

Company Registration Number: 07638979 (England & Wales)

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

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KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

G W Campbell
V Hetherington (resigned 3 October 2022)
N Robinson (appointed 10 October 2022)
E Varley
Mrs G Campbell (appointed 14 November 2022)
S Boughey (appointed 15 March 2023)

Governors

E Varley, Chair¹
G W Campbell, Vice Chair¹
S Boughey (resigned 14 March 2023)
E Brewis
R A M Dobinson
K Lightfoot
L Lumley-Imerson
A Naylor¹
D Powell (resigned 7 March 2023)
S Price (resigned 7 November 2022)
C Robinson¹
S Whitehead, Accounting Officer¹
D Wheatley (appointed 31 March 2023)

¹ Members of the Finance and Property Committee

Company registered number

07638979

Company name

King James I Academy, Bishop Auckland Limited

Principal and registered office

King James I Academy
South Church Road
Bishop Auckland
Co Durham
DL14 7JZ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior management team

S Whitehead, Head Teacher
J Aitken, Deputy Head
J Longstaff, Deputy Head
R Brown, Assistant Head
M Stead, Assistant Head
S Collinson, Associate Assistant Head
R Glen, Associate Assistant Head
G Nicholson, Associate Assistant Head
J Short, Associate Assistant Head
L Mulrayan, Associate Assistant Head

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Lloyds Bank plc
21-23 Northgate
Darlington
County Durham
DL1 1TL

Solicitors

Legal Department
Durham County Council
County Hall
Durham
DH1 5UL

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors 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 Governors' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 19 serving a catchment area in Bishop Auckland. It was built under the PSBP scheme to have a pupil capacity of 950 and had a roll of 987 in the school census of October 2022.

Pupils are admitted to the academy in line with the academy admission policy, adopted from Durham County Council's policy, and administered by the local authority.

King James I Academy will transfer to Eden Learning Trust. Whilst the academy will continue, the Trust will be wound up after the transfer.

Structure, governance and management

Constitution

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

The charitable company's Articles of Association is the primary governing document of the academy trust.

The Governors of King James I Academy, Bishop Auckland Limited are also the directors of the charitable company for the purposes of company law.

The charitable company is known as King James I Academy, Bishop Auckland Limited.

Details of the Governors who served during the period 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.

Governors' indemnities

The academy trust has joined the ESFA Risk Protection Arrangement to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 12.

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

Structure, governance and management (continued)

Method of recruitment and appointment or election of Governors

The management of the academy trust is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Head Teacher or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

All Governor vacancies are advertised on the school website. Where the vacancy is for a parent Governor, a letter is sent to all parents seeking nominations. Parent Governor vacancies are appointed following a ballot process, other Governor vacancies are appointed following an interview process.

Policies adopted for the induction and training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction and training are provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The academy trust operates a unified management structure consisting of three levels: the Governors, the Senior Management Team and the Middle Leaders Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting policy, adopting an annual development plan and budget. They monitor academy trust performance via regular reporting and make major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The Senior Management Team consists of the Head Teacher, Deputy Head Teachers, two Assistant Head Teachers and three Associate Assistant Head Teachers who control the academy trust at an Executive Level, implementing policies and reporting back to Governors through the various Committees. As an executive group they are responsible for the control of spending within agreed limits and the appointment of staff with support from members of the Governing Body.

The Middle Leaders have both academic and pastoral responsibilities and are responsible for operational decision-making in relation to achievement, teaching and learning, facilities and behaviour management.

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GOVERNORS' 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 Head Teacher is appointed on a seven-point Individual School Range. The Individual School Range is set by the Governing Body and is based on the academy size, and any permanent additional relevant factors as determined within the framework of the School Teachers' Pay and Conditions document. Progression on the Individual School Range is subject to a review of the Head Teacher's performance set against the annual appraisal review.

All other leadership posts have been assigned a 5 point pay range by the Governing Body. These ranges have been determined from within the indicative leadership scale contained in the School Teacher's Pay and Conditions document and in accordance with setting the pay for the Head Teacher. The range for individual posts has been determined according to the duties and responsibilities of the post. Progression on the pay range will be subject to a review of their performance set against the annual appraisal review.

Trade union facility time

The academy trust has entered into a service level agreement with Durham County Council for the provision of Trade Union Facility Time. The cost of this service for the 2022-23 academic year was £826.

Related parties and other connected charities and organisations

During the period the academy trust transacted with one related party. Details of related party transaction are stated in note 24 to the Financial Statements.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of King James I Academy to provide education for students of different abilities between the ages of 11 and 19.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum, in line with national guidance.

The main objectives of the academy trust during the year ended 31 August 2023 are given below:

- Be a friendly, welcoming and caring school;
- Develop a sense of personal and social responsibility;
- Provide opportunities for spiritual, moral, social and cultural education, satisfying the need of and providing equal opportunities for all;
- Provide opportunities for all staff to develop their personal expertise, professional skill and to achieve job fulfilment;
- Enable every child to achieve their full potential through a broad, balanced and interesting curriculum;
- Develop a co-operative working relationship between all children, staff, parents, carers and Governors;
- Direct the resources of the school to agreed priorities; and
- Encourage and reward pupil achievement, good behavior and positive attendance.

Objectives, strategies and activities

King James I Academy aims to provide a creative and inspirational learning experience that encourages young people to achieve their full potential and to become intelligent, responsible, productive and caring adults who are well prepared for the challenges of a world full of opportunities.

The school is a learning community in which all ages meet to share and develop their talents and to promote mutual respect for all people; whatever their age, gender, ability, background or beliefs.

The Academy's Development Plan is reviewed annually. The main objectives of the academy trust for the year ended 31 August 2023 were as follows:

- **Student Support**
 - Continued development of Mental Health Support for staff and students
 - Anticipate and identify concerns, especially of the most vulnerable.
 - Attendance and punctuality – these are national priorities following the pandemic, and includes persistent absenteeism which has risen dramatically since 2019
- **Engagement and Performance of Boys** - continues to be a priority and is likely to be so for the foreseeable future.
- **Performance of High Prior Attainment Students** - a range of strategies to target high performing students, particularly girls, has been initiated, including the use of positive role models to raise aspirations. Mental wellbeing following the pandemic has been a significant concern for this group of students
- **Performance of Pupil Premium students** - This reflects the academy trust's context and that this continues to be a challenge. Evidence based research indicates that this group's progress was significantly and adversely affected by school closures, and the effects of this are reflected in their performance.
- **Performance of SEND students** – this cohort makes up approximately 25% of the Academy population. SEND students on average perform less well than non-SEND students and there is a significant focus on improving their overall performance.
- **Ofsted Priority – KS3 Carousel** – revised schemes of work, specifically in DT to ensure curriculum coverage as well as development of an assessment program to ensure students can retain knowledge over a period of time.

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

Objectives and activities (continued)

- **Ofsted Priority – Assessment in PSHE** – Development of an assessment plan which tracks student progress within the subject and provides evidence of learning.
- Matched Performance of students at 4+ (69%) and 5+ (46%) at GCSE in English and Maths
- **Subject Priorities KS4 - English / Combined Science / Music / PE / Languages:**
 - **English** – Strong results in 2022 follow good TAG outcomes in the previous year. This now needs to be consolidated with another strong performance in 2023.
 - **Combined Science** – Improved performance in 2022, but still not in line with other subjects.
 - **Music** – consistently high performing department previously. To be monitored this year following performance issues in 2022
 - **PE (GCSE)** – strong performance in vocational areas but outcomes in GCSE PE weren't as strong as previous years. Action taken by the department and performance to be monitored.
 - **Languages** – Strong outcomes, but recruitment issues previously
- **Subject Priorities KS5**
 - **Geography** – Significantly negative VA in 2022
 - **Law** – First full set of results due this year
 - **Physics** – new course introduced in September 2022
- Literacy skills across the Academy
- **PROUD** – increased focus by students and staff on the presentation of work in lessons
- Development of cross curricular links within lessons
- **Retention of Knowledge** - Regular opportunities for students to retrieve prior knowledge through low stakes testing in all lessons.
- **KS3 Schemes as preparation for KS4**
- **Progress 8** = positive figure overall in Summer 2023 examinations
- **Sixth Form VA** = Positive figure overall across Technical, Applied General, Academic and A' Level.
- **Strategic development of Sixth Form Curriculum** – A Level Physics (Sep 2022)
- **Recruitment to Year 7** – 175 target for September 2023 (14 above PAN)
- **Recruitment to Sixth Form** = 100 students were recruited to Year 12 this year. We aim for 100 – 110 to be recruited into year 12 in September 2023 in order to reach a number of 200 6th form students.
- **Implementation of Effective Teaching Strategies and Increased Curriculum Relevance**
- **Teacher Induction, Training and Support** – This includes ITE/ECT support & development. Three of our Year 1 ECT have continued into Year 2 with us in 2022/23.
- **Attendance** – National attendance information for the previous academic year is not yet available for comparison, however the Academy compared favourably with DfE figures throughout 2021/22
- **Reduction in Fixed Term and Permanent Exclusions** – 5 students were permanently excluded in 2021/22, however both the length of suspensions and number of repeat offenders reduced.
- **Effective Financial Management** – The financial pressures on schools (and especially SAT's) continues to grow as a result of increased energy costs and recent unfunded teacher and support staff pay rises. The introduction of a banding system for SEND funding means this will likely be reduced further in the coming years against a continued backdrop of increased need. The Academy secured a surplus in the last financial year and the Reserves Policy continues to be met.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 19.

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

Objectives and activities (continued)

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy trust should undertake.

Strategic report

Achievements and performance

Achievements in the year

The results obtained by students, particularly at KS4 represent not only a significant improvement on those achieved in 2019, but also an improvement in many cases on 2020 (Centre Assessed Grades) and 2021 (Teacher Assessed Grades). This bucks the national trend whereby in the majority of schools, results fell overall:

Headline Achievement (KS4)

<i>Attainment 8 Score</i>	45.29
<i>Progress 8 score</i>	-0.14
<i>English A8</i>	4.46
<i>Mathematics A8</i>	4.18
<i>2 x Sciences</i>	3.94
<i>Humanities</i>	3.76
<i>MFL</i>	0.56 (Small cohort effect)
<i>Open Subjects A8 (3)</i>	5.27
<i>4+ (EM) %</i>	56.9%
<i>5+ (EM) %</i>	32.0%
<i>English 4+ %</i>	69.3%
<i>English 5+ %</i>	49.7%
<i>Maths 4+ %</i>	68.6%
<i>Maths 5+ %</i>	37.3%

Headline Achievement (KS5)

<i>Value Added</i>	+0.00
<i>A' Level APS / Grade</i>	29.36 / C=
<i>Academic APS / Grade</i>	29.21 / C=
<i>Applied General APS / Grade</i>	30.88 / Dist-
<i>Tech' Level APS / Grade</i>	30.65 / Dist-
<i>English Progress Measure</i>	-0.14
<i>Mathematics Progress Measure</i>	-0.73

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

Objectives and activities (continued)

Ofsted

The academy trust was subject to a Section 8 Ofsted inspection in February 2022. The team of inspectors found that the overall effectiveness of the academy trust continues to be 'Good'. Section 8 Inspections do not provide judgements on individual areas, but inspectors agreed with school leaders on their judgements of the academy trust.

The following provides a summary of the key findings for parents and pupils:

- Pupils have a voice at King James I Academy
- They get to share their views regularly
- Pupils are involved in shaping life at the school
- Leaders high expectations of students are set out in the school's 7 Standards
- Pupils enjoy coming to school
- They conduct themselves well in lessons and make visitors feel welcome
- Pupils feel safe and value the support they can get from the student support team
- Students enjoy a wide range of academic and vocational courses
- Leaders have developed an ambitious and well-structured curriculum and pupils study a broad range of subjects
- The curriculum is well designed and pupils build their knowledge from one lesson to the next. Teachers make effective choices to ensure that pupils know and remember important subject knowledge
- Leaders have identified the most important knowledge they want students to learn in each subject and teachers regularly check that pupils know and remember
- Leaders have strengthened the teaching of languages across the school
- Reading has a high priority and pupils who need help with reading are quickly identified and supported
- Poor behavior does not interrupt lessons
- Leaders place high importance on pupils' personal development
- Leaders engage meaningfully with staff. A Focus group has been set up to reduce workload and responses to the staff questionnaire show that all teachers are proud to work at the school
- The governing body has an accurate view of the school, and recent appointments have strengthened their ability to hold leaders to account.

Strategic report

Achievements and performance

Key performance indicators

The key financial performance indicators of the academy trust are as detailed below:

	2023	2022
Total Income per pupil	£7,778	£7,415
Total GAG per pupil	£6,224	£6,130
GAG/Income ratio	80.03%	82.67%
Teaching Staff Costs / Total Income	53.63%	55.31%
Total Staff Cost / Total Income	77.77%	77.40%
Expenditure per pupil	£7,602	£7,111
Pupil Teacher ratio	14.50	14.50
Total Revenue Reserves	£571,000	£398,000
Total Revenue Reserves / income ratio	7.48%	5.59%
Total Revenue Reserves / GAG ratio	9.735%	6.76%

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

Strategic report (continued)

Achievements and performance (continued)

The above calculations excluding capital income, depreciation, and LGPS pension valuation adjustments as these are not deemed to be pupil related.

The performance indicators are broadly in line with the previous year's figures and Governor expectations. The increased revenue reserves are now in line with the minimum reserve policy set by Governors.

Going concern

The academy within the Trust plans to join Eden Learning Trust on the 1 December 2023. Following the transfer, this trust will be closed down.

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence. Governors are of the view, that the continued growth in numbers of pupils on roll and the successful management of in-year expenditure allows Governors to continue to adopt the going concern basis for the academy. The academy is over-subscribed for September 2023 for the fifth consecutive year. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Review of the year

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the academy receives income for the sale of goods and services. These services mainly include the provision of catering facilities to children and staff and the letting of sports facilities to the public.

The academy trust continues to recover from the effects of the COVID pandemic, with the support of additional government grants - COVID recovery premium and National Tutoring Programme funding received during the year was used to ensure all pupils were able to effectively access the curriculum with the necessary support.

During the year ended 31 August 2023, total expenditure of £7,902,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding pension reserve movements and restricted fixed asset funds) was £173,000.

All of the expenditure shown in the Statement of Financial Activities is to further the academy trust's objectives.

At 31 August 2023 net book value of fixed assets was £12,981,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

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

Strategic report (continued)

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £374,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2023 of £13,183,000 comprising £209,000 of restricted general funds, £12,986,000 of restricted fixed asset funds, a pension deficit of £374,000 and £362,000 of unrestricted funds.

Reserves policy

The academy trust holds restricted and unrestricted funds (the attached financial statements detail these funds). The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy trust is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £153,850 (based on 2.5% of GAG).

This is considered sufficient to cover the principal risks faced by the academy trust such as:

- a) movement in pupil numbers on roll
- b) changes to the Funding Formula for both pre and post 16 students; and
- c) the cost of sickness cover above that included within budget.

As at 31 August 2023 the academy trust holds available reserves of £571,000 comprising of restricted general funds (excluding pension reserves) of £209,000 and unrestricted funds of £362,000.

The academy trust's current level of free reserves is a surplus of £362,000.

Investment policy

The academy invests surplus funds through term deposits. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of significant deficit on the academy trust balance sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

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

Fundraising

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

Plans for future periods

2022-2023 was an academic year that saw the academy trust move out of the difficulties associated with the Coronavirus pandemic.

We continue to place the safety of our students and staff at the forefront of our thoughts and we have put in place measures to continue to support the education of students within, and beyond, the academy trust. Our investment in Chromebook technology, over several years, has placed us in an enviable position and now means that all students will have access to a laptop computer to support their learning.

We continue to invest in the training of students and staff alike, to ensure that they have the necessary skills to be able to make full use of the technology at their fingertips and to support their teaching and learning. This training has enabled staff to utilise technology within lessons in addition to providing remote learning opportunities.

We continue employing additional staff to provide both academic and pastoral support for students in order to facilitate this.

The strategic development of the academy trust has been a focus for the coming year and will continue into 2023/24 and beyond. Following extensive and appropriate due diligence during 2022/23, the Academy is progressing towards joining Eden Learning Trust, and this has now been approved by the DfE. Governors and leaders feel that this is a Trust that aligns with our own values and through mutual support, and sharing expertise, will provide opportunities for further academic progress for KJI students as well as development opportunities for Academy staff, and providing a route into Sixth Form study for students from other local schools.

Funds held as custodian for others

The academy trust does not hold any funds held as Custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors 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 Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 23 November 2023 and signed on its behalf by:



E Varley
Chair

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that King James I Academy, Bishop Auckland Limited has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors 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 King James I Academy, Bishop Auckland Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. The effective oversight of funds was maintained via the Budget Working Group who met on 4 occasions during the year. As such, the Board felt 3 meetings was sufficient.

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

Governor	Meetings attended	Out of a possible
E Varley, Chair	3	3
G W Campbell, Vice Chair	3	3
S Boughey(resigned 14 March 2023)	0	1
E Brewis	3	3
R A M Dobinson	2	3
K Lightfoot	3	3
L Lumley-Imerson	1	3
C Robinson	3	3
D Wheatley (appointed 31 March 2023)	1	1
A Naylor	2	3
D Powell (resigned 7 March 2023)	1	1
S Price (resigned 7 November 2022)	0	0
S Whitehead, Accounting Officer	3	3

The Governing Body is constituted from a mix of member appointed, parent and staff Governors and includes expertise from a number of professions including education, accountancy and law. The major challenges faced by Governors during the year included improving the educational results, growing the sixth form and addressing government funding pressures.

In the autumn term of 2018 the academy trust undertook an audit of Governor skills and used this information to align Governors with key functional area and governing body committees to ensure that we are making the most appropriate use of Governor's skills. The following outcomes were achieved:

- To improve Governor's awareness of Ofsted expectations in relation to Governance
- To identify Committees and agree appropriate membership
- To identify Governors' skills and experience and how these relate to the role of Committees and to Governors' responsibilities
- To confirm the leadership arrangements for Committees
- To identify the potential sources of evidence which can be used by Governors to inform judgements and actions
- To agree the process for consulting up and agreeing policies
- To identify and promote departmental links

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance has been redefined based upon the Ofsted guidance in order to ensure that clear lines of accountability are defined and to confirm challenge and practice. The following comments are taken from the Ofsted report March 2017:

- Governors are unwavering in their support for the Head Teacher: they balance this with appropriate, well informed challenge. They are justifiably proud of all that the school achieves, but remain ambitious for further improvements. A recent review of governance has sharpened their skills in holding senior and middle leaders to account
- Governors are reflective and measured. They use key information received by school leaders in a timely manner. They use this alongside information from other sources and their own direct experiences of the school to monitor specific areas of school life. They do not rely solely on what senior leaders tell them.
- Governors fully understand their strategic role in sustaining long-term improvements. They share the determination of the Head teacher to continue such improvements. They moved swiftly to challenge the Head Teacher when pupils. Outcomes were not good enough: they now hold leaders to account in a more informed and incisive manner.

The Finance and Property Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy trust's finances and resources, including proper planning, monitoring and probity. The key issues that were reviewed by the Finance and Property Committee included agreeing the Medium Term Financial Plan, regularly reviewing the budget, reviewing the Statement of Accounts, reviewing the risk register and receiving the auditor's reports. During the period G Campbell, who worked as an accountant prior to retirement, chaired the committee. Attendance at meetings in the year was as follows:

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
G W Campbell (Chair)	3	3
A Naylor	2	3
S Whitehead	3	3
C Robinson	3	3
E Varley	3	3

Review of value for money

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

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

- Continuing the utilisation strategy of cover supervisors to reduce teaching supply costs
- Reviewing assets that have become surplus to requirements for potential sale
- Continuing to adopt electronic and remote communications where possible
- Ensuring the academy trust is an energy-efficient organisation (use of LED lighting etc)

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in King James I Academy, Bishop Auckland Limited 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 Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 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 Governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Finance and Property 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 Governors have appointed Duncan & Toplis accountants to perform the internal audit function for the academy trust in line with the requirement for the separation of the internal and external audit function.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of petty cash/expenses procedures
- Testing of control account/bank reconciliations
- Testing of Income systems
- Testing of the Accounting system and management information produced
- Review of Governor appointments/resignations and declarations of interest
- Review of gifts and hospitality & honorarium / ex-gratia payments
- Review of information technology strategy
- Review of Fixed Assets
- Review of VAT and Corporation Tax position

On an annual basis, the auditors report to the Board of Governors through the Finance and Property Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities and annually prepares a 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.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

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 external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 23 November 2023 and signed on their behalf by:



E Varley
Chair



S Whitehead
Accounting Officer

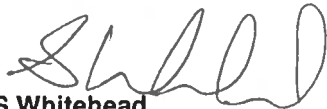
KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of King James I Academy, Bishop Auckland Limited I have considered my responsibility to notify the academy trust Board of Governors and the Education & 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022. including responsibilities for estates safety and management.

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

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



S Whitehead
Accounting Officer
Date: 23 November 2023

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

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

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors 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 Governors 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 Governors 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 Governors 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 Governors and signed on its behalf by:

E Varley
Chair



Date: 23 November 2023

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
JAMES I ACADEMY, BISHOP AUCKLAND LIMITED**

Opinion

We have audited the financial statements of King James I Academy, Bishop Auckland Limited (the 'academy trust') 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 2015 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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 2015 and the Academies Accounts Direction 2022 to 2023 issued by the Education & 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 trust 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.

Material uncertainty 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.

We draw attention to note 1.5 in the financial statements, which states that the academy is expected to join Eden Learning Trust on the 1st December 2023. As a result, the assets and liabilities will transfer to Eden Learning Trust on the 1st December 2023 and the academy trust will cease to trade and the trust will be dissolved.

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

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
JAMES I ACADEMY, BISHOP AUCKLAND LIMITED (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

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

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
JAMES I ACADEMY, BISHOP AUCKLAND LIMITED (CONTINUED)**

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy trust 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 Governors 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 Governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the academy trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of Governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of Governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KING
JAMES I ACADEMY, BISHOP AUCKLAND LIMITED (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 trust'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 trust'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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Owen LLP

Christopher Beaumont BA (Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: *28 November 2023*

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King James I Academy, Bishop Auckland Limited 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 King James I Academy, Bishop Auckland Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King James I Academy, Bishop Auckland Limited 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 King James I Academy, Bishop Auckland Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of King James I Academy, Bishop Auckland Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of King James I Academy, Bishop Auckland Limited's funding agreement with the Secretary of State for Education dated 1 June 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.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING JAMES
I ACADEMY, BISHOP AUCKLAND LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY**
(CONTINUED)

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KING JAMES
I ACADEMY, BISHOP AUCKLAND LIMITED 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.

Clive Owen LLP

Clive Owen LLP
Reporting Accountant
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: *28 November 2023*

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(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 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants	4	-	-	85	85	66
Other trading activities	6	267	-	-	267	234
Charitable activities		134	7,203	-	7,337	6,871
Total income		401	7,203	85	7,689	7,171
Expenditure on:						
Charitable activities		221	7,298	383	7,902	7,623
Total expenditure		221	7,298	383	7,902	7,623
Net movement in funds before other recognised gains		180	(95)	(298)	(213)	(452)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	22	-	792	-	792	3,022
Net movement in funds		180	697	(298)	579	2,570
Reconciliation of funds:						
Total funds brought forward		182	(861)	13,283	12,604	10,034
Net movement in funds		180	697	(298)	579	2,570
Total funds carried forward		362	(164)	12,985	13,183	12,604

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

The notes on pages 30 to 56 form part of these financial statements.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638979

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	12,981	13,278
		12,981	13,278
Current assets			
Debtors	14	138	112
Cash at bank and in hand		630	578
		768	690
Creditors: amounts falling due within one year	15	(192)	(287)
		576	403
Net current assets		576	403
Total assets less current liabilities		13,557	13,681
Net assets excluding pension liability		13,557	13,681
Defined benefit pension scheme liability	22	(374)	(1,077)
Total net assets		13,183	12,604
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	16	12,986	13,283
Restricted income funds	16	209	216
		13,195	13,499
Restricted funds excluding pension asset	16	13,195	13,499
Pension reserve	16	(374)	(1,077)
		12,821	12,422
Total restricted funds	16	12,821	12,422
Unrestricted income funds	16	362	182
		13,183	12,604
Total funds		13,183	12,604

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638979

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 26 to 56 were approved by the Governors, and authorised for issue on 23 November 2023 and are signed on their behalf, by:

E Varley
Chair



The notes on pages 30 to 56 form part of these financial statements.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	54	269
Cash flows from investing activities	19	(1)	(43)
Change in cash and cash equivalents in the year		53	226
Cash and cash equivalents at the beginning of the year		577	352
Cash and cash equivalents at the end of the year	20, 21	630	578

The notes on pages 30 to 56 form part of these financial statements

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

1.2 Fund accounting

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

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 includes grants from the Department for Education Group.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(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 income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

• **Donations**

Donations are recognised on a receivable basis where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

KING JAMES I ACADEMY, BISHOP AUCKLAND LIMITED
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

On 1 December 2023, King James I Academy is expected to join Eden Learning Trust. As a result, the assets and liabilities at that date will be transferred into the new trust. As such it is unlikely that this legal entity will be trading for 12 months following the approval of these financial statements.

1.6 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	- straight line over the useful economic life
Long term leasehold land	- straight line over 125 years
Furniture and fixtures	- straight line over 5 years
Computer equipment	- straight line over 3 years

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.

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

1. Accounting policies (continued)

1.7 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Debtors

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

1.9 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.

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £4,531 which has been assessed to be immaterial to the financial statements.

Depreciation — Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £383,000.

Critical areas of judgment:

Land – Land is held under a 125 year lease from Durham County Council. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification. Additions since conversion funded by grant bids or from GAG have been capitalised as leasehold improvements and written off over their economic life.

3. General Annual Grant (GAG)

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

The academy trust has not exceeded these limits during the year ended 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Income from donations and capital grants

	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	-	-	45
Capital Grants	85	85	21
Total 2023	85	85	66
Total 2022	66	66	

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

5. Funding for the academy's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,154	6,154	5,909
Other DfE/ESFA grants				
Pupil Premium	-	379	379	369
Rates	-	28	28	28
Teachers' pay grant	-	-	-	11
Teachers' pension grant	-	28	28	32
Others	-	49	49	99
Supplementary grant	-	173	173	72
Mainstream schools additional grant	-	86	86	-
	-	6,897	6,897	6,520
Other Government grants				
SEN	-	122	122	122
Local Authority grants	-	5	5	7
	-	127	127	129
Other income from the academy trust's academy's educational operations	134	77	211	168
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	102	102	54
	-	102	102	54
	134	7,203	7,337	6,871
	134	7,203	7,337	6,871
Total 2022	132	6,739	6,871	

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6. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Non student catering income	3	3	7
Rental and lettings income	84	84	66
RPA Claims	1	1	1
Other	179	179	160
Total 2023	<u>267</u>	<u>267</u>	<u>234</u>
Total 2022	<u>234</u>	<u>234</u>	

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

7. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Academy's educational operations:					
Direct costs	4,998	-	327	5,325	5,235
Allocated support costs	955	712	910	2,577	2,388
Total 2023	<u>5,953</u>	<u>712</u>	<u>1,237</u>	<u>7,902</u>	<u>7,623</u>
Total 2022	<u>5,825</u>	<u>774</u>	<u>1,024</u>	<u>7,623</u>	

In 2023, of the total expenditure, £221,000 (2022 - £316,000) was to unrestricted funds, £7,298,000 (2022 - £6,936,000) was to restricted funds and £383,000 (2022 - £371,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	<u>5,325</u>	<u>2,577</u>	<u>7,902</u>	<u>7,623</u>
Total 2022	<u>5,235</u>	<u>2,388</u>	<u>7,623</u>	

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

Analysis of direct costs

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	4,998	4,988
Educational supplies	133	112
Examination fees	120	96
Staff development	12	12
Technology costs	5	5
Staff expenses	1	1
Other costs	56	21
	<u>5,325</u>	<u>5,235</u>

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Net interest cost on pension scheme	40	61
Staff costs	955	837
Depreciation	383	398
Technology costs	20	48
Transport	116	117
Maintenance of premises	91	59
Cleaning	15	16
Other premises costs	47	32
Energy	194	139
Rent and rates	28	32
Insurance	20	25
Operating lease rentals	169	187
Catering	133	124
Legal costs - other	2	1
Security	5	6
Other costs	339	289
Governance costs	20	17
	<u>2,577</u>	<u>2,388</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023	2022
	£000	£000
Operating lease rentals	169	187
Depreciation of tangible fixed assets	383	398
Fees paid to auditors for:		
- audit	10	9
- other services	2	1
	169	187

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£000	£000
Wages and salaries	4,500	4,146
Social security costs	444	416
Pension costs	992	1,241
	5,936	5,803
Agency staff costs	17	2
Staff restructuring costs	-	20
	5,953	5,825

Staff restructuring costs comprise:

	2023	2022
	£000	£000
Redundancy payments	-	20
	-	20

Included in operating costs of defined benefit pension schemes is a debit of £49,000 (2022 : £352,000) relating to the pension deficit actuarial adjustment.

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10. Staff (continued)

b. Staff numbers

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

	2023 No.	2022 No.
Teaching staff	62	62
Admin staff	91	95
Management	10	7
	<u>163</u>	<u>164</u>

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £869,000 (2022: £668,000).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
D Wheatley	Remuneration	20 - 25	
S Whitehead, Accounting Officer	Remuneration	90 - 95	80 - 85
	Pension contributions paid	20 - 25	15 - 20
D Powell	Remuneration	10 - 15	25 - 30
	Pension contributions paid	0 - 5	0 - 5
L Lumley-Imerson	Remuneration	30 - 35	25 - 30
	Pension contributions paid	5 - 10	5 - 10

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed to Governors (2022 - £141).

12. Governors' and Officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors 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 Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2022	15,788	145	241	16,174
Additions	-	52	34	86
At 31 August 2023	<u>15,788</u>	<u>197</u>	<u>275</u>	<u>16,260</u>
Depreciation				
At 1 September 2022	2,616	115	165	2,896
Charge for the year	318	16	49	383
At 31 August 2023	<u>2,934</u>	<u>131</u>	<u>214</u>	<u>3,279</u>
Net book value				
At 31 August 2023	<u>12,854</u>	<u>66</u>	<u>61</u>	<u>12,981</u>
At 31 August 2022	<u>13,172</u>	<u>30</u>	<u>76</u>	<u>13,278</u>

14. Debtors

	2023 £000	2022 £000
Trade debtors	1	1
VAT recoverable	7	10
Prepayments and accrued income	130	101
	<u>138</u>	<u>112</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	24	50
Accruals and deferred income	168	237
	192	287
	192	287
	2023	2022
	£000	£000
DEFERRED INCOME		
Deferred income at 1 September 2022	93	60
Resources deferred during the year	67	93
Amounts released from previous periods	(93)	(60)
Deferred income at 31 August 2022	67	93

Deferred income includes rates relief funding which straddles the academic year and unspent School - led Tutoring grant.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds					
General Funds - all funds	182	401	(221)	-	362
Restricted general funds					
General Annual Grant (GAG)	216	6,155	(6,162)	-	209
Pupil Premium	-	379	(379)	-	-
Other DfE/ESFA Grants	-	364	(364)	-	-
SEN	-	121	(121)	-	-
Other government grants	-	5	(5)	-	-
COVID-19 funding	-	102	(102)	-	-
Other income	-	77	(77)	-	-
Pension reserve	(1,077)	-	(89)	792	(374)
	<u>(861)</u>	<u>7,203</u>	<u>(7,299)</u>	<u>792</u>	<u>(165)</u>
Restricted fixed asset funds					
Legacy assets - land and buildings	3,238	-	(45)	-	3,193
PSBP - New Building	9,809	-	(231)	-	9,578
Devolved Formula Capital	59	85	(26)	-	118
Capital expenditure from GAG	10	-	(3)	-	7
Capital expenditure from Unrestricted	21	-	(18)	-	3
Other capital grants	78	-	(19)	-	59
Donated - DFE	68	-	(40)	-	28
	<u>13,283</u>	<u>85</u>	<u>(382)</u>	<u>-</u>	<u>12,986</u>
Total Restricted funds	<u>12,422</u>	<u>7,288</u>	<u>(7,681)</u>	<u>792</u>	<u>12,821</u>
Total funds	<u><u>12,604</u></u>	<u><u>7,689</u></u>	<u><u>(7,902)</u></u>	<u><u>792</u></u>	<u><u>13,183</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants relates to Teachers Pay Grant, Teachers Pension Grant, ESFA supplementary grant and National Tutoring grants. The Teachers Pay Grant and the Teachers Pension Grant is to cover the increase in Teacher Pension Scheme contributions. COVID Catch up recovery has been awarded to schools to assist in the recovery of education as a result of the pandemic.

SEN relates to special education needs funding from Durham County Council.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 22.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

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16. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds					
Unrestricted general funds	132	366	(316)	-	182
Restricted general funds					
General Annual Grant (GAG)	-	5,909	(5,693)	-	216
Pupil Premium	-	369	(369)	-	-
Other DfE/ESFA Grants	-	242	(242)	-	-
SEN	-	122	(122)	-	-
Other government grants	-	7	(7)	-	-
COVID-19 funding	-	54	(54)	-	-
Other income	-	36	(36)	-	-
Pension reserve	(3,686)	-	(413)	3,022	(1,077)
	(3,686)	6,739	(6,936)	3,022	(861)
Restricted fixed asset funds					
Legacy assets - land and buildings	3,283	-	(45)	-	3,238
PSBP - New Building	10,040	-	(231)	-	9,809
Devolved Formula Capital	59	21	(21)	-	59
Capital expenditure from GAG	13	-	(3)	-	10
Capital expenditure from Unrestricted	39	-	(18)	-	21
Other capital grants	96	-	(18)	-	78
Donated - DFE	58	45	(35)	-	68
	13,588	66	(371)	-	13,283
Total Restricted funds	9,902	6,805	(7,307)	3,022	12,422
Total funds	10,034	7,171	(7,623)	3,022	12,604

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	12,981	12,981
Current assets	362	401	5	768
Creditors due within one year	-	(192)	-	(192)
Provisions for liabilities and charges	-	(374)	-	(374)
Total	362	(165)	12,986	13,183

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	13,278	13,278
Current assets	182	503	5	690
Creditors due within one year	-	(287)	-	(287)
Provisions for liabilities and charges	-	(1,077)	-	(1,077)
Total	182	(861)	13,283	12,604

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18. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(213)	(452)
Adjustments for:		
Depreciation	383	398
Capital grants from DfE and other capital income	(85)	(21)
Defined benefit pension scheme cost less contributions payable	49	352
Defined benefit pension scheme finance cost	40	61
(Increase)/decrease in debtors	(25)	19
Decrease in creditors	(95)	(88)
Net cash provided by operating activities	54	269

19. Cash flows from investing activities

	2023 £000	2022 £000
Purchase of tangible fixed assets	(86)	(64)
Capital grants from DfE Group	85	21
Net cash used in investing activities	(1)	(43)

20. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	630	578
Total cash and cash equivalents	630	578

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	578	52	630
	578	52	630
	578	52	630

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £Nil were payable to the schemes at 31 August 2023 (2022 - £Nil) 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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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £724,000 (2022 - £676,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £292,000 (2022 - £270,000), of which employer's contributions totalled £224,000 (2022 - £207,000) and employees' contributions totalled £68,000 (2022 - £63,000). The agreed contribution rates for future years are 19.7% for employers and 5.5% - 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, 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 trust 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.

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22. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.60	3.70
Rate of increase for pensions in payment/inflation	2.60	2.70
Discount rate for scheme liabilities	5.10	4.10
Inflation assumption (CPI)	2.60	2.70
Commutation of pensions to lump sums	85.00	85.00

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
Retiring today		
Males	21.7	22.1
Females	23.9	24.2
Retiring in 20 years		
Males	22.9	23.2
Females	25.0	25.7

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(86)	(121)
Discount rate -0.1%	91	126
Mortality assumption + 1 year increase	(118)	(141)
Mortality assumption - 1 year decrease	118	141
CPI rate +0.1%	82	116
CPI rate -0.1%	(82)	(111)

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22. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	2,115	2,168
Government bonds	441	448
Corporate bonds	391	174
Property	312	333
Cash and other liquid assets	83	55
Multi Asset Credit	636	575
Other	179	210
Total market value of assets	4,157	3,963

The actual return on scheme assets was £19,000 (2022 - £416,000).

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

	2023 £000	2022 £000
Current service cost	(273)	(559)
Interest income	166	73
Interest cost	(206)	(134)
	(313)	(620)

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

	2023 £000	2022 £000
Opening defined benefit obligation	5,040	7,887
Current service cost	273	559
Interest cost	206	134
Employee contributions	68	63
Actuarial gains	(939)	(3,511)
Benefits paid	(117)	(92)
Closing defined benefit obligation	4,531	5,040

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22. Pension commitments (continued)

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

	2023	2022
	£000	£000
Opening fair value of scheme assets	3,963	4,201
Interest income	166	73
Actuarial losses	(147)	(489)
Employer contributions	224	207
Employee contributions	68	63
Benefits paid	(117)	(92)
Closing fair value of scheme assets	4,157	3,963

23. Operating lease commitments

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

	2023	2022
	£000	£000
AMOUNTS PAYABLE:		
Within one year	106	162
Between one and five years	70	115
Total	176	277

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Related party transactions

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

Expenditure Related Party Transactions

Cre8tive Graphics Limited - a company in which the husband of R A M Dobinson has a majority interest:

- The academy trust purchased design services from Cre8tive Graphics Limited totalling £3,418 (2022: £2,086) during the period. There was £nil amounts outstanding at 31 August 2023 (2022: £nil).
- The academy trust made the purchases at arms' length following a competitive tendering exercise in accordance with its financial regulations, which R A M Dobinson neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

Bishop FM Limited - a company in which the daughter in law of a Governor is a Director.

- The academy trust purchased advertising from Bishop FM Limited totalling £51 (2022:£nil) during the period. There was £nil amounts outstanding at 31 August 2023 (2022: £nil).
- The academy trust made the purchases at arms' length, which G Campbell neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.