

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustee's Report	2 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustee's Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 47

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Members:	The Right Revd Dr Martin Warner Gabrielle Higgins Jenny Barnard-Langston Diocese of Chichester Education Trust
Trustees:	Jenny Barnard-Langston (Appointed 9 April 2020) Christine Bartley (Appointed 9 April 2020) Mark Brunet (Appointed 23 May 2023) Trevor Cristin (Appointed 1 April 2022) Lesley Hurst (Appointed 12 April 2018) Martin Lloyd-Williams (Appointed 12 April 2018) Claire Rivers (Appointed 1 April 2022) Matt Davis (Resigned 23 May 2023) Archdeacon Martin Lloyd-Williams (Appointed 12/04/2018) Stephen Paynter (Resigned 7 September 2022)
Company Secretary:	Wendy Cooke
Senior Management Team:	David Etherton, Chief Executive Officer Wendy Cooke, Chief Financial Officer
Company Name:	Bishop Otter Academy Trust
Registered Office:	St Nicolas and St Mary's CE Primary School, Eastern Avenue, Shoreham-by-Sea, West Sussex BN43 6PE
Company Registration Number:	11307754
Independent Auditor:	BKL Audit LLP 35 Ballards Lane London, N3 1XW
Bankers:	Lloyds Bank
Solicitors:	Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2022 to 31st August 2023. 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 2 to 11 serving a catchment area in Shoreham-by-Sea. For Reception to Year 6 it has a pupil capacity of 420 and had a roll of 393 as recorded in the school census on 5th October 2023. In addition it has a nursery class with around thirty 2 to 4 year olds.

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 judgement 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.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

Trustees undertake assessments of the skills available amongst their number to identify any relevant skills which are missing, and target recruitment appropriately.

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 trust.

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)

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

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

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic Report - Achievements and Performance

This has been the first full year of operation of the trust. During that time the change in systems and culture from a Voluntary Aided School to an Academy Trust has become embedded; organisational structures have been refined to better reflect the needs of the trust.

The profile of the trust has been raised through attendance at Diocesan events and direct contact with potential recruits whilst this activity has not affected the academic achievements made by the one school currently in the trust.

The trust has continued to support a number of schools in the Diocese of Chichester. This has included long term secondments and consultancy support.

This has been achieved within a challenging financial environment; a small deficit in the year reflects the efforts being made to achieve growth to a more economically viable size, and has not significantly impacted on reserves which remain at a healthy level.

Above budget income was spent on for the purposes for which the extra was given.

Work to re-furbish "The Ark" teaching block has started. West Sussex County Council retain responsibility to resolve these latent defects and this project will provide a significant improvement in those classroom environments. The temporary accommodation provided during the upgrade works has proven to be of high quality and amply sized, and minimal disruption is being caused by the works.

Key Performance Indicators

Finance:

Revenue income:	£ 2,406,087
Budget revenue deficit:	£ (85,000)
Actual revenue surplus:	£ 59,996 which includes actuarial gain on pension of £150,000
Revenue Balance carried forward:	£ 202,492

A more detailed financial analysis appears later in this report.

Governance

A programme of internal review was drawn up to reflect the areas where the Trust was considered to be most at risk; a reassuringly small number of points were raised by the independent external internal auditors. All points raised have now been addressed.

A skills audit identified Education Finance as an area of weakness on the Trust Board and a qualified and experienced professional was recruited to address that gap.

Policies and procedures are now in place and a system embedded to continually review these to ensure that the Trust functions in an efficient, effective and economic manner.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

Academic Achievement:

	No. Pupils	% PP	% SEN	%EHCP		%EAL
School (Sept 2023)	394	12.0	14.8	3.1		3.6
Results						
EYFSP						
All Pupils	2018	2019	2022	2023	National	
% Achieved good level of development	77.0	81.0	54.0	71.1	67	
Phonics						
Year 1	2018	2019	2022	2023	National	
% Working at (Wa)	95.0	92.0	90.0	73.2	79.6	
By end of year 2	2018	2019	2022	2023	National	
% Working at (Wa)						
Key Stage 1						
All Pupils	2018	2019	2022	2023	National	
% Expected standard in Reading	72.9	81.4	70.2	78.9	68	
% Expected standard in Writing	64.4	72.9	40.4	68.4	59	
% Expected standard in Maths	66.1	78.0	54.4	75.4	70	
% Expected standard in RWM	54.2	64.4	31.6	65.0	55	
% Greater depth within Reading	5.1	16.9	12.3	10.5	18	
% Greater depth within Writing	1.7	8.5	0.0	0.0	8	
% Greater depth within Maths	10.2	11.9	3.5	8.8	16	
% Greater depth within RWM	0.0	8.5	0.0	0.0		
Key Stage 2						
All Pupils	2018	2019	2022	2023	National	
% Expected standard in Reading	87.0	88.0	83.0	78%*	73	
% Expected standard in Writing	77.0	76.0	63.0	72.0	71	
% Expected standard in Maths	83.0	79.0	78.0	69%**	73	
% Expected standard in GPS	87.0	86.0	83.0	83.0	72	
% Expected standard in RWM	73.0	68.0	56.0	66.0	59	
% Greater depth within Reading	37.0	38.0	29.0	40.0	29	
% Greater depth within Writing	10.0	18.0	7.0	9.0	13	
% Greater depth within Maths	17.0	25.0	25.0	24.0	24	
% Greater depth within GPS	50.0	38.0	29.0	43.0	30	
% Greater depth within RWM	3.0	13.0	5.0	7.0		

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
(A Company Limited by Guarantee)

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

Strategic Report - Financial Review

Finance Review

The headlines for the year are that even though the General Annual Grant increased by £1,242,730, staff costs increased by £1,617,318. The income has not increased enough to cover the additional staffing costs, thus generating an in-year deficit. Energy costs were also significantly higher, along with other costs, reflecting the higher cost of goods and services across the board.

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 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

Reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free')

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each board meeting and aim to build and maintain the reserves level by entering into cost effective agreements whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £223,050. This balance includes unrestricted funds (free reserves) of £10,021, which are considered appropriate for the Academy Trust, and restricted funds of £213,029 (fixed asset funds £46,659 and restricted income funds £166,370).

The Governing Body have determined that the minimum appropriate level of free reserves should be a sum equivalent to one month's payroll, approximately £110,000. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

As at 31 August 2023, the actuarial valuation of the Local Government Pension Scheme (LGPS) was calculated as a surplus of £34,000 (2022: £115,000 deficit). As this valuation does not give rise to a virtually certain economic benefit for the trust, any surplus arising on the valuation is recognised as a contingent asset.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 2023, 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 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, bullying 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 Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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.

The trustees also are fully aware of their responsibilities to ensure that the trust's estate is safe, well maintained and compliant with the relevant regulations.

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 2023. 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK

Fundraising

The Trust engages in limited fund-raising activities throughout the academic year, both for specific projects and to augment the annual education budget.

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

Streamlined Energy and Carbon Reporting

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

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 has developed 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. Significant marketing has been undertaken in the year and several schools have indicated a willingness to explore further the potential synergies and opportunities for mutual benefit which joining the trust would provide.

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 implementing the trust school improvement strategy.

Strategic Priority 3: Operational Effectiveness

Governance and Leadership: Developing outstanding governance and leadership including clear roles, responsibilities and expectations. This will be achieved by continuing to refine the scheme of delegation and annual planners and reviewing the DfE's new guidance for high quality trusts.

Funds Held as Custodian Trustee on Behalf of Others

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

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 17/12/2023 and signed on the board's behalf by:

Mark Q Brunet

Mark Brunet

Chair of Finance, Audit and Risk Committee

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Jenny Barnard-Langston	6	7
Christine Bartley	7	7
Mark Brunet	1	1
Trevor Cristin	7	7
Matt Davis	4	6
Lesley Hurst	6	7
Revd Martin Lloyd Williams	5	7
Claire Rivers	4	7

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 met 7 times during the academic year 2022-23.

The Finance, Audit and Risk Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the detailed oversight of finance and risk.

Purpose statement

1. To ensure the Trust has strategic plans in place to deliver effective learning and teaching within the budget.
2. To oversee and approve the Trust's programme of internal scrutiny.
3. To ensure that risks are being addressed appropriately.
4. To report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
5. To review the staffing structure across the Trust and its schools, as part of the annual budget review.
6. To review Trust buildings and other assets including ICT provision to ensure that the learning environment is safe, warm, dry and the best that is reasonably practical within the constraints of funding available.

The board of trustees have undertaken a self-evaluation, and an external board evaluation is scheduled as part of the internal scrutiny programme for 2023/24.

Attendance at the Finance, Audit and Risk Committee for the academic year 2022-23 was as follows:

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Trustee	Meetings attended	Out of a possible
Christine Bartley	5	5
Mark Brunet	1	1
Lesley Hurst	4	5
Trevor Cristin	5	5

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.

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 Bishop Otter Academy Trust for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 and general purposes 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.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The board of trustees has decided not to appoint an auditor for this purpose. However, the trustees have appointed Mark Nicholds, CFO of Bishop Luffa Learning Partnership, to perform a peer review, concentrating on items which are deemed to be of higher risk to the trust, as part of an ongoing programme of internal review which will cover all the areas identified in the Academy Trust Handbook over the coming two years.

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. In particular, the checks carried out in the current period included:

- Internal Cash and bank procedures;
- Procurement procedures;
- Monthly Financial closedown procedures;
- Payroll and HR procedures;
- Management information reports.

Four high-risk, two medium-risk and three low-risk issues were identified across the four areas reviewed; all the high-risk items were actioned immediately and subsequent monitoring demonstrates effectively. The other areas for improvement were actioned rapidly and the issues are not demonstrably resolved.

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 has been delivered as planned. No material control issues were identified as a result of the work undertaken.

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 17/12/2023 and signed on its behalf by:

Mark Q Brunet

David Etherton

Mark Brunet

David Etherton

Chair of Finance, Audit and Risk Committee

Accounting Officer

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Appendix 1 – Trade Union Facility Time

The following tables need to be completed in respect of Trade Union Facility Time spent by the Trade Union representative.

Relevant union officials

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

Percentage of time spent on facility time.

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	0
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Appendix 2 – Streamlined Energy and Carbon Reporting

As the trust is not a large company and did not consume in excess of 40,000 KWh in the reporting year to 31 August 2023, it is not required to complete this section for both the current and previous periods.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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, including for estates safety and management, under funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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

David Etherton

David Etherton
Accounting Officer

Date: 18/12/2023

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 17/12/2023 and signed on its behalf by:

Mark Q Brunet

Mark Brunet
Chair of Finance, Audit and Risk Committee

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

**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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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
(A Company Limited by Guarantee)

**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. 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.

Edward Passmore

Edward Passmore (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 20/12/2023

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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 20/12/2023

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Note					
Income from:						
Donations and capital grants	3	902	-	27,232	28,134	17,938
Other trading activities	5	9,657	187,435	-	197,092	33,196
Investments	6	30	-	-	30	4
Charitable activities	4	-	2,208,063	-	2,208,063	591,044
Total income		10,589	2,395,498	27,232	2,433,319	642,182
Expenditure on:						
Charitable activities	8	-	2,522,192	3,771	2,525,963	598,488
Total expenditure		-	2,522,192	3,771	2,525,963	598,488
Net movement in funds before other recognised gains		10,589	(126,694)	23,461	(92,644)	43,694
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	22	-	150,000	-	150,000	122,000
Net movement in funds		10,589	23,306	23,461	57,356	165,694
Reconciliation of funds:						
Total funds brought forward		(568)	143,064	23,198	165,694	-
Net movement in funds		10,589	23,306	23,461	57,356	165,694
Total funds carried forward		10,021	166,370	46,659	223,050	165,694

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

The notes on pages 26 to 47 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	10,065	13,836
		10,065	13,836
Current Assets			
Debtors	14	83,692	17,690
Cash at bank and in hand		300,773	440,015
		384,465	457,705
Creditors: amounts falling due within one year	15	(171,480)	(190,847)
Net Current Assets		212,985	266,858
Total assets less current liabilities		223,050	280,694
Net assets excluding pension liability		223,050	280,694
Defined benefit pension scheme asset / liability	22	-	(115,000)
Total net assets		223,050	165,694
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	46,659	23,198
Restricted income funds	16	166,370	258,064
		213,029	281,262
Restricted funds excluding pension asset	16	213,029	281,262
Pension reserve	16	-	(115,000)
Total restricted funds	16	213,029	166,262
Unrestricted income funds	16	10,021	(568)
Total funds		223,050	165,694

The financial statements on pages 23 to 47 were approved by the Trustee, and authorised for issue on 17/12/2023 and are signed on their behalf, by:

Mark Q Brunet
Mark Brunet
Chair of Finance, Audit and Risk Committee

The notes on pages 26 to 47 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(166,504)	415,357
Cash flows from investing activities	19	27,262	24,658
Change in cash and cash equivalents in the year		(139,242)	440,015
Cash and cash equivalents at the beginning of the year		440,015	-
Cash and cash equivalents at the end of the year	20, 21	300,773	440,015

The notes on pages 26 to 47 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 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The 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 2023

1. Accounting policies (continued)

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.

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.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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 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.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 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.

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

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

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 22, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	902	-	-	902
Capital grants	-	-	27,232	27,232
	<u>902</u>	<u>-</u>	<u>27,232</u>	<u>28,134</u>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
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 2023 £	Total funds 2023 £
DfE/ESFA grants		
Other DfE/ESFA grants		
General Annual Grant (GAG)	1,753,434	1,753,434
Pupil Premium	94,897	94,897
UIFSM	46,707	46,707
Others	106,742	106,742
	<u>2,001,780</u>	<u>2,001,780</u>
Other Government grants		
Local Authority Grants	206,283	206,283
	<u>206,283</u>	<u>206,283</u>
	<u>2,208,063</u>	<u>2,208,063</u>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Academy's charitable activities (continued)

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

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Rental income	-	22,533	22,533
Other income	-	164,902	164,902
Trip income	9,657	-	9,657
	<hr/> 9,657	<hr/> 187,435	<hr/> 197,092

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

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	30	30
	<u>30</u>	<u>30</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	4	4
	<u>4</u>	<u>4</u>

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational activities:				
Direct costs	1,255,316	-	113,625	1,368,941
Allocated support costs	874,953	97,130	184,939	1,157,022
	<u>2,130,269</u>	<u>97,130</u>	<u>298,564</u>	<u>2,525,963</u>
	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Educational activities:				
Direct costs	293,362	-	30,236	323,598
Allocated support costs	195,656	14,103	65,131	274,890
	<u>489,018</u>	<u>14,103</u>	<u>95,367</u>	<u>598,488</u>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational activities	1,368,941	1,157,022	2,525,963

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

Analysis of direct costs

	Educational activities 2023 £	Total funds 2023 £
Staff costs	1,242,054	1,242,054
Depreciation	3,771	3,771
Educational supplies	31,778	31,778
Educational consultancy	4,291	4,291
Technology costs	16,789	16,789
Teaching supply costs	13,262	13,262
Other direct costs	45,720	45,720
Staff development and training	11,276	11,276
	1,368,941	1,368,941

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

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

Analysis of support costs

	Educational activities 2023 £	Total funds 2023 £
Pension finance costs	6,000	6,000
Staff costs	845,675	845,675
Technology costs	7,458	7,458
Other occupancy costs	10,596	10,596
Maintenance of premises and equipment	26,268	26,268
Cleaning	6,830	6,830
Energy	35,010	35,010
Rates	13,852	13,852
Insurance	23,765	23,765
Other staff costs	3,583	3,583
Catering	73,124	73,124
Support staff supply costs	278	278
Legal and professional	20,008	20,008
Other support costs	35,375	35,375
Governance	20,200	20,200
Non cash pension costs	29,000	29,000
	<hr/> 1,157,022 <hr/>	<hr/> 1,157,022 <hr/>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	2,118	530
Depreciation of tangible fixed assets	3,771	1,456
Fees paid to auditors for:		
- audit	7,500	7,250
- other services	2,200	4,750
	<u>13,589</u>	<u>13,986</u>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	1,604,621	360,485
Social security costs	129,662	30,387
Pension costs	353,446	79,538
	2,087,729	470,410
Agency staff costs	13,540	3,608
Non cash pension costs	29,000	15,000
	2,130,269	489,018

b. Staff numbers

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

	2023	2022
	No.	No.
Teachers	23	22
Support	51	50
Leadership	4	4
	78	76

c. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	1	-

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. Staff (continued)

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 £331,841 (2022 - £75,498).

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

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

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 £
Cost or valuation			
At 1 September 2022	14,779	513	15,292
At 31 August 2023	14,779	513	15,292
Depreciation			
At 1 September 2022	943	513	1,456
Charge for the year	3,771	-	3,771
At 31 August 2023	4,714	513	5,227
Net book value			
At 31 August 2023	10,065	-	10,065
At 31 August 2022	13,836	-	13,836

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	4,328	751
Other debtors	66,460	13,408
Prepayments and accrued income	12,904	3,531
	<u>83,692</u>	<u>17,690</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	22,576	37,685
Other taxation and social security	29,864	60,103
Other creditors	37,979	850
Accruals and deferred income	81,061	92,209
	<u>171,480</u>	<u>190,847</u>

	2023 £	2022 £
Deferred income at 1 September 2022	88,678	-
Resources deferred during the year	50,110	88,678
Amounts released from previous periods	(88,678)	-
	<u>50,110</u>	<u>88,678</u>

At the balance sheet date the academy trust was holding funds received in advance for the year 2023/24.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds - all funds	(568)	10,589	-	-	10,021
Restricted general funds					
GAG	258,064	1,753,434	(1,845,128)	-	166,370
Pupil premium	-	94,897	(94,897)	-	-
Other grants	-	106,742	(106,742)	-	-
UIFSM	-	46,707	(46,707)	-	-
Local Authority Grants	-	206,283	(206,283)	-	-
General funds	-	187,435	(187,435)	-	-
Pension reserve	(115,000)	-	(35,000)	150,000	-
	143,064	2,395,498	(2,522,192)	150,000	166,370
Restricted fixed asset funds					
Capital income	7,906	27,232	(3,771)	-	31,367
Transferred on conversion	15,292	-	-	-	15,292
	23,198	27,232	(3,771)	-	46,659
Total Restricted funds	166,262	2,422,730	(2,525,963)	150,000	213,029
Total funds	165,694	2,433,319	(2,525,963)	150,000	223,050

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

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 2023.

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

	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2022</i> £
Unrestricted funds				
General Funds - all funds	(568)	-	-	(568)
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted general funds				
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)	-	-
General funds	38,633	(38,633)	-	-
Pension reserve	(220,000)	(17,000)	122,000	(115,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	404,240	(383,176)	122,000	143,064
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds				
Capital income	9,362	(1,456)	-	7,906
Transferred on conversion	15,292	-	-	15,292
	<hr/>	<hr/>	<hr/>	<hr/>
	24,654	(1,456)	-	23,198
	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted funds	<hr/>	<hr/>	<hr/>	<hr/>
	428,894	(384,632)	122,000	166,262
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<hr/>	<hr/>	<hr/>	<hr/>
	428,326	(384,632)	122,000	165,694
	<hr/>	<hr/>	<hr/>	<hr/>

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	10,065	10,065
Current assets	10,021	337,850	36,594	384,465
Creditors due within one year	-	(171,480)	-	(171,480)
Total	<u>10,021</u>	<u>166,370</u>	<u>46,659</u>	<u>223,050</u>

Analysis of net assets between funds - prior year

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

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

	2023 £	2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(92,644)	43,694
Adjustments for:		
Depreciation	3,771	1,456
Capital Grants from Dfe and other capital income	(27,232)	(24,654)
Interest receivable	(30)	(4)
Defined benefit pension scheme obligation inherited	-	220,000
Defined benefit pension scheme cost less contributions payable	29,000	15,000
Defined benefit pension scheme finance cost	6,000	2,000
Increase in debtors	(66,002)	(17,690)
(Decrease)/increase in creditors	(19,367)	190,847
Fixed assets transferred on conversion	-	(15,292)
Net cash (used in)/provided by operating activities	(166,504)	415,357

19. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	30	4
Capital grants from DfE Group	27,232	24,654
Net cash provided by investing activities	27,262	24,658

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	300,773	440,015
Total cash and cash equivalents	300,773	440,015

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	440,015	(139,242)	300,773
	<u>440,015</u>	<u>(139,242)</u>	<u>300,773</u>

22. 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 valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2023.

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.

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

22. 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 impacting these financial statements 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 £222,977 (2022 - £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 2023 was £163,000 (2022 - £36,000), of which employer's contributions totalled £129,000 (2022 - £28,000) and employees' contributions totalled £34,000 (2022 - £8,000). The agreed contribution rates for future years are 21.7 per cent for employers and 5.5-12.5 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

Principal actuarial assumptions

West Sussex County Council Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	4.45	3.55
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.1	24.2
<i>Retiring in 20 years</i>		
Males	22.1	22.8
Females	25.5	25.9

Sensitivity analysis

West Sussex County Council Pension Fund

	2023	2022
	£000	£000
Discount rate -0.1%	22	21
Mortality assumption - 1 year increase	33	33
CPI rate +0.1%	21	21

Share of scheme assets

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	422,000	342,000
Corporate bonds	267,000	223,000
Property	121,000	112,000
Cash	17,000	21,000
Total market value of assets	827,000	698,000

The actual return on scheme assets was £NIL (2022: (£22,000)).

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. Pension commitments (continued)

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

	2023 £	2022 £
Current service cost	(158,000)	(43,000)
Interest income	33,000	6,000
Interest cost	(39,000)	(8,000)
Total amount recognised in the Statement of Financial Activities	(164,000)	(45,000)

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

	2023 £	2022 £
At 1 September	813,000	-
Conversion of academy trusts	-	903,000
Current service cost	158,000	43,000
Interest cost	39,000	8,000
Employee contributions	34,000	8,000
Actuarial gains	(217,000)	(149,000)
At 31 August	827,000	813,000

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

	2023 £	2022 £
At 1 September	698,000	-
Conversion of academy trusts	-	683,000
Interest income	33,000	6,000
Actuarial losses	(67,000)	(27,000)
Employer contributions	129,000	28,000
Employee contributions	34,000	8,000
At 31 August	827,000	698,000

23. Contingent asset

As at 31 August 2023, the actuarial valuation of the Local Government Pension Scheme was calculated as a surplus of £34,000 (2022: £115,000 deficit). As this valuation does not give rise to a virtually certain economic benefit for the trust, either in the form of a reduction in future contributions or a cash settlement, any surplus arising on the valuation is recognised solely as a contingent asset.

BISHOP OTTER ACADEMY TRUST
(A Company Limited by Guarantee)

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

24. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	1,808	2,118
Later than 1 year and not later than 5 years	-	1,808
	<u>1,808</u>	<u>3,926</u>

25. Members' liability

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

26. Related party transactions

No related party transactions took place in the period of account, other than certain trustee' remuneration and expenses already disclosed in note 11.

27. Post balance sheet event

The supreme court ruling on Harpur vs Brazel (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospectively apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.

Bishop Otter Academy Trust

Eastern Avenue, Shoreham By Sea, West Sussex, BN43 6PE

17/12/2023

Date:

Your ref: **BIS002**

BKL Audit LLP
35 Ballards Lane
London
N3 1XW

Dear Sirs

Bishop Otter Academy Trust

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2023. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as Trustees as set out in the terms of your engagement letter, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
4. The financial statements are free of material misstatements, including omissions.
5. We approve all adjustments as set out in Appendix A, and all decisions on issues requiring the exercise of judgement. We believe that those uncorrected misstatements identified during the audit are immaterial

both individually and in aggregate to the financial statements as a whole. A list of these items will also be included in Appendix A, if applicable, together with our reasons for not correcting them.

Internal Control and Fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and Liabilities

9. The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
12. We consider that the actuarial assumptions made in connection with the valuation of the deficit on the local government defined benefit pension scheme, are appropriate and representative of the scheme members.

Accounting Estimates

13. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
14. All accounting policies adopted are appropriate for the academy trust and are adequately disclosed.

Loans and arrangements

15. The academy trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

Legal claims

16. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Laws and regulations

17. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
18. All relevant correspondence with the academy trusts regulators, including serious incident reports, has been made available to you.

Related parties

19. Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academy Trust Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Subsequent events

20. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

21. We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trusts needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

22. Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
23. All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
24. The academy trust has not been in receipt of any income relating to the year ended 31 August 2023 other than that recorded within the books.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make themselves aware of any relevant audit other information and to establish that you are aware of that information.

Yours faithfully

Mark Q Brunet

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Bishop Otter Academy Trust

Signed on behalf of the Board of Trustees

Bishop Otter Academy Trust

Eastern Avenue, Shoreham By Sea, West Sussex, BN43 6PE

18/12/2023

Date:

Your ref: **BIS002**

BKL Audit LLP
35 Ballards Lane
London
N3 1XW

Dear Sirs

Bishop Otter Academy Trust

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Bishop Otter Academy Trust and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

1. I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Bishop Otter Academy Trust and the Secretary of State for Education the Academy Trust Handbook 2022.
2. I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
3. I acknowledge my responsibility to notify the Trustee Board and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academy Trust Handbook 2022 in performing this duty.
4. Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.

5. Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
6. Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully

David Etherton

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Accounting Officer

Bishop Otter Academy Trust