartley**  
**Chair of Finance, Audit and Risk Committee**

**BISHOP OTTER ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BISHOP OTTER ACADEMY TRUST**

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**BISHOP OTTER ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BISHOP OTTER ACADEMY TRUST (CONTINUED)**

**Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's 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 Trustee's Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BISHOP OTTER ACADEMY TRUST (CONTINUED)**

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

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

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

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy's operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BISHOP OTTER ACADEMY TRUST (CONTINUED)**

**Use of our report**

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

 FOR LANDAU BAKER LIMITED

**Carly Pinkus (Senior Statutory Auditor)**

for and on behalf of

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

15 December 2022

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP OTTER ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Otter Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Bishop Otter Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bishop Otter Academy Trust's funding agreement with the Secretary of State for Education dated 20 December 2021 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP  
OTTER ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

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

*Landau Baker Limited*

**Reporting Accountant**

**Landau Baker Limited**

Chartered Accountants  
Statutory Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 15 December 2022

**BISHOP OTTER ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
<b>Income from:</b>					
Donations and capital grants	3	(572)	(6,144)	24,654	17,938
Other trading activities	5	-	33,196	-	33,196
Investments	6	4	-	-	4
Charitable activities	4	-	591,044	-	591,044
<b>Total income</b>		<b>(568)</b>	<b>618,096</b>	<b>24,654</b>	<b>642,182</b>
<b>Expenditure on:</b>					
Charitable activities	8	-	597,032	1,456	598,488
<b>Total expenditure</b>		<b>-</b>	<b>597,032</b>	<b>1,456</b>	<b>598,488</b>
<b>Net movement in funds before other recognised gains</b>		<b>(568)</b>	<b>21,064</b>	<b>23,198</b>	<b>43,694</b>
<b>Other recognised gains:</b>					
Actuarial gains on defined benefit pension schemes	23	-	122,000	-	122,000
<b>Net movement in funds</b>		<b>(568)</b>	<b>143,064</b>	<b>23,198</b>	<b>165,694</b>
<b>Reconciliation of funds:</b>					
Net movement in funds		(568)	143,064	23,198	165,694
<b>Total funds carried forward</b>		<b>(568)</b>	<b>143,064</b>	<b>23,198</b>	<b>165,694</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 38 form part of these financial statements.

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 11307754**

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

	<b>Note</b>		<b>2022</b>
			<b>£</b>
<b>Fixed assets</b>			
Tangible assets	13		13,836
			13,836
<b>Current assets</b>			
Debtors	14	17,690	
Cash at bank and in hand		440,015	
		457,705	
Creditors: amounts falling due within one year	15	(190,847)	
		266,858	
<b>Net current assets</b>			<b>266,858</b>
<b>Total assets less current liabilities</b>			<b>280,694</b>
<b>Net assets excluding pension liability</b>			<b>280,694</b>
Defined benefit pension scheme liability	23		(115,000)
			<b>165,694</b>
<b>Total net assets</b>			<b>165,694</b>
 <b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	23,198	
Restricted income funds	16	258,064	
		281,262	
Restricted funds excluding pension asset	16	281,262	
Pension reserve	16	(115,000)	
		166,262	
<b>Total restricted funds</b>	16		<b>166,262</b>
<b>Unrestricted income funds</b>	16		<b>(568)</b>
			<b>165,694</b>
<b>Total funds</b>			<b>165,694</b>

The financial statements on pages 19 to 38 were approved by the Trustee, and authorised for issue on 15 December 2022 and are signed on their behalf, by:

*CM Bartley*

**Christine Bartley**  
**Chair of Finance, Audit and Risk Committee**

The notes on pages 22 to 38 form part of these financial statements.

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

	<b>Note</b>	<b>2022</b> <b>£</b>
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	18	<b>415,357</b>
<b>Cash flows from investing activities</b>	19	<b>24,658</b>
<b>Change in cash and cash equivalents in the year</b>		<b>440,015</b>
<b>Cash and cash equivalents at the end of the year</b>	20, 21	<u><b>440,015</b></u>

The notes on pages 22 to 38 form part of these financial statements

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**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), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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



**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income (continued)**

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

Furniture and equipment	-	15%
Computer equipment	-	33%

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.

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.6 Debtors**

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

**1.7 Cash at bank and in hand**

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

**1.8 Liabilities**

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

**1.9 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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 Pensions**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the

**BISHOP OTTER ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.10 Pensions (continued)**

interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.11 Conversion to an academy trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Nicolas & St Mary CE Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

**1.12 Fund accounting**

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

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

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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**BISHOP OTTER ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	(572)	-	-	(572)
Capital grants	-	-	9,362	9,362
Assets transferred from local authority on conversion	-	(6,144)	15,292	9,148
	<u>(572)</u>	<u>(6,144)</u>	<u>24,654</u>	<u>17,938</u>

**4. Funding for the Academy's charitable activities**

	Restricted funds 2022 £	Total funds 2022 £
<b>DfE/ESFA grants</b>		
Other DfE/ESFA grants		
General Annual Grant (GAG)	510,704	510,704
Pupil Premium	7,702	7,702
Others	24,383	24,383
	<u>542,789</u>	<u>542,789</u>
<b>Other Government grants</b>		
Local Authority Grants	42,818	42,818
	<u>42,818</u>	<u>42,818</u>
<b>Other income from the Academy's educational activities</b>	5,437	5,437
	<u>591,044</u>	<u>591,044</u>
	<u>591,044</u>	<u>591,044</u>

**BISHOP OTTER ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**5. Income from other trading activities**

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Rental income	2,680	<b>2,680</b>
Other income	30,516	<b>30,516</b>
	33,196	<b>33,196</b>

**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Bank interest	4	<b>4</b>
	4	<b>4</b>

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>
Educational activities:				
Direct costs	293,362	-	30,236	<b>323,598</b>
Allocated support costs	195,656	14,103	65,131	<b>274,890</b>
	489,018	14,103	95,367	<b>598,488</b>

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Educational activities	323,598	274,890	<b>598,488</b>
	323,598	274,890	<b>598,488</b>

**BISHOP OTTER ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

**Analysis of direct costs**

	<b>Educational activities 2022 £</b>	<b>Total funds 2022 £</b>
Staff costs	290,571	<b>290,571</b>
Depreciation	1,456	<b>1,456</b>
Educational supplies	11,454	<b>11,454</b>
Educational consultancy	1,192	<b>1,192</b>
Technology costs	2,677	<b>2,677</b>
Teaching supply costs	2,791	<b>2,791</b>
Other direct costs	13,242	<b>13,242</b>
Staff development and training	215	<b>215</b>
	<hr/> <b>323,598</b> <hr/>	<hr/> <b>323,598</b> <hr/>

**Analysis of support costs**

	<b>Educational activities 2022 £</b>	<b>Total funds 2022 £</b>
Pension finance costs	2,000	<b>2,000</b>
Staff costs	179,839	<b>179,839</b>
Technology costs	7,217	<b>7,217</b>
Other occupancy costs	1,701	<b>1,701</b>
Maintenance of premises and equipment	3,649	<b>3,649</b>
Cleaning	1,334	<b>1,334</b>
Energy	1,934	<b>1,934</b>
Rates	3,531	<b>3,531</b>
Insurance	1,954	<b>1,954</b>
Other staff costs	825	<b>825</b>
Catering	22,528	<b>22,528</b>
Support staff supply costs	817	<b>817</b>
Legal and professional	12,507	<b>12,507</b>
Other support costs	8,054	<b>8,054</b>
Governance	12,000	<b>12,000</b>
Non cash pension costs	15,000	<b>15,000</b>
	<hr/> <b>274,890</b> <hr/>	<hr/> <b>274,890</b> <hr/>

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

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

Net (expenditure)/income for the year includes:

	<b>2022</b>
	<b>£</b>
Depreciation of tangible fixed assets	1,456
Fees paid to auditors for:	
- audit	7,250
- other services	4,750
	<b>13,456</b>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022</b>
	<b>£</b>
Wages and salaries	360,485
Social security costs	30,387
Pension costs	79,538
	<b>470,410</b>
Agency staff costs	3,608
Non cash pension costs	15,000
	<b>489,018</b>

**b. Staff numbers**

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

	<b>2022</b>
	<b>No.</b>
Teachers	22
Support	50
Leadership	4
	<b>76</b>

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**10. Staff (continued)**

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in the year.

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustee and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £75,498.

**11. Trustee's remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits.

During the year ended 31 August 2022, no Trustee expenses have been incurred.

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

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

**13. Tangible fixed assets**

	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
Acquired on conversion	14,779	513	15,292
At 31 August 2022	14,779	513	15,292
<b>Depreciation</b>			
Charge for the year	943	513	1,456
At 31 August 2022	943	513	1,456
<b>Net book value</b>			
At 31 August 2022	13,836	-	13,836



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**14. Debtors**

	2022 £
<b>Due within one year</b>	
Trade debtors	751
Other debtors	13,408
Prepayments and accrued income	3,531
	<hr/>
	<b>17,690</b>
	<hr/> <hr/>

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

	2022 £
Trade creditors	37,685
Other taxation and social security	60,103
Other creditors	850
Accruals and deferred income	92,209
	<hr/>
	<b>190,847</b>
	<hr/> <hr/>
	2022 £
Resources deferred during the year	<b>88,678</b>
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance for ESFA income of £29,351 and other income of £59,327.

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**16. Statement of funds**

	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2022
<b>Unrestricted funds</b>				
General Funds - all funds	(568)	-	-	(568)
<b>Restricted general funds</b>				
GAG	510,704	(252,640)	-	258,064
Pupil premium	7,702	(7,702)	-	-
Other grants	24,383	(24,383)	-	-
Local authority grants	42,818	(42,818)	-	-
Transferred on conversion	213,856	(213,856)	-	-
General funds	38,633	(38,633)	-	-
Pension reserve	(220,000)	(17,000)	122,000	(115,000)
	<u>618,096</u>	<u>(597,032)</u>	<u>122,000</u>	<u>143,064</u>
<b>Restricted fixed asset funds</b>				
Capital income	9,362	(1,456)	-	7,906
Transferred on conversion	15,292	-	-	15,292
	<u>24,654</u>	<u>(1,456)</u>	<u>-</u>	<u>23,198</u>
<b>Total Restricted funds</b>	<u>642,750</u>	<u>(598,488)</u>	<u>122,000</u>	<u>166,262</u>
<b>Total funds</b>	<u><u>642,182</u></u>	<u><u>(598,488)</u></u>	<u><u>122,000</u></u>	<u><u>165,694</u></u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

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

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**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	13,836	<b>13,836</b>
Current assets	(568)	448,911	9,362	<b>457,705</b>
Creditors due within one year	-	(190,847)	-	<b>(190,847)</b>
Provisions for liabilities and charges	-	(115,000)	-	<b>(115,000)</b>
<b>Total</b>	<u>(568)</u>	<u>143,064</u>	<u>23,198</u>	<u><b>165,694</b></u>

**18. Reconciliation of net income to net cash flow from operating activities**

	<b>2022 £</b>
Net income for the year (as per Statement of Financial Activities)	<b>43,694</b>
<b>Adjustments for:</b>	
Depreciation	<b>1,456</b>
Capital grants from DfE and other capital income	<b>(24,654)</b>
Interest receivable	<b>(4)</b>
Defined benefit pension scheme obligation inherited	<b>220,000</b>
Defined benefit pension scheme cost less contributions payable	<b>15,000</b>
Defined benefit pension scheme finance cost	<b>2,000</b>
(Increase)/decrease in debtors	<b>(17,690)</b>
Increase in creditors	<b>190,847</b>
Fixed assets transferred on conversion	<b>(15,292)</b>
<b>Net cash provided by operating activities</b>	<u><b>415,357</b></u>

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**19. Cash flows from investing activities**

	<b>2022</b>
	£
Dividends, interest and rents from investments	4
Capital grants from DfE Group	24,654
	<hr/>
<b>Net cash provided by investing activities</b>	<b>24,658</b>
	<hr/> <hr/>

**20. Analysis of cash and cash equivalents**

	<b>2022</b>
	£
Cash in hand and at bank	440,015
	<hr/>
<b>Total cash and cash equivalents</b>	<b>440,015</b>
	<hr/> <hr/>

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

	<b>Cash flows</b>	<b>At 31</b>
	£	August 2022
	£	£
Cash at bank and in hand	440,015	440,015
	<hr/>	<hr/>
	<b>440,015</b>	<b>440,015</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**22. Conversion to an academy trust**

On 1 June 2022 St Nicolas & St Mary CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Otter Academy Trust from West Sussex County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
<b>Tangible fixed assets</b>			
Other tangible fixed assets	-	15,292	<b>15,292</b>
<b>Current assets</b>			
Cash - representing budget surplus on LA funds	213,856	-	<b>213,856</b>
Local government pension scheme	(220,000)	-	<b>(220,000)</b>
<b>Net (liabilities)/assets</b>	<u>(6,144)</u>	<u>15,292</u>	<u><b>9,148</b></u>

**23. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

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

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

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £72,056.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £36,000, of which employer's contributions totalled £28,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 21.7 per cent for employers and between 5.5 and 12.5 per cent 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.

**Principal actuarial assumptions**

West Sussex County Council Pension Fund

	<b>2022</b>
	<b>%</b>
Rate of increase in salaries	<b>3.55</b>
Rate of increase for pensions in payment/inflation	<b>3.05</b>
Discount rate for scheme liabilities	<b>4.25</b>

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

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

	<b>2022 Years</b>
<i>Retiring today</i>	
Males	21.9
Females	24.2
<i>Retiring in 20 years</i>	
Males	22.8
Females	25.9

**Sensitivity analysis**

West Sussex County Council Pension Fund

	<b>2022 £000</b>
Discount rate -0.1%	21
Mortality assumption - 1 year increase	33
CPI rate +0.1%	21

**Share of scheme assets**

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

	<b>At 31 August 2022 £</b>
Equities	342,000
Corporate bonds	223,000
Property	112,000
Cash	21,000
<b>Total market value of assets</b>	<b>698,000</b>

The actual return on scheme assets was £(21,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2022 £</b>
Current service cost	(43,000)
Interest income	6,000
Interest cost	(8,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(45,000)</b>

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**23. Pension commitments (continued)**

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

	<b>2022</b>
	£
Conversion of academy trusts	<b>903,000</b>
Current service cost	<b>43,000</b>
Interest cost	<b>8,000</b>
Employee contributions	<b>8,000</b>
Actuarial gains	<b>(149,000)</b>
	<b>813,000</b>
<b>At 31 August</b>	<b>813,000</b>

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

	<b>2022</b>
	£
Conversion of academy trusts	<b>683,000</b>
Interest income	<b>6,000</b>
Actuarial (losses)/gains	<b>(27,000)</b>
Employer contributions	<b>28,000</b>
Employee contributions	<b>8,000</b>
	<b>698,000</b>
<b>At 31 August</b>	<b>698,000</b>

**24. Members' liability**

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

**25. Related party transactions**

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