

Registered number: 10221556

Walton Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023



Walton Multi Academy Trust
(A Company Limited by Guarantee)

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Walton Multi Academy Trust
(A Company Limited by Guarantee)

Reference and Administration Details

Members	N B Rowell S C Harris A H Thompson C Davies (resigned 31 August 2023) D Hancock P Radburn (appointed 1 April 2023)
Trustees	N B Rowell, Chair S C Harris N D Finlay, Chief Executive C J Horwath (resigned 28 February 2023) S C Frodsham G A Richards M D Rowell (appointed 22 March 2023) S Hill (appointed 3 October 2023)
Company registered number	10221556
Company name	Walton Multi Academy Trust
Principal and registered office	The Rise Walton On The Hill Stafford Staffordshire ST17 0LJ
Company secretary	M E Phillips
Chief executive officer	N D Finlay
Senior management team	N D Finlay, Chief Executive Officer B Fletcher, Acting Head Teacher J Rowley, Acting Head Teacher J Christey, Head Teacher A Cashmore, Acting Deputy Head Teacher M Hodby, Assistant Head Teacher J Pearce, Assistant Head Teacher I Stec, Assistant Head Teacher A Von Elbing, Assistant Head Teacher M E Phillips, Executive Business Manager & Chief Financial Officer
Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 5 Market Square Stafford ST16 2JL

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2023

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

For the period under consideration, The Trust operated two secondary schools, both in Stafford. Walton High School has a pupil capacity of 1,304 and had a roll of 1,312 in the school census of October 2022 and King Edward VI High School has a pupil capacity of 925 and had a roll of 607 in the school census of October 2022.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The company was incorporated on 8 June 2016.

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

The Trustees of Walton Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The constituent academies of the trust during the period under consideration were:

- Walton High School
- King Edward VI High School

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

Walton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

b. 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.

Ben Rowell, Chair of Board of Trustees

Ben joined Walton Multi-Academy Trust as a founding trustee in September 2016 and was elected as the Trust's inaugural Chair. Ben has recently retired as a branch manager for Lloyds Bank after a 40 year career, 29 of which have been spent in senior management. Ben has worked with the education sector on a voluntary basis since the 1990s and was previously a governor at a local primary school as well as being Chair of Governors at Walton High School.

Steve Harris

Steve joined Walton Multi-Academy Trust as a founding Trustee in September 2016 and also serves as Chair of the Audit Sub-committee. Steve has recently retired from his position of consultant histopathologist at Royal Stoke-on-Trent Hospital for the mid-staffs NHS Trust. Steve has worked with the education sector on a voluntary basis since the mid 1990s and was previously Chair of the Finance Sub-committee at Walton High School.

Colin Horwath

Colin was appointed as a Trustee at Walton Multi-Academy Trust in July 2017. Colin enjoyed a successful career as a Partner at KPMG but has also contributed to the education sector as a Governor at Kingshurst CTC in Solihull. Colin also has experience of serving on an NHS Trust Board through his work as a Trustee at The Birmingham Children's Hospital.

Neil Finlay

Neil is the Accounting Officer and Chief Executive Officer of Walton Multi-Academy Trust. He joined the Trust board at its inception in September 2016. Neil has worked in education since 1990, initially as a teacher of MFL in Derby, then as Head of MFL, Head of Sixth Form and then Deputy Head Teacher at a very large school in Birmingham before being appointed Head Teacher of Walton High School in January 2008. Neil is also a Governor (and Chair of the Education Committee) of an independent co-educational school in Nottingham.

Stephen Frodsham

Steve joined Walton Multi-Academy Trust as a Trustee in September 2019 and sits on the Audit Sub-Committee. He retired from his position as Deputy Director (Intelligence) in the National Crime Agency in 2014, after a long career in UK and international law enforcement, which included a posting as a Liaison Officer at the British Embassy in Paris. Before taking up his Trustee role, Steve had been a Governor at Walton High School for four years and was vice chair of the Finance Sub-Committee.

Gillian Richards

Gill joined Walton Multi-Academy Trust in September 2019 after initially being a governor at the school. Gill retired as a Headteacher of a local primary school in 2018 after holding that position for 12 years. Prior to this Gill taught in Birmingham and Walsall, starting her 38-year career as a science teacher in a high school. During her career as a head teacher she was recognised as a Local Leader in Education and supported many local schools on their improvement of Ofsted gradings. Gill is a Stafford girl who received all her education in Stafford schools.

Matthew Rowell

Matthew was appointed as a Trustee at Walton Multi-Academy Trust in March 2023. He is an Audit Director at KPMG with over 20 years' experience in financial services. He has worked in the education sector on a voluntary basis for nearly ten years and is also Chairman of Trustees at another local multi-academy trust. He currently has two sons at Walton High School.

Structure, governance and management (continued)

Sally Hill

Sally joined Walton Multi-Academy Trust as a trustee in October 2023. She has worked in the Logistics Sector for the past 25 years and currently sits on the board of ERIKS Industrial Services as their Chief Supply Chain Officer. Sally has had previous involvement with the education sector on a voluntary basis as a governor at a local primary school.

c. Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As part of the overall insurance cover taken out with third party insurers, the Trust has taken out insurance relating to Governors' indemnity. The limit of indemnity cover is £10 in this respect.

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Community Trustees are recruited by invitation from the Chair of the Board of Trustees because they are able to benefit the academy trust by their knowledge and expertise.

With reference to the UK Corporate Governance Code, main principles B.1 and B.2, it is helpful to provide a brief context for the appointment of the Trust's most recent appointment.

Sally Hill is a parent of a child in one of our academies. She has considerable knowledge of logistics and extensive experience at a senior level in the private sector. She has never been a Governor at either of the Trust's predecessor schools and therefore brings a fresh and challenging perspective.

e. Policies adopted for the induction and training of Trustees

All Trustees are encouraged to undertake personal training in addition to courses organised for all Trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Examples of this include:

- Attending a Trustee meeting before becoming a Trustee
- A guided tour of the Academy
- Ongoing training (e.g. in legislation and responsibilities)
- An induction pack, including the academy development plan and ESFA Academies Financial Handbook
- Regular training opportunities offered by the Academy's SLT
- Regular updates on educational developments from the CEO

Trustees are also encouraged to meet senior staff and teaching staff on a regular basis and to have an input into policies and procedures and particularly the self-evaluation and academy improvement processes.

Structure, governance and management (continued)

f. Organisational structure

The Board of Trustees is responsible for the overall strategic direction of the academy trust. The Trustees have a duty to act in the fulfilment of the academy trust objects. They set the strategic direction and determine the policies and procedures of the academy trust whilst holding each academy within the trust to account. The Trustees meet six times a year and local body committees will report to meetings of the board of Trustees, via the Accounting Officer, throughout the year.

King Edward VI High School and Walton High School are both governed by a local governing body which is appointed by the Board of Trustees. This local governing body is responsible for determining the strategic direction of the respective academies in accordance with the overall strategic direction of Walton Multi-Academy Trust. The local governing bodies are expected to engage with the local community, constructively challenge the respective academy's leadership team and provide evaluative feedback and supporting evidence to the Board of Trustees on the impact and effectiveness of the academy's policies, targets and strategic plans.

Neither the Board of Trustees nor the local governing body exercises a managerial role. The leadership and management is delegated by the Board of Trustees to the Senior Leadership Team at each academy. The Senior Leadership Team is responsible at an executive level for implementing the policies laid down by the Board of Trustees and reporting back to them through various committees and via the Accounting Officer. This includes actions concerning the budget, staffing and school improvement.

The CEO is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

g. Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the "school teachers pay and conditions document and guidance on school teachers pay and conditions". The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous year's performance management cycle and in the period under consideration were quality assured by the Headteachers at King Edward VI High School and Walton High School. Recommendations for pay increases were made by the Headteachers to the local governing bodies and their decisions were presented to the Board of Trustees for validation at the Autumn term meeting.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	0.2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	9,856
Total pay bill	10,233,997
Percentage of total pay bill spent on facility time	0.10 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00 %
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i. Related parties and other connected charities and organisations

The members, Board of Trustees, local governing body members and the Accounting Officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential "conflict of interest" if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, no transactions have taken place with related parties and other connected charities and organisations.

Objectives and activities

a. Objectives, strategies and activities

1. Vision, Mission & Values

Vision: Where everyone succeeds

Mission: To support every student to be the best that they can be

Values: Selflessness, integrity, objectivity, accountability, openness, honesty, leadership

2. Strategic objectives

1. Trust-wide responsibility for every pupil
2. An emotionally intelligent, learning centred Trust
3. A sustainable, developing Trust

3. Priorities

1. Maximising resources
2. Adopting a risk / needs based approach to decision making
3. Securing the best outcomes for every pupil
4. Meeting the needs of all pupils
5. Enabling Headteachers to drive improvement
6. Investing in people, parents and community
7. Securing Governance that strengthens capacity
8. Aiming for ambitious and incremental growth
9. Developing the Trust's identity
10. Deepening commitment to our existing localities
11. Underpinning everything we do with robust information, shared experience, high aspirations and credible research

4. Strands

1. Knowing who we are as a Trust – developing our Trust identity
2. Communication and networking at all levels, with all stakeholders and prospective partners
3. Equality, diversity and inclusion – how does this flow through our Trust?
4. Environmental awareness – preparing our students for their future world

5. Purpose

Our vision, mission and values can be broken down for different stakeholder groups.

For pupils, they translate as:

Academic achievement as a key, but not the only, measure of success

A shared, ambitious view of what success means for you

Working together to get you where you want to be

Aiming to be your best in everything you do

Listening to others

Treating everyone with respect

Being fair, honest and truthful

Challenging bad behaviour

Trustees' Report (continued)
For the Year Ended 31 August 2023

Objectives and activities (continued)

For parents:

Understanding that each pupil is our highest priority
Working together to support and challenge your child
Engaging as part of your community

For staff, LGB and Trustees:

Academic achievement as a key, but not the only, measure of success
A shared, ambitious view of what success means
A focus on evidence-based education
Working together with students to maximise achievement through support and challenge
Understanding that each student is our highest priority
Engaging as part of the local community
Aiming to be your best in everything you do
Listening to others
Treating everyone with respect
Being fair, honest and truthful
Challenging bad behaviour

Objectives, Strategies and Activities

The strategic goals of the academy trust for 2022-23 are:

1. To embed Teaching and Learning priorities
2. To ensure the smooth transition of King Edward VI High School into the Trust
3. To secure financial status of the Trust

b. Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the academy trust objective and aims and in planning future activities for the period. The Trustees consider that the academy trust can clearly demonstrate that its aims are to advance education for public benefit.

c. Equal opportunities

The Academy Trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of gender, race, colour, sexual orientation, disability or marital status. The Academy Trust gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities.

Strategic report

Achievements and performance

a. Key performance indicators

- Ofsted outcomes – Good in both academies
- Examination results:
- L4+ English + Maths: 74% (Walton); 42% (KEVI)
- L5+ English + Maths: 47% (Walton); 24% (KEVI)
- Attainment 8: 49 (Walton); 40 (KEVI)
- Ebacc: 19% (Walton); 7% (KEVI)

b. Going concern

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

c. Review of achievements and performance

Our objectives

- To embed Teaching and Learning priorities.
- To ensure the smooth transition of King Edward VI High School into the Trust
- To secure financial status of the Trust

What we did

We had a major focus on embedding the teaching and learning priorities across the two academies. Our main method of achieving this was to establish Teaching and Learning groups and to provide robust training programmes some of which were externally sourced. We continued to operate regular and effective quality assurance programmes and identified good practice which we were able to share. We developed a culture of identifying quality practice that we could celebrate and share. All of this work was predicated on the effective delivery by our staff of our agreed teaching and learning priorities. We devoted considerable INSET time to this and we embedded targets within our performance management system.

We worked very hard to ensure the smooth transition of King Edward VI High School into the trust. The CEO held regular fortnightly line management meetings with KEVI's Headteacher and we were able to develop school specific targets. We also established an Executive strategic group which comprises the CEO, the CFO and the Headteachers of each constituent academy. We were particularly pleased to be able to divert funds to support their areas of greatest need, particularly in the areas of Mathematics and Leadership.

Ensuring a healthy surplus having assumed a new school into our Trust was an absolute priority. Pleasingly, through robust oversight and targeted spending, we were able to end the year with healthy carry forwards in both academies which has meant that the Trust is in a healthy financial position.

Strategic report (continued)

Achievements and performance (continued)

Our impact

Teaching and Learning continues to be a strength across the Trust and very many departmental areas performed well in the summer examination series (although we have also identified clear areas for improvement). The performance of girls at KEVI and the performance of SEND students at Walton were two particular highlights.

The Trust has supported KEVI in a number of ways, including the appointment of a new Head of Maths and the permanent appointment of two Assistant Headteachers. KEVI achieved a healthy financial carry forward after a number of years of financial challenge.

Financial review

a. Reserves policy

The trustees review the reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The level of reserves are broadly in line with trustees' expectations.

At 31 August 2023, the Trust had free reserves of £860,354 (2022 - £589,157), fixed asset reserves of £27,013,768 (2022 - £16,046,853), which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £1,793,000 (2022 - £1,953,000).

Under Financial Reporting Standard 102, it is necessary to charge deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problems. The Trust is currently paying scheduled employer contributions to reduce this deficit.

b. Investment policy

The Trust manages its cash balances in order to ensure that adequate funds are available in the current account to cover day-to-day working requirements and would invest any significant cash surpluses in order to optimise the return on this investment within the constraints that there must be no risk of loss in value due to the nature of the investment.

c. Principal risks and uncertainties

The principal risk identified by the Trustees is that school finances are under enormous pressure currently. Pay rises have been partially funded but energy costs remain high and the number of students choosing to stay on in school sixth forms appears to be reducing. These factors combined represent a major risk to the MAT. Currently, the MAT benefits from reasonable reserves but Trustees are fully aware that they need to maximise numbers and control costs at both academies for the foreseeable future.

Walton Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2023

Fundraising

The majority of the MAT's income is provided by the government, either local or national. However, each academy maximises other opportunities to obtain income to support the operation of the Academy Trust along with other charities. Fundraising opportunities are organised by the student councils and relevant staff. Grant and investment funding is obtained by staff applying for relevant grants.

Plans for future periods

The Trust Board has approved the 2023-2026 strategic plan which includes plans to increase the number of academies within the next few years. The CEO will report back in detail on the progress of the plans to regular Trust Board meetings.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

A resolution proposing that Dains be reappointed as auditor of the charitable company will be put to the members.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 19 December 2023 and signed on its behalf by:



N B Rowell
Chair of Trustees

Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Walton Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
N B Rowell, Chair	7	7
S C Harris	6	7
N D Finlay, Accounting officer	7	7
C J Horwath	0	4
S C Frodsham	7	7
G A Richards	6	7
M D Rowell	3	3
S Hill	0	0

Walton Multi-Academy Trust will continue to review its governance structure on an annual basis and, additionally, as other academies join the Trust. The Board has undertaken a self-evaluation of its own effectiveness and has carried out a skills audit of its members.

The Trust has established an Audit and Compliance Committee whose main purpose is to oversee the audit process and related matters in line with the Trust scheme of delegation. During the year, the committee met once. Mr N Finlay and Mr M Phillips were also invited to this meeting.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S C Harris (Chair)	1	1
S C Frodsham	1	1
N Finlay	1	1
M Phillips	1	1

Additionally, the Trust has established a Standards Committee whose main purpose is to oversee standards of pupil performance and teaching and learning as well as to ensure the appropriateness of each academy's curriculum. During the year under consideration, the committee met once. Mr N Finlay was also invited to the meeting.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Richards (Chair)	1	1
N B Rowell	1	1
N Finlay	1	1

Robust Governance and Oversight of Walton High School's Finance

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the systems of internal control. He is informed by the internal audit service from Entrust, commissioned by the Audit & Compliance Committee, which undertakes reviews of key financial policies and procedures and their implementation. Reports are produced which detail compliance and demonstrate that robust systems and financial controls are in

Governance Statement (continued)

Governance (continued)

place. Reports are presented to the Audit & Compliance Committee so that appropriate action can be taken.

The Trust Board approves the budget on an annual basis and is mindful of the need to balance expenditure against income to ensure that the Academy Trust remains a going concern. The Trust Board also receives and approves the statutory financial statements and the external auditor's management report.

Reviewing Controls and Managing Risks

The budget is monitored on a regular basis by the CEO and Executive Business Manager through the production of reports that are presented to the Finance and Staffing sub-committee of the Local Governing Body. Any decisions taken by this sub-committee are then ratified at the half-termly Trust Board meetings. Action is taken to address any significant variances that may impact upon the budget outturn.

A risk register has been produced which is reviewed annually by the Audit & Compliance Committee which then reports to the Trust Board. The risk register lists all aspects of the Academy Trust's operations which contain risk, what the impact of the risk would potentially be, the likelihood of the risk emerging and the control mechanisms in place to mitigate against the risk. Risk will in future be a standing item on all Trust Board agendas.

Review of value for money

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

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

Ensuring Value for Money and the Effective Use of Resources

The annual self-evaluation and improvement cycle allows the Trust the opportunity to review and refine the effectiveness of strategies used in the recent past with the aim of securing even greater efficiency and effectiveness in future plans.

The staffing structures of both academies are reviewed annually and staffing is deployed effectively to support curriculum delivery and school improvement plans.

Contracts and services are reviewed and renegotiated whenever possible in order to seek value for money. Procurement of goods and services is in line with the MAT's Financial Procedures and is scrutinised by internal audit.

Estate Safety & Management

Over the course of the year, there have been various changes around our schools to maintain and improve the overall look and feel of the classrooms and buildings and to ensure a safe learning environment for all. The Trust Board has worked with the CEO & CFO to bring these various projects together, monitoring costs and adherence to health and safety procedures, with no issues identified.

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 Walton Multi-Academy Trust for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Trust Board 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) procedures
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and currently utilises the services of Entrust as internal auditor. In their latest report, dated July 2023 the overall conclusion was that there were no areas on non-compliance with regulations identified during the review.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Testing of procurement procedures
- Testing of cash handling and banking arrangements
- Testing of the finance system – Access
- Testing of income management

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

Governance Statement (continued)

The risk and control framework (continued)

The internal auditors have carried out their schedule of work as planned and have not identified any material control issues.

In addition to the above, the academy trust appointed National Leaders of Governance to carry out an external review of governance, commissioned by West Midlands Regional Development Directorate. The external review remit included:

- An initial scoping meeting with the chair and EHT.
- Detailed research and document reviews of all governance documentation and meeting papers for the past 12 months.
- Semi structured interviews by video call with the chair, EHT and SBM.
- Observation of a trust board meeting [virtual] and a governing board meeting [in person].
- Presentation of the initial findings to EHT and chair together with an immediate action plan.
- Delivery of a one hour 'scene setting' presentation on the need for a MAT wide strategic vision.
- This report and action plan.

A summary of the report concluded that financial performance of the founding school is strong, and governance has been effective in this area. The board has some highly capable and experienced trustees, bringing valuable and relevant external and professional expertise to the governance of the trust.

Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the CFO who has responsibility for the development and maintenance of the internal control framework
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 19 December 2023 and signed on their behalf by:



N B Rowell
Chair of Trustees



N D Finlay
Accounting Officer

Walton Multi Academy Trust
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Statement on Regularity, Propriety and Compliance

As accounting officer of Walton Multi Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Trust Handbook 2022.

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



N D Finlay
Accounting Officer
Date: 19 December 2023

Walton Multi Academy Trust
(A Company Limited by Guarantee)

**Statement of Trustees' responsibilities
For the Year Ended 31 August 2023**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 19 December 2023 and signed on its behalf by:



N B Rowell
Chair of Trustees

Independent Auditors' Report on the financial statements to the Members of Walton Multi Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report on the financial statements to the Members of Walton Multi Academy Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Independent Auditors' Report on the financial statements to the Members of Walton Multi Academy Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Academies sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Walton Multi Academy Trust (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

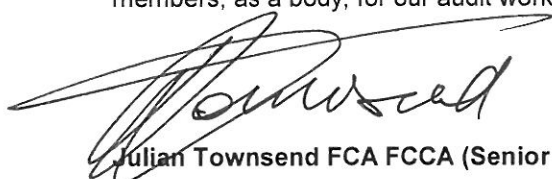
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Julian Townsend FCA FCCA (Senior Statutory Auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

19 December 2023

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Walton Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 10 October 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 Walton Multi Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Walton Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Walton Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 August 2016 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Walton Multi Academy Trust
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Walton Multi Academy Trust
and the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains Audit Limited

Statutory Auditor
Chartered Accountants

Date: 19 December 2023

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	4					
Transfer from local authority on conversion		40,728	(628,000)	11,412,703	10,825,431	-
Other donations and capital grants		3,740	-	201,170	204,910	237,123
Other trading activities		226,756	-	-	226,756	86,845
Investments	7	12,900	-	-	12,900	144
Charitable activities:						
Funding for the academy trust's educational operations		-	12,622,567	-	12,622,567	7,533,687
Total income		284,124	11,994,567	11,613,873	23,892,564	7,857,799
Expenditure on:						
Charitable activities:	8					
Academy trust educational operations		93,198	12,653,278	673,976	13,420,452	8,229,802
Total expenditure		93,198	12,653,278	673,976	13,420,452	8,229,802
Net income/(expenditure)		190,926	(658,711)	10,939,897	10,472,112	(372,003)
Transfer between funds	18	-	(27,018)	27,018	-	-
Net movement in funds before other recognised gains		190,926	(685,729)	10,966,915	10,472,112	(372,003)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	25	-	926,000	-	926,000	3,156,000
Net movement in funds		190,926	240,271	10,966,915	11,398,112	2,783,997
Reconciliation of funds:						
Total funds brought forward		296,925	(1,660,768)	16,046,853	14,683,010	11,899,013
Net movement in funds		190,926	240,271	10,966,915	11,398,112	2,783,997
Total funds carried forward		487,851	(1,420,497)	27,013,768	26,081,122	14,683,010

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

The notes on pages 28 to 56 form part of these financial statements.

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	27,077,853	16,099,281
Current assets			
Debtors	15	382,520	338,533
Cash at bank and in hand	23	1,298,362	977,821
		<u>1,680,882</u>	<u>1,316,354</u>
Creditors: amounts falling due within one year	16	(769,605)	(637,599)
Net current assets		<u>911,277</u>	<u>678,755</u>
Total assets less current liabilities		<u>27,989,130</u>	<u>16,778,036</u>
Creditors: amounts falling due after more than one year	17	(115,008)	(142,026)
Net assets excluding pension liability		<u>27,874,122</u>	<u>16,636,010</u>
Defined benefit pension scheme liability	25	(1,793,000)	(1,953,000)
Total net assets		<u><u>26,081,122</u></u>	<u><u>14,683,010</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	27,013,768	16,046,853
Restricted income funds	18	372,503	292,232
Restricted funds excluding pension asset	18	<u>27,386,271</u>	<u>16,339,085</u>
Pension reserve	18	(1,793,000)	(1,953,000)
Total restricted funds	18	<u>25,593,271</u>	<u>14,386,085</u>
Unrestricted income funds	18	<u>487,851</u>	<u>296,925</u>
Total funds		<u><u>26,081,122</u></u>	<u><u>14,683,010</u></u>

The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 19 December 2023 and are signed on their behalf, by:

N B Rowell
Chair of Trustees

The notes on pages 28 to 56 form part of these financial statements.

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	373,334	298,290
Cash flows from investing activities	22	(25,775)	(620,314)
Cash flows from financing activities	21	(27,018)	132,055
Change in cash and cash equivalents in the year		320,541	(189,969)
Cash and cash equivalents at the beginning of the year		977,821	1,167,790
Cash and cash equivalents at the end of the year	23, 24	<u><u>1,298,362</u></u>	<u><u>977,821</u></u>

The notes on pages 28 to 56 form part of these financial statements

**Notes to the Financial Statements
For the Year Ended 31 August 2023**

1. General information

Walton Multi-Academy Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 10221556 and its registered office is The Rise, Walton On The Hill, Stafford, Staffordshire, ST17 0LJ. The principal activity of the Academy is given in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Walton Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

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

• Grants

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

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

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

• Donations

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

• Other income

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

• Transfer on conversion

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

2.4 Expenditure

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

• Charitable activities

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

◦ **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The Academy 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 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.

2.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold land	- over lease term of 125 years
Leasehold property	- 2% straight line
Leasehold improvements	- 5% straight line
Fixtures, fittings and furniture	- 10% straight line
Computer equipment	- 33.3% straight line

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

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

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Liabilities

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

2.11 Provisions

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

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

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 notes 16 and 17. 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.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.14 Pensions

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

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

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

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

2.15 Fund accounting

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

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

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation and residual values

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations				
Transfer from local authority on conversion	40,728	(628,000)	11,412,703	10,825,431
Donations	3,740	-	-	3,740
Capital Grants				
ESFA capital grants	-	-	201,170	201,170
	<u>44,468</u>	<u>(628,000)</u>	<u>11,613,873</u>	<u>11,030,341</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

4. Income from donations and capital grants (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations				
Donations	13,784	44	-	13,828
Capital Grants				
ESFA capital grants	-	-	223,295	223,295
	<u>13,784</u>	<u>44</u>	<u>223,295</u>	<u>237,123</u>

5. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	11,042,129	11,042,129
Other DfE/ESFA grants		
Pupil Premium	302,175	302,175
Teachers pay & pension grants	70,264	70,264
Rates reclaim	49,530	49,530
Educational Supplementary grant	430,893	430,893
Other grants	144,379	144,379
	<u>12,039,370</u>	<u>12,039,370</u>
Other Government grants		
Additional educational needs	258,221	258,221
	<u>258,221</u>	<u>258,221</u>
Other income from the Academy's educational operations	250,912	250,912
COVID-19 additional funding (DfE/ESFA)		
Recovery Premium	74,064	74,064
	<u>74,064</u>	<u>74,064</u>
	<u>12,622,567</u>	<u>12,622,567</u>

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,980,270	6,980,270
Other DfE/ESFA grants			
Pupil Premium	-	98,164	98,164
Teachers pay & pension grants	-	68,939	68,939
Other grants	-	22,733	22,733
	-	7,170,106	7,170,106
Other Government grants			
Additional educational needs	-	210,462	210,462
	-	210,462	210,462
Other income from the Academy's educational operations	6,294	107,915	114,209
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	12,797	12,797
Other DfE/ESFA COVID-19 funding	-	26,113	26,113
	-	38,910	38,910
	6,294	7,527,393	7,533,687

The academy trust received £74,064 (2022 - £12,797) of funding for recovery/catch-up premium and costs incurred in respect of this funding totalled £74,064 (2022 - £12,797).

In the prior period the academy trust received £26,113 of funding for COVID-19 mass testing and costs incurred in respect of this funding totalled £26,113. There were no COVID-19 mass testing income or expenditure in the current period.

Walton Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Hire of facilities	82,378	82,378
General sales	144,378	144,378
	<u>226,756</u>	<u>226,756</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	70,353	70,353
Consultancy	4,126	4,126
General sales	12,366	12,366
	<u>86,845</u>	<u>86,845</u>

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	12,900	12,900
	<u>12,900</u>	<u>12,900</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	144	144
	<u>144</u>	<u>144</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Operations:				
Direct costs	9,066,808	626,051	1,088,325	10,781,184
Allocated support costs	1,167,189	942,194	529,885	2,639,268
	<u>10,233,997</u>	<u>1,568,245</u>	<u>1,618,210</u>	<u>13,420,452</u>
	<u>10,233,997</u>	<u>1,568,245</u>	<u>1,618,210</u>	<u>13,420,452</u>
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct costs	5,907,598	381,868	542,830	6,832,296
Allocated support costs	637,882	400,967	358,657	1,397,506
	<u>6,545,480</u>	<u>782,835</u>	<u>901,487</u>	<u>8,229,802</u>
	<u>6,545,480</u>	<u>782,835</u>	<u>901,487</u>	<u>8,229,802</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Operations	<u>10,781,184</u>	<u>2,639,268</u>	<u>13,420,452</u>
	<u>10,781,184</u>	<u>2,639,268</u>	<u>13,420,452</u>
	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u>6,832,296</u>	<u>1,397,506</u>	<u>8,229,802</u>
	<u>6,832,296</u>	<u>1,397,506</u>	<u>8,229,802</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
LGPS finance costs	110,000	80,000
Staff costs	9,066,808	5,907,598
Depreciation	673,976	425,698
Educational supplies	321,038	183,746
Examination fees	219,956	136,951
Staff development and other costs	28,390	6,383
Technology costs	18,001	789
Consultancy	2,342	29,327
Other direct costs	280,950	34,026
Recruitment and other staff expenses	37,250	19,721
Apprenticeship Levy expenditure	22,473	8,057
	<u>10,781,184</u>	<u>6,832,296</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	1,167,189	637,882
Catering	97,030	26,085
Staff development and other staff costs	-	3,232
Technology costs	111,376	128,360
Consultancy	-	500
Travel, subsistence and special facilities	6,996	614
Other costs	194,558	107,464
Maintenance of premises and special facilities	152,835	44,073
Cleaning and caretaking	160,836	161,046
Operating lease rentals	10,656	20,532
Rates	47,406	22,733
Security	10,761	8,729
Energy	472,886	155,456
Legal and professional	132,243	29,525
Postage, stationery and telephone	19,696	15,770
Water charges	43,255	25,580
Governance	11,545	9,925
	<u>2,639,268</u>	<u>1,397,506</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	10,656	20,532
Depreciation of tangible fixed assets	673,976	425,698
Fees paid to auditors for:		
- audit	12,500	8,500
- other services	2,325	1,700
	<u>699,457</u>	<u>456,430</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	7,432,573	4,640,042
Social security costs	771,223	469,523
Pension costs	1,787,066	1,360,587
	<u>9,990,862</u>	<u>6,470,152</u>
Agency staff costs	211,502	72,828
Staff restructuring costs	31,633	2,500
	<u><u>10,233,997</u></u>	<u><u>6,545,480</u></u>

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	31,633	2,500
	<u>31,633</u>	<u>2,500</u>

b. Severance payments

The Academy paid 1 severance payment in the year (2022 - 1), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	-	1
£25,001 - £50,000	1	-
	<u>1</u>	<u>-</u>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments of £Nil (2022 - £2,500). Individually, the payments were: £Nil (2022 - £2,500).

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Staff (continued)

d. Staff numbers

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

	2023 No.	2022 No.
Management	12	8
Teachers	117	78
Support staff	44	28
Premises and lunchtime supervisors	36	24
Administration	19	12
Catering	1	1
Swimming	1	1
	230	152
	230	152

e. 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	5	4
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	-
	11	7
	11	7

f. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £949,788 (2022 - £781,982).

Notes to the Financial Statements
For the Year Ended 31 August 2023

12. Trustees' remuneration and expenses

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

		2023	2022
		£'000	£'000
N D Finlay, Chief Executive Officer	Remuneration	110 - 115	100 - 105
	Pension contributions paid	25 - 30	20 - 25

During the year, retirement benefits were accruing to 1 Trustees (2022 - 1) in respect of defined benefit pension schemes.

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000. It is not possible to quantify the governors' and officers' indemnity element from the overall cost of the insurance scheme of £33,376 (2022 - £31,258).

Notes to the Financial Statements
For the Year Ended 31 August 2023

14. Tangible fixed assets

	Long-term leasehold land and buildings £	Leasehold improvements £	Fixtures, fittings and furniture £	Computer equipment £	Total £
Cost					
At 1 September 2022	14,276,000	3,469,635	122,143	177,564	18,045,342
Additions	-	217,338	1,505	21,002	239,845
Acquired on conversion	11,412,703	-	-	-	11,412,703
At 31 August 2023	<u>25,688,703</u>	<u>3,686,973</u>	<u>123,648</u>	<u>198,566</u>	<u>29,697,890</u>
Depreciation					
At 1 September 2022	1,489,488	297,053	42,481	117,039	1,946,061
Charge for the year	441,702	184,349	12,365	35,560	673,976
At 31 August 2023	<u>1,931,190</u>	<u>481,402</u>	<u>54,846</u>	<u>152,599</u>	<u>2,620,037</u>
Net book value					
At 31 August 2023	<u>23,757,513</u>	<u>3,205,571</u>	<u>68,802</u>	<u>45,967</u>	<u>27,077,853</u>
At 31 August 2022	<u>12,786,512</u>	<u>3,172,582</u>	<u>79,662</u>	<u>60,525</u>	<u>16,099,281</u>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	4,356	10,153
VAT recoverable	102,654	33,829
Prepayments and accrued income	275,510	294,551
	<u>382,520</u>	<u>338,533</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2023**

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Salix loan	27,018	27,018
Trade creditors	57,975	126,613
Other taxation and social security	177,905	118,920
Other creditors	191,758	124,583
Accruals and deferred income	314,949	240,465
	<u>769,605</u>	<u>637,599</u>
	2023 £	2022 £
Deferred income at 1 September 2022	182,585	16,062
Resources deferred during the year	170,322	182,585
Amounts released from previous periods	(182,585)	(16,062)
	<u>170,322</u>	<u>182,585</u>

At the balance sheet date the Trust was holding fund received in advance for Devolved Formula Capital grant funding, ESFA grant funding and educational visits income for 2023/24.

17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Salix loan	115,008	142,026
	<u>115,008</u>	<u>142,026</u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	292,954	284,124	(93,198)	-	-	483,880
Transfer on conversion	3,971	-	-	-	-	3,971
	<u>296,925</u>	<u>284,124</u>	<u>(93,198)</u>	<u>-</u>	<u>-</u>	<u>487,851</u>
Restricted general funds						
General Annual Grant (GAG)	292,232	11,042,129	(10,934,840)	(27,018)	-	372,503
Pupil Premium	-	302,175	(302,175)	-	-	-
Other DfE/ESFA grants	-	769,130	(769,130)	-	-	-
Other grant funding	-	258,221	(258,221)	-	-	-
Other income	-	250,912	(250,912)	-	-	-
Pension reserve	(1,953,000)	(628,000)	(138,000)	-	926,000	(1,793,000)
	<u>(1,660,768)</u>	<u>11,994,567</u>	<u>(12,653,278)</u>	<u>(27,018)</u>	<u>926,000</u>	<u>(1,420,497)</u>
Restricted fixed asset funds						
Transfer on conversion	12,786,513	11,412,703	(441,703)	-	-	23,757,513
DfE/ESFA capital grants	3,224,137	201,170	(222,192)	27,018	-	3,230,133
Other capital income and donations	36,203	-	(10,081)	-	-	26,122
	<u>16,046,853</u>	<u>11,613,873</u>	<u>(673,976)</u>	<u>27,018</u>	<u>-</u>	<u>27,013,768</u>
Total Restricted funds	<u>14,386,085</u>	<u>23,608,440</u>	<u>(13,327,254)</u>	<u>-</u>	<u>926,000</u>	<u>25,593,271</u>
Total funds	<u><u>14,683,010</u></u>	<u><u>23,892,564</u></u>	<u><u>(13,420,452)</u></u>	<u><u>-</u></u>	<u><u>926,000</u></u>	<u><u>26,081,122</u></u>

18. Statement of funds (continued)

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

Unrestricted funds

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

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE and ESFA to carry out work of a capital nature.

Transfers

Transfers between funds relate to the use of unrestricted reserves to cover the GAG deficit in year and the repayment of the deficit transferred on conversion.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	250,479	107,067	(64,592)	-	-	292,954
Transfer on conversion	3,971	-	-	-	-	3,971
	<u>254,450</u>	<u>107,067</u>	<u>(64,592)</u>	<u>-</u>	<u>-</u>	<u>296,925</u>
Restricted general funds						
General Annual Grant (GAG)	156,801	6,980,426	(6,791,671)	(53,324)	-	292,232
Pupil Premium	-	98,164	(98,164)	-	-	-
COVID-19 Catch-up premium	33,654	12,797	(46,451)	-	-	-
Other DfE/ESFA grants	-	209,994	(209,994)	-	-	-
Other grant funding	-	118,252	(118,252)	-	-	-
Other income	-	107,804	(107,804)	-	-	-
National College	7,176	-	(7,176)	-	-	-
Pension reserve	(4,749,000)	-	(360,000)	-	3,156,000	(1,953,000)
	<u>(4,551,369)</u>	<u>7,527,437</u>	<u>(7,739,512)</u>	<u>(53,324)</u>	<u>3,156,000</u>	<u>(1,660,768)</u>
Restricted fixed asset funds						
Transfer on conversion	13,034,760	-	(248,247)	-	-	12,786,513
DfE/ESFA capital grants	3,124,869	223,295	(177,351)	53,324	-	3,224,137
Other capital income and donations	36,303	-	(100)	-	-	36,203
	<u>16,195,932</u>	<u>223,295</u>	<u>(425,698)</u>	<u>53,324</u>	<u>-</u>	<u>16,046,853</u>
Total Restricted funds	<u>11,644,563</u>	<u>7,750,732</u>	<u>(8,165,210)</u>	<u>-</u>	<u>3,156,000</u>	<u>14,386,085</u>
Total funds	<u><u>11,899,013</u></u>	<u><u>7,857,799</u></u>	<u><u>(8,229,802)</u></u>	<u><u>-</u></u>	<u><u>3,156,000</u></u>	<u><u>14,683,010</u></u>

Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Walton High School	604,825	589,157
King Edward VI High School	255,529	-
Total before fixed asset funds and pension reserve	860,354	589,157
Restricted fixed asset fund	27,013,768	16,046,853
Pension reserve	(1,793,000)	(1,953,000)
Total	26,081,122	14,683,010

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £
Walton High School	6,271,873	644,185	395,423	1,207,731	8,519,212
King Edward VI High School	2,904,935	523,004	242,601	556,724	4,227,264
Academy	9,176,808	1,167,189	638,024	1,764,455	12,746,476

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Walton High School	5,987,598	637,882	346,782	831,842	7,804,104

Notes to the Financial Statements
For the Year Ended 31 August 2023

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	27,077,853	27,077,853
Current assets	487,851	1,089,765	103,266	1,680,882
Creditors due within one year	-	(717,262)	(52,343)	(769,605)
Creditors due in more than one year	-	-	(115,008)	(115,008)
Provisions for liabilities and charges	-	(1,793,000)	-	(1,793,000)
Total	487,851	(1,420,497)	27,013,768	26,081,122

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	16,099,281	16,099,281
Current assets	296,925	886,466	132,963	1,316,354
Creditors due within one year	-	(594,234)	(43,365)	(637,599)
Creditors due in more than one year	-	-	(142,026)	(142,026)
Provisions for liabilities and charges	-	(1,953,000)	-	(1,953,000)
Total	296,925	(1,660,768)	16,046,853	14,683,010

Notes to the Financial Statements
For the Year Ended 31 August 2023

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	10,472,112	(372,003)
Adjustments for:		
Depreciation	673,976	425,698
Capital grants from DfE and other capital income	(201,170)	(223,295)
Interest receivable	(12,900)	(144)
Defined benefit pension scheme obligation inherited	628,000	-
Defined benefit pension scheme cost less contributions payable	138,000	360,000
(Increase)/Decrease in debtors	(43,987)	1,826
Increase in creditors	132,006	106,208
Transfer in of assets on conversion	(11,412,703)	-
Net cash provided by operating activities	373,334	298,290

21. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	-	134,366
Repayments of borrowing	(27,018)	(2,311)
Net cash (used in)/provided by financing activities	(27,018)	132,055

22. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	12,900	144
Purchase of tangible fixed assets	(239,845)	(843,753)
Capital grants from DfE Group	201,170	223,295
Net cash used in investing activities	(25,775)	(620,314)

Notes to the Financial Statements
For the Year Ended 31 August 2023

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	1,298,362	977,821
Total cash and cash equivalents	1,298,362	977,821

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	977,821	320,541	1,298,362
Debt due within 1 year	(27,018)	-	(27,018)
Debt due after 1 year	(142,026)	27,018	(115,008)
	808,777	347,559	1,156,336

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire Pension Fund. 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 £190,778 were payable to the schemes at 31 August 2023 (2022 - £124,392) 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.

25. 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 £1,309,000 (2022 - £831,000).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £506,000 (2022 - £304,000), of which employer's contributions totalled £414,000 (2022 - £248,000) and employees' contributions totalled £ 92,000 (2022 - £56,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 -12.5 per cent for employees.

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

Notes to the Financial Statements
For the Year Ended 31 August 2023

25. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.48	3.45
Rate of increase for pensions in payment/inflation	2.98	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males	20.5	21.2
Females	24.5	23.8
Retiring in 20 years		
Males	21.7	22.2
Females	25.6	25.5

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.1%	130	99
Salary increase rate +0.1%	19	12
Pension Increase Rate (CPI) +0.1%	113	88
Mortality rate 1 year increase	247	186

Share of scheme assets

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

	At 31	At 31
	August 2023	August 2022
	£	£
Equities	2,922,000	1,946,000
Corporate bonds	1,003,000	433,000
Property	349,000	243,000
Cash and other liquid assets	87,000	81,000
Total market value of assets	4,361,000	2,703,000

Notes to the Financial Statements
For the Year Ended 31 August 2023

25. Pension commitments (continued)

The actual return on scheme assets was £289,000 loss (2022 - £150,000 loss).

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

	2023 £	2022 £
Current service cost	(442,000)	(528,000)
Interest income	172,000	44,000
Interest cost	(282,000)	(124,000)
Total amount recognised in the Statement of Financial Activities	(552,000)	(608,000)

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

	2023 £	2022 £
At 1 September	4,656,000	7,304,000
Conversion of academy trusts	1,764,000	-
Current service cost	442,000	528,000
Interest cost	282,000	124,000
Employee contributions	92,000	56,000
Actuarial gains	(1,014,000)	(3,262,000)
Benefits paid	(68,000)	(94,000)
At 31 August	6,154,000	4,656,000

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

	2023 £	2022 £
At 1 September	2,703,000	2,555,000
Conversion of academy trusts	1,136,000	-
Interest income	172,000	44,000
Actuarial losses	(88,000)	(106,000)
Employer contributions	414,000	248,000
Employee contributions	92,000	56,000
Benefits paid	(68,000)	(94,000)
At 31 August	4,361,000	2,703,000

Notes to the Financial Statements
For the Year Ended 31 August 2023

26. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	6,203	12,203
Later than 1 year and not later than 5 years	17,058	-
	<u>23,261</u>	<u>12,203</u>

27. Members' liability

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

28. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.