

Company Registration Number: 07654340 (England & Wales)

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	G L Arnold R Burrell J Crow
Trustees	Dr S Cordell, Chair of Trustees G L Arnold A Dawson, Head Teacher & Accounting Officer S Fraser-Cattanach L Johnson (appointed 23 November 2022) L Shury, Staff Trustee M Turton (appointed 28 September 2022) A J Wilson
Company registered number	07654340
Company name	The Acorn EBS Free School Ltd
Principal and registered office	248 Calder Road Lincoln Lincs LN5 9TL
Chief executive officer	A Dawson
Senior management team	A Dawson, Head Teacher L Shury, Assistant Head Teacher R Rowe, School Business Manager (CFO) N Desmond, Assistant Head Teacher
Independent auditors	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Newark Notts NG23 5JR
Bankers	Lloyds Bank plc 70 High Street Lincoln Lincs LN5 8AD

THE ACORN EBS FREE SCHOOL LTD
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The Acorn EBS Free School Ltd is a trusted Secondary Alternative Provision, serving mainstream schools in Lincoln City, throughout Lincolnshire, into Nottinghamshire. We also enjoy excellent working relationships with Virtual Schools in Lincolnshire, Nottinghamshire and Rutland. The school is funded directly by ESFA for 34 Higher Needs placements. The offer to commissioning mainstream partners is robust and consistent, with clear delineation of placements offered to vulnerable young people who find mainstream schooling a challenge. Acorn's reputation and working relationship with Lincolnshire County Council is excellent with solid working relationships evident with The Education Team as well as SEND and Pupil Reintegration and Inclusion. Acorn also offers a popular and effective Outreach programme to young people who can still be managed within their mainstream setting.

Structure, governance and management

Constitution

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

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

The Trustees of The Acorn EBS Free School Ltd are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

Trustees' Liability is provided through the Education & Skills Funding Agency Risk Protection Arrangement (RPA). The RPA Administrators Limit of Liability in respect of each academy is £10,000,000 during any one membership year.

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

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The management of the free school is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The members may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

The Articles of Association require that the members of the free school shall comprise:

- The signatories to the Memorandum
- one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- the Chair of trustees.

Under the requirements of the Memorandum and the Articles of Association the trustees are appointed to serve at the Annual General Meeting, one third of the trustees are required to retire each year and submit themselves for re-election if they desire. One of the six trustees who were in office at 31 August 2022 retired at the end of the year, and two additional trustees were appointed during the year.

Due to the nature of the school, trustees seek to ensure that their group is diverse and contains trustees who have a background that reflects both knowledge of and empathy for the vulnerable youngsters at risk of disengaging.

The trustees together bring a diverse range of skills and knowledge, and in the event of particular skills being lost due to retirements individuals are approached to offer themselves for election to the trustees. All trustees give their time voluntarily and received no benefits from the company.

Policies adopted for the induction and training of Trustees

All new trustees are offered training and are invited to spend time in the school to familiarise themselves with the work of all the departments. In addition, each trustee is encouraged to take an interest in one aspect of the work of the school by service on one of the committees. All new trustees are briefed on our Memorandum and Articles of Association. They also receive the Charity Commission information on the responsibilities of trustees. A trustee visit form was adopted and a number of trustees made individual visits to the school to familiarise themselves with the day to day routines and to meet pupils.

Organisational structure

The Acorn EBS Free School Ltd is required to have a minimum of five trustees, there is no maximum number. The trustees meet termly and are responsible for the strategic direction and policy of the school. As at the year-end there were five trustees (excluding the headteacher). The Headteacher also attends trustees' meetings but has no voting rights. The trustees do not involve themselves in the day to day running of the organisation, this is delegated to the Headteacher via the formal scheme of delegation. The Headteacher is responsible for ensuring that the school delivers the services specified and the key performance indicators are met. The Headteacher is also responsible for the individual supervision of the staff team to ensure that they are meeting the requirements of their roles and that they are able to access relevant CPD opportunities.

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

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The school has a robust Performance Management System, facilitated by the Headteacher and overseen by the Governing body who also set pay scales and pay awards for SLT. Performance targets for all staff members are linked to the schools development plan, and post Ofsted action plan priorities.

Related parties and other connected charities and organisations

The Education of young people offered by the Free School reflects both National and Local strategy. The Free School works alongside Children's Social Care, Schools and Academies, Health Services and The Police. Acorn actively used the resources and Continued Professional Development provided via LEAD Teaching School Hub. Acorn enjoys excellent working relationships with mainstream partners allowing teachers and the Senior team to work with their peers to share good practice.

Objectives and activities

Objects and aims

The Acorn EBS Free School Ltd objects and principal activities relate to the following statement, which is taken from our Memorandum and Articles of Association:

"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 an educational institution which is principally concerned with providing full-time or part-time education for children of compulsory school age who, by the reason of illness, exclusion from school, or otherwise may not for any period receive suitable education unless alternative provision is made for them."

In furtherance of our objectives but not otherwise the Free School may exercise the powers stated in the single academy model alternative provision document (DFE Articles Ref 19 December 2012 Version 1, Section 4 p5 - p8).

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

Objectives and activities (continued)

Objectives, strategies and activities

Our main objectives and activities for 2022-23 continued to focus on supporting our mainstream partners and our students; enabling those secondary school aged students who are disengaged from education to access learning.

Our aims are to work with students to:

- avoid the risk of permanent exclusion,
- support behaviour change,
- fulfil their potential
- increase their aspirations
- raise standards of achievement.

We aim to reintegrate students back to mainstream schools at Key Stage Three, or into a mainstream setting or apprenticeship post-16. Pupil numbers fluctuated in line with demand and we worked with 78 students over the academic year.

At Key Stage 3 offer follows a blueprint of an eighteen-week relationship;

Phase One: six weeks full time at Acorn,
Phase Two: six weeks meaningful transition, supported by our Engagement Team,
Phase Three: six weeks outreach.

Placements are available to assist Key Stage 4 students on a full-time permanent basis until the end of Year 11. We work closely with our mainstream partners to ensure all students are ready for the next stage of their lives be it with a college place or an apprenticeship. The nature of our academic offer continued to evolve this academic year; acting on the 2019 Ofsted report but also the moral imperative to expand our vocational offer within the Key Stage Four curriculum. This sat alongside our standard core offer of full GCSEs in English Language, English Literature, and Mathematics.

Public benefit

The educational activities undertaken by the The Acorn EBS Free School Ltd are entirely for the public benefit. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The Acorn EBS Free School Ltd is a trusted Secondary Alternative Provision, serving mainstream schools in Lincoln City and wider Lincolnshire. The school has also historically worked with Nottinghamshire schools. During the year 2022-23 the school was funded directly by ESFA for 34 Higher Needs placements. The offer to commissioning mainstream partners is robust and consistent, with clear delineation of placements offered to vulnerable young people who find mainstream schooling a challenge. Acorn enjoys a positive, effective working relationship with Lincolnshire County Council.

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

Strategic report (continued)

Acorn's Outreach service is very successful. The offer is consistent, working with three students individually across a ten-week block. Schools receive a robust report of the work undertaken with each student; professional observations as well as strategies for schools to employ to further support the young person. The Outreach Team worked with 90 students in this way.

The school's most recent Ofsted inspection was in October 2019, resulting in a Good outcome. Ofsted presented the following targets post-inspection and we can happily report that these are being confidently addressed:

- The school's approach to the professional development of staff has improved. Staff feel well supported and valued. Leaders now need to ensure that staff at all levels receive the support they need to further improve their knowledge of the subjects they teach.
- The sequencing seen in many subjects is not matched in all areas of the curriculum. The content of some subjects is not chosen and sequenced as well as it could be. Leaders need to ensure that the content of all subject plans is well chosen and carefully sequenced.
- Leaders have restructured the school day to facilitate a broader curriculum which better meets the needs of pupils. Leaders now need to implement plans to broaden the range of vocational courses for pupils in areas such as construction and hospitality.

During the course of the year, the free school welcomed 39.9 FTE students, however as some placements are part-time we worked with 78 students over the year. Acorn extended the relationship with the local authority by welcoming two students on a single-registered basis; both of whom are in receipt of an Education Health and Care Plan.

Attendance overall for the year was 68.87%.

Year 11 learners achieved full GCSEs in English Language, English Literature, Mathematics and Food Preparation and Nutrition together with Entry Level GCSEs in Science. Acorn continued to enter students for IMI Mechanical Engineering qualifications; meeting the criteria outlined by the Department for Education as a "high quality" vocational option. Learners were also entered for and passed WJEC Construction in the Built Environment.

We have worked extensively with local partners to deliver inclusive services. The in-house Engagement Team built upon their successes from previous years. Students engage in bespoke programmes following the principles of Neuro-Science and Social Pedagogy. The efficacy of this work is measurable with the impact reported to mainstream schools at the point of reintegration.

Key Performance Indicators

As 2022-2023 Year 11 students were all dual-registered with mainstream secondary schools, Acorn does not report our student performance figures. That said, we monitor both academic and personal progress across the year, benchmarking on entry and monitoring against FFT target trajectories.

The school holds a thorough and robust School Development Plan which is monitored via the Governing Board. Our overriding principles are:

- To provide a high-quality academic education, meeting the individual needs of our students.
- Ensure that students are reflective, understand themselves and learn to self-regulate, allowing for a successful return to mainstream provisions.
- Provide our students with an enriching school life, allowing them to understand the world we live in.
- To ensure that our staff are well-trained and supported in their roles and responsibilities.

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

Strategic report (continued)

In addition to this KPI's relating to financial benchmarks were adopted by trustees during the year namely:

- Number of contracted placements
- Salary costs
- In year balance
- Reserves
- Cost of school improvement priorities

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 Accounting Policies note of the financial statements.

Financial review

Most of the Trust's income is obtained from the 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. The Trust also receives a significant amount of funding from Lincolnshire County Council, its local authority.

During the year, the total income being recurrent and other grant funding from the ESFA and other total expenditure was in excess of incoming resources. The excess of income over expenditure for the period was £144,818. Excluding the costs relating to the restatement of the LGPS reserve, the excess of income over expenditure was £147,818.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be more than its liabilities in the Scheme, and consequently the Trust has a net asset of £119,000. This surplus has not been recognised in the financial statements.

The Trust held fund balances at 31 August 2023 of £2,273,599, comprising £84,946 of restricted funds, a fixed asset reserve of £2,184,981 and £3,672 of unrestricted general funds.

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

Reserves policy

The trustees review the reserve levels of the free school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees need to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The trustees have examined the schools requirements for reserves and will look to maintain a reserve in the course of the next three years of operations.

The trustees consider an appropriate level of reserves to be in the order of 10-15% of total annual expenditure, to insulate the free school in the event of the ESFA and other funding income becoming interrupted. This is around £85k-£130k. The free school holds an annual contingency budget of £2,000 within the restricted funds agreed by trustees.

At 31 August 2023 the free school held total reserves (excluding fixed asset fund) of £88,618 that consists of £84,946 of restricted funds (unspent grants) and £3,672 of unrestricted funds.

Investment policy

Aside from retaining an amount in reserves each year most of the free school's funds are to be spent in the short term so there are few funds for long term investment. The school has an investment policy and in line with this policy holds the majority of its reserves in a higher interest notice account.

Principal risks and uncertainties

The trustees have a full risk management programme to assess all areas of risk to The Acorn EBS Free School Ltd and actions to mitigate these risks.

Risk Management

During the year work continued on the replacement of the school heating system predominately funded through a Conditional Improvement Fund grant secured in 2021-22. A new CCTV system was installed during the year to improve site security.

As, is the case nationwide, the impact of coronavirus on pupil progress has been identified as a risk to the school and a thorough Recovery Curriculum which is meaningful to Acorn pupils has been put in place. Due to the dual registered nature of the majority of Acorn pupils the potential for periods of lockdown to result in reduced placement uptake and consequently a reduction in funding was also considered to be an area of risk. To mitigate this links were forged with three new schools during the academic year. Despite the impact of coronavirus, the trustees are of the opinion that the school will have no going concern issues despite the risks it poses.

Financial and Risk Management Objectives and Policies

The trustees have assessed the major risks to which the free school is exposed, in particular those related to the operations and finances of the free school, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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

Fundraising

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

Plans for future periods

Funding is always in the forefront of our minds with constant changes to service provision and delivery at both national and local levels. The Acorn EBS Free School Ltd will continue to work closely with current commissioners to provide the best services available whilst looking for new opportunities to attract new funding to develop required services within the core aims of the school.

Due to the economic climate it is both wise and prudent to constantly evaluate what we as an organisation are doing both in parts and as a service as a whole. The nature of need and demographic of vulnerable students is constantly changing in the county, it is in the best interest of all our school users and future users for us to anticipate their needs, work in partnership to maximise all provision to best meet individual needs that have been prioritised and to avoid any duplication.

Full details of the specific objectives for the coming year are detailed in the school development plan.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
8 December 2023 and signed on its behalf by:



.....
Mr M Turton
Chair of Trustees



.....
Dr S Cordell
Trustee

THE ACORN EBS FREE SCHOOL LTD
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GOVERNANCE STATEMENT

Scope of responsibility

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

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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Acorn EBS Free School Ltd 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 4 times during the year. Alongside this, in order to maintain effective financial oversight, the finance and general purpose sub-committee met several times and the standards sub-committee met several times. The work of both of these committees was shared with the whole governing body via a remote governor drive.

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

Trustee	Meetings attended	Out of a possible
Dr S Cordell, Chair of Trustees	4	4
G L Arnold	2	4
A Dawson, Head Teacher & Accounting Officer	4	4
S Fraser-Cattanach	4	4
L Johnson	3	4
L Shury, Staff Trustee	3	4
M Turton	3	4
A J Wilson	4	4

During the year two new governors were appointed namely Mr M Turton and Mrs L Johnson.

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required and within the academy trust's financial regulations and normal procurement procedures. The school maintains a register of interest, all trustees are required to declare pecuniary interests on an annual basis or when any new interests arise.

The work of the internal auditor included a review of governance and an action plan is in place to address the areas for improvement highlighted by the report. Improvements made during the year included adopting a new code of conduct and continuing the work of a separate Audit and Risk committee, chaired by Mr S Fraser-Cattanach. Along with this the governing body also completed a skills audit and a revised training and development programme is currently being implemented.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is set out in detail in the School Financial Procedures Document.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Dawson	6	6
L Johnson	4	4
Dr S Cordell	5	6
S Fraser-Cattanach	2	5
A J Wilson	5	6
G L Arnold	2	6

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the findings of the internal and external auditors and the actions taken by the trust's managers in response to those findings and also to assess the effectiveness and resources of the external auditor.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A J Wilson	2	3
G L Arnold	1	3
S Fraser-Cattanach	1	3
L Johnson	3	3
Dr S Cordell	2	3
A Dawson (in attendance)	3	3

Review of value for money

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by ensuring that best value is sought when purchasing large value items and contracts. This is achieved through the use of framework contracts such as the Crown Commercial Service and seeking several quotations for new and existing contracts. A robust programme of internal audit with two visits carried out through the year ensures that financial oversight of the academy's activities is reported to the audit and risk committee. The academy has sought to further increase income generation through the expansion of its outreach programme and an increase in the number of placements contracted.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Acorn EBS Free School Ltd for the year 1 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of 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

The Board of Trustees has decided to employ Julia Raftery Consulting Limited as internal auditor.

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

- Governance
- Risk Management
- Budget Management and financial planning
- Cash management and banking
- Purchasing and tender arrangements
- Payroll and Personnel procedures
- Income.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

The internal auditor has delivered their schedule of work as planned. Recommendations made have been presented to the audit and risk committee and action plans developed.

Review of effectiveness

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

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

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

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



M Turton
Chair of Trustees



A Dawson
Accounting Officer

Date: 8/12/2023

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Acorn EBS Free School Ltd 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 the 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 Academies Financial 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 Academies Financial Handbook 2022.

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



A Dawson
Accounting Officer
Date: 8/12/2023

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

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

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


.....
M Turton
Chair of Trustees


.....
Dr S Cordell
Trustee

Date: 8/12/2023

THE ACORN EBS FREE SCHOOL LTD
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACORN EBS FREE SCHOOL LTD**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACORN EBS FREE SCHOOL LTD (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACORN EBS FREE SCHOOL LTD (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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was that we identified the material laws and regulations applicable to the trust through discussions with Trustees and other management, and from our commercial knowledge and experience of the Trust and education sector in which it operates. These were the Companies Act 2006, the Academy Trust Handbook, the Academies Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety and safeguarding legislation. We then assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We then assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we reviewed a sample of grants in the year to allocation and accurate recognition, we agreed a sample of employees on the Trust payroll to existence and agreed the accuracy of their pay, we assessed and reviewed the appropriateness and effectiveness of the key systems and controls. We also assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documentation, reading the minutes of meetings of those charged with governance, reviewing internal audit reports for any indication of breaches of laws and regulations, enquiring of management as to actual and potential litigation and claims and reviewing any correspondence with HMRC, relevant regulators and the Trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACORN EBS FREE SCHOOL LTD (CONTINUED)**

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.

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.



Mark Bradshaw (Senior statutory auditor)

for and on behalf of
Streets Audit LLP
Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Date: 19/12/2023

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACORN
EBS FREE SCHOOL LTD AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Acorn EBS Free School Ltd 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 The Acorn EBS Free School Ltd and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Acorn EBS Free School Ltd 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 The Acorn EBS Free School Ltd and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Acorn EBS Free School Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Acorn EBS Free School Ltd's funding agreement with the Secretary of State for Education dated 10 March 2011 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:

- a review of the Trust's systems and controls and confirmation of the operation and effectiveness during the year;
- a review of expenditure to confirm the appropriateness and value for money; and
- a review of connected party arrangements, transactions and balances

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACORN
EBS FREE SCHOOL LTD 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.



Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Date: 19/12/2023

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	-	253,318	253,318	162,774
Investments	5	1,431	3,000	-	4,431	125
Charitable activities		-	800,741	-	800,741	703,621
Total income		1,431	803,741	253,318	1,058,490	866,520
Expenditure on:						
Charitable activities		-	880,901	32,771	913,672	811,838
Total expenditure		-	880,901	32,771	913,672	811,838
Net income/ (expenditure)		1,431	(77,160)	220,547	144,818	54,682
Transfers between funds	15	-	(48,580)	48,580	-	-
Net movement in funds before other recognised gains/(losses)		1,431	(125,740)	269,127	144,818	54,682
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	21	-	65,000	-	65,000	408,000
Defined benefit pension scheme asset not recognised		-	(62,000)	-	(62,000)	(57,000)
Net movement in funds		1,431	(122,740)	269,127	147,818	405,682

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	2,241	207,686	1,915,854	2,125,781	1,720,099
Net movement in funds	1,431	(122,740)	269,127	147,818	405,682
Total funds carried forward	3,672	84,946	2,184,981	2,273,599	2,125,781

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

The notes on pages 27 to 51 form part of these financial statements.

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)
REGISTERED NUMBER: 07654340

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	2,185,429	1,768,112
		<u>2,185,429</u>	<u>1,768,112</u>
Current assets			
Debtors	13	114,397	80,443
Cash at bank and in hand		82,065	319,089
		<u>196,462</u>	<u>399,532</u>
Creditors: amounts falling due within one year	14	(108,292)	(41,863)
Net current assets		<u>88,170</u>	<u>357,669</u>
Total assets less current liabilities		<u>2,273,599</u>	<u>2,125,781</u>
Net assets excluding pension asset		<u>2,273,599</u>	<u>2,125,781</u>
Total net assets		<u><u>2,273,599</u></u>	<u><u>2,125,781</u></u>


THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)
REGISTERED NUMBER: 07654340

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023


	Note		2023 £	2022 £
Funds of the Academy				
Restricted funds:				
Fixed asset funds	15	2,184,981	1,915,854	
Restricted income funds	15	84,946	207,686	
Total restricted funds	15		2,269,927	2,123,540
Unrestricted income funds	15		3,672	2,241
Total funds			2,273,599	2,125,781

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

The financial statements on pages 22 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



M Turton
 Chair of Trustees



Dr S Cordell
 Trustee

Date: 8/12/2023

The notes on pages 27 to 51 form part of these financial statements.

THE ACORN EBS FREE SCHOOL LTD
(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 operating activities	17	(41,685)	(88,089)
Cash flows from investing activities	18	(195,339)	147,982
Change in cash and cash equivalents in the year		(237,024)	59,893
Cash and cash equivalents at the beginning of the year		319,089	259,196
Cash and cash equivalents at the end of the year	19, 20	<u>82,065</u>	<u>319,089</u>

The notes on pages 27 to 51 form part of these financial statements

THE ACORN EBS FREE SCHOOL LTD
(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.

The Acorn EBS Free School Ltd meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

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

- **Grants**

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

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

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.

- **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.

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.

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 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 bases:

Long-term leasehold property	- Improvements at 2% straight line
Furniture and equipment	- 15% straight line
Computer equipment	- 33% straight line

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

1.7 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.

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 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.

1.10 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 13. 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 14. 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.

THE ACORN EBS FREE SCHOOL LTD
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

THE ACORN EBS FREE SCHOOL LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

At 31 August 2023, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Trustees have concluded that there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements.

3. Income from donations and capital grants

	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Capital Grants	253,318	253,318	162,774

THE ACORN EBS FREE SCHOOL LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's educational operations

	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Direct costs - Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	340,000	340,000	340,000
Other DfE Group grants	8,031	8,031	4,682
	<u>348,031</u>	<u>348,031</u>	<u>344,682</u>
Other Government grants			
LA funding - teachers pay and pension grants	28,554	28,554	28,554
LA funding - LAC pupil premium	9,414	9,414	4,556
Other Government grants	2,000	2,000	-
	<u>39,968</u>	<u>39,968</u>	<u>33,110</u>
Other income from the Academy's educational operations	412,742	412,742	307,479
COVID-19 additional funding (DfE/ESFA)			
Catch-up and recovery premium	-	-	1,500
	<u>-</u>	<u>-</u>	<u>1,500</u>
COVID-19 additional funding (non-DfE/ESFA)			
COVID-19 mass testing and vaccination funding	-	-	16,850
	<u>-</u>	<u>-</u>	<u>16,850</u>
	<u>800,741</u>	<u>800,741</u>	<u>703,621</u>
	<u>800,741</u>	<u>800,741</u>	<u>703,621</u>

THE ACORN EBS FREE SCHOOL LTD
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5. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	1,431	-	1,431	125
Pension income	-	3,000	3,000	-
	<u>1,431</u>	<u>3,000</u>	<u>4,431</u>	<u>125</u>
<i>Total 2022</i>	<u>125</u>	<u>-</u>	<u>125</u>	

6. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Educational Operations:					
Direct costs	393,245	-	60,445	453,690	369,537
Allocated support costs	284,372	61,374	114,236	459,982	442,301
	<u>677,617</u>	<u>61,374</u>	<u>174,681</u>	<u>913,672</u>	<u>811,838</u>
<i>Total 2022</i>	<u>609,197</u>	<u>65,707</u>	<u>136,934</u>	<u>811,838</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations	<u>453,690</u>	<u>459,982</u>	<u>913,672</u>	<u>811,838</u>
<i>Total 2022</i>	<u>369,537</u>	<u>442,301</u>	<u>811,838</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	284,372	274,768
Depreciation	32,771	30,040
Technology costs	14,667	15,071
Premises costs	61,374	65,707
Governance costs	17,837	19,633
Other costs	48,961	37,082
	459,982	442,301

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	1,030	1,030
Depreciation of tangible fixed assets	32,771	30,040
Fees paid to auditors for:		
- audit	5,750	5,750
- other services	1,250	1,250

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FOR THE YEAR ENDED 31 AUGUST 2023

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	505,323	419,732
Social security costs	50,368	35,081
Pension costs	110,918	150,243
	<u>666,609</u>	<u>605,056</u>
Agency staff costs	11,008	4,141
	<u>677,617</u>	<u>609,197</u>

b. Severance payments

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

	2023
	No.
£0 - £25,000	1

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	5	5
Management	4	4
Administration and support	9	8
	<u>18</u>	<u>17</u>

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9. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Teachers	3	3
Management	4	4
Administration and support	7	7
	<u>14</u>	<u>14</u>

d. 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 £70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £272,900 (2022 - £228,162).

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

10. Trustees' remuneration and expenses

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

	2023	2022
	£	£
A Dawson, Head Teacher & Accounting Officer	75,000 -	65,000 -
	80,000	70,000
Pension contributions paid	15,000 -	15,000 -
	20,000	20,000
L Shury, Staff Trustee	55,000 -	55,000 -
	60,000	60,000
Pension contributions paid	10,000 -	10,000 -
	15,000	15,000

During the year ended 31 August 2023, expenses totalling £380 were reimbursed or paid directly to 1 Trustee.

11. 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.

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

12. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	1,913,606	40,755	71,396	2,025,757
Additions	431,123	13,850	5,115	450,088
Disposals	-	-	(39,841)	(39,841)
At 31 August 2023	<u>2,344,729</u>	<u>54,605</u>	<u>36,670</u>	<u>2,436,004</u>
Depreciation				
At 1 September 2022	169,054	29,540	59,051	257,645
Charge for the year	20,501	4,543	7,727	32,771
On disposals	-	-	(39,841)	(39,841)
At 31 August 2023	<u>189,555</u>	<u>34,083</u>	<u>26,937</u>	<u>250,575</u>
Net book value				
At 31 August 2023	<u>2,155,174</u>	<u>20,522</u>	<u>9,733</u>	<u>2,185,429</u>
At 31 August 2022	<u>1,744,552</u>	<u>11,215</u>	<u>12,345</u>	<u>1,768,112</u>

Leasehold property additions relate to a boiler project.

Included in land and buildings is leasehold land which is not depreciated.

Property assets are leased in part from Lincolnshire County Council (the freeholder of part of the land) under a 125 year lease at peppercorn rent.

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

13. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	8,734	7,767
Other debtors	15,068	56,856
Prepayments and accrued income	90,595	15,820
	114,397	80,443

14. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	63,004	7,264
Other taxation and social security	8,858	10,045
Other creditors	11,743	9,997
Accruals and deferred income	24,687	14,557
	108,292	41,863

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

15. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	2,241	1,431	-	-	-	3,672
Restricted general funds						
General Annual Grant (GAG)	207,281	340,000	(413,755)	(48,580)	-	84,946
Other DfE/ESFA grants	-	8,031	(8,031)	-	-	-
Outreach and placements	-	386,715	(386,715)	-	-	-
Other income	405	65,995	(66,400)	-	-	-
Pension reserve	-	3,000	(6,000)	-	3,000	-
	<u>207,686</u>	<u>803,741</u>	<u>(880,901)</u>	<u>(48,580)</u>	<u>3,000</u>	<u>84,946</u>
Restricted fixed asset funds						
Transfer from LA on conversion	1,000,000	-	-	-	-	1,000,000
Capital expenditure from GAG	10,108	-	(1,579)	48,580	-	57,109
DfE/ESFA capital grants	905,746	253,318	(31,192)	-	-	1,127,872
	<u>1,915,854</u>	<u>253,318</u>	<u>(32,771)</u>	<u>48,580</u>	<u>-</u>	<u>2,184,981</u>
Total Restricted funds	<u>2,123,540</u>	<u>1,057,059</u>	<u>(913,672)</u>	<u>-</u>	<u>3,000</u>	<u>2,269,927</u>
Total funds	<u><u>2,125,781</u></u>	<u><u>1,058,490</u></u>	<u><u>(913,672)</u></u>	<u><u>-</u></u>	<u><u>3,000</u></u>	<u><u>2,273,599</u></u>

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

15. Statement of funds (continued)

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

Unrestricted funds

Unrestricted funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2023 results in a net surplus of £88,618.

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.

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

15. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	2,116	125	-	-	-	2,241
Restricted general funds						
General Annual Grant (GAG)	197,225	340,000	(330,059)	115	-	207,281
Other DfE/ESFA grants	-	24,182	(24,182)	-	-	-
Outreach and placements	-	292,582	(292,582)	-	-	-
Other income	14,523	46,857	(60,975)	-	-	405
Pension reserve	(277,000)	-	(131,000)	-	408,000	-
	<u>(65,252)</u>	<u>703,621</u>	<u>(838,798)</u>	<u>115</u>	<u>408,000</u>	<u>207,686</u>
Restricted fixed asset funds						
Transfer from LA on conversion	1,000,000	-	-	-	-	1,000,000
Capital expenditure from GAG	16,151	-	(5,928)	(115)	-	10,108
DfE/ESFA capital grants	767,084	162,774	(24,112)	-	-	905,746
	<u>1,783,235</u>	<u>162,774</u>	<u>(30,040)</u>	<u>(115)</u>	<u>-</u>	<u>1,915,854</u>
Total Restricted funds	<u>1,717,983</u>	<u>866,395</u>	<u>(868,838)</u>	<u>-</u>	<u>408,000</u>	<u>2,123,540</u>

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15. Statement of funds (continued)

Total funds	<u>1,720,099</u>	<u>866,520</u>	<u>(868,838)</u>	<u>-</u>	<u>408,000</u>	<u>2,125,781</u>
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16. 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	-	-	2,185,429	2,185,429
Current assets	3,672	153,491	39,299	196,462
Creditors due within one year	-	(68,545)	(39,747)	(108,292)
Total	<u>3,672</u>	<u>84,946</u>	<u>2,184,981</u>	<u>2,273,599</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	-	-	1,768,112	1,768,112
Current assets	2,241	249,549	147,742	399,532
Creditors due within one year	-	(41,863)	-	(41,863)
Total	<u>2,241</u>	<u>207,686</u>	<u>1,915,854</u>	<u>2,125,781</u>

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17. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of financial activities)	144,818	54,682
Adjustments for:		
Depreciation	32,771	30,040
Capital grants from DfE and other capital income	(253,318)	(162,774)
Interest receivable	(1,431)	(125)
Defined benefit pension scheme cost less contributions payable	6,000	70,000
Defined benefit pension scheme finance (income)/cost	(3,000)	4,000
Increase in debtors	(33,954)	(52,716)
Increase/(decrease) in creditors	66,429	(31,196)
Net cash used in operating activities	(41,685)	(88,089)

18. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	1,431	125
Purchase of tangible fixed assets	(450,088)	(14,917)
Capital grants from DfE Group	253,318	162,774
Net cash (used in)/provided by investing activities	(195,339)	147,982

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	82,065	319,089
Total cash and cash equivalents	82,065	319,089

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

20. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	319,089	(237,024)	82,065
	<u>319,089</u>	<u>(237,024)</u>	<u>82,065</u>

21. 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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and of the LGPS 31 March 2022.

Contributions amounting to £11,743 were payable to the schemes at 31 August 2023 (2022 - £9,997) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £62,281 (2022 - £55,445).

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 £53,000 (2022 - £40,000), of which employer's contributions totalled £41,000 (2022 - £31,000) and employees' contributions totalled £ 12,000 (2022 - £9,000). The agreed contribution rates for future years are 24.9 per cent for employers and various per cent for employees.

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

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

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21. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.20
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	5.25	4.20

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	19.5	21.2
Females	22.6	23.7
<i>Retiring in 20 years</i>		
Males	20.8	22.1
Females	24.0	25.1

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.1%	8	12
Mortality assumption - 1 year increase	8	10

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2023. These can, and do, change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by next year end. Post year end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

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21. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	265,000	297,000
Corporate bonds	56,000	48,000
Property	32,000	51,000
Cash and other liquid assets	15,000	10,000
Infrastructure	16,000	-
Absolute return fund	45,000	-
Total market value of assets	429,000	406,000

The actual return on scheme assets was £12,000 (2022 - £1,000).

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

	2023 £	2022 £
Current service cost	(47,000)	(89,000)
Past service cost	-	(12,000)
Interest income	18,000	7,000
Interest cost	(15,000)	(11,000)
Total amount recognised in the Statement of financial activities	(44,000)	(105,000)

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

	2023 £	2022 £
At 1 September	349,000	646,000
Current service cost	47,000	89,000
Interest cost	15,000	11,000
Employee contributions	12,000	9,000
Actuarial gains	(110,000)	(414,000)
Benefits paid	(3,000)	(4,000)
Past service costs	-	12,000
At 31 August	310,000	349,000

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21. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	406,000	369,000
Interest income	18,000	7,000
Actuarial losses	(45,000)	(6,000)
Employer contributions	41,000	31,000
Employee contributions	12,000	9,000
Benefits paid	(3,000)	(4,000)
At 31 August	429,000	406,000

22. 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	1,030	1,030
Later than 1 year and not later than 5 years	719	776
	1,749	1,806

23. 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.

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24. Related party transactions

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

G Arnold, member and trustee, is also a member and trustee at St George's Academy Trust. R Burrell is also a member of both trusts. During the year the academy received £79,963 (2022 - £55,191) from St George's Academy Trust in respect of pupil placements. At the year end no amounts were outstanding (2022 - £2,423).

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

