

Company Registration Number: 07663689 (England & Wales)

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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MILTON KEYNES EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Chris Wigglesworth Richard Smith Jim Hudson, OBE Justine Ives David Gibson (appointed 7 July 2023)
Trustees	Penelope Dent, Chair of Trustees Wayne Preston, Trustee, Chair of PFF Committee ¹ Kevin Gowans, Trustee (resigned 9 June 2023) ¹ Michelle Currie, Chief Executive (resigned 16 January 2023) Ayser Asif, Trustee (resigned 31 August 2023) ¹ Ayesha Alikhan, Trustee (resigned 10 January 2023) Raymond Moodley, Trustee (resigned 24 March 2023) Nicola Roncone, Trustee (resigned 9 May 2023) Anne Watson, Trustee (resigned 12 May 2023) ¹ Julie Whitehead, Trustee (resigned 11 May 2023) Julia Kedwards, Trustee (appointed 13 August 2023) Phil Webster, Trustee (appointed 7 July 2023) Sasha Gudgeon, Trustee (appointed 7 July 2023) ¹ Emma Gough, Trustee (appointed 13 August 2023) ¹ Joanne Wright, Trustee (appointed 7 July 2023) ¹
	¹ Personnel, Finance, Facilities and Audit Scrutiny Committee
Company registered number	07663689
Company name	Milton Keynes Education Trust
Principal and registered office	Walton High Fyfield Barrow Walnut Tree Milton Keynes Bucks MK7 7WH
Chief Executive Officer and Executive Principal of Walton High	Michelle Currie (retired as at 31 August 2023)
Interim Chief Executive Officer	Tony Nelson (appointed 1 September 2023)

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

Senior leadership team

Sharon Alexander, Principal of Walton High- Walnut Tree Campus
Andrew Bennett, Principal of Walton High- Brooklands Campus
John Billing, Headteacher of New Chapter Primary School
Jane Edwards, Headteacher of Heronsgate School
Jane Mackie, Headteacher of Kents Hill School
David Gibson, Chief Operating Officer (resigned 16 January 2023)
Gemma Kintas, Interim Chief Operation Officer (appointed 16 January 2023)

Independent auditors

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Solicitors

Stone King LLP
Wellington House
East Road
Cambridge
CB1 1BH

MILTON KEYNES EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

Structure, governance and management

a. Constitution

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

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

The Trustees of Milton Keynes Education Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Milton Keynes Education Trust.

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.

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.

c. Trustees' indemnities

In accordance with normal commercial practice, MKET has purchased insurance, through membership of the Risk Protection Arrangement, to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst undertaking Trust business. The insurance provides cover for claims involving financial loss of up to £1,000,000 in any one claim.

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 Memorandum of Association.

e. Policies adopted for the induction and training of Trustees

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of briefings for the board of trustees, Local governing bodies and the senior management team of the schools as a whole is also designed when necessary based on areas of potential interest and/or concern.

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

Structure, governance and management (continued)

f. Organisational structure

Members (Minimum 3)

Members at the date of adoption of the Articles
Any person unanimously appointed by the Members

Trustees

Up to 10 Trustees appointed by the Members and no limit to additional Co-Opted Trustees.
The Chief Executive Officer if appointed by the Members

Local Board of Governors

2 parents - elected - 4 years
2 staff representatives
Headteacher
Up to 7 appointed by MKET

MKET Overview Committees

The Board of Trustees also has the following committees:

- Personnel, Finance, Facilities, and Audit Scrutiny Committee
- Quality of Provision and Outcomes Committee
- Pay and Remuneration Committee

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

Structure, governance and management (continued)

g. Local governing bodies

All MKET schools have their own Local Governing Body (LGB) which is in effect a committee of the Board of Trustees and as such is accountable to the Trust.

The school is accountable to its LGB, which in turn is accountable to parents and the community. An LGB has elected parent and staff representatives and the Trust appoints additional governors. The Trust uses these posts to cover skills gaps in the LGB, hence these posts are often filled by people from the business or not for profit community.

The value of school governance

LGBs make decisions which are in the best interests of the children and young people at the school. Keeping the decision making as close as possible to those that are affected by the decisions makes for sound and efficient leadership and governance. Fulfilling the role of a school governor is, therefore, both a serious undertaking and enormously rewarding. Not only do governors bring their own knowledge and skills to the role, but, in learning how schools are run they often develop their understanding of leadership. The majority of employers appreciate this and are supportive of their staff taking on the responsibility. In addition, contributing to the growth and development of a school and seeing tangible improvements in the attainment and wellbeing of the children and young people is a satisfying and important contribution to the local community.

The role of the local governing body (LGB)

The LGB is responsible for the conduct of its school and must promote high standards of educational achievement. It is the school's accountable body and as such within MKET's overall aims and policy framework it:

Sets the strategic direction of the school by:

- Setting the values, aims and objectives for the school
- Agreeing the policy framework for achieving those aims and objectives
- Recommending key performance indicators to the Board
- Recommending the school improvement strategy, which includes drafting the budget for approval and suggesting the staffing structure

Challenges and supports the school by monitoring, reviewing and evaluating:

- The implementation and effectiveness of the policy framework
- Progress towards targets
- The implementation and effectiveness of the school improvement strategy
- The budget and the staffing structure

Ensures accountability by:

- Recommending the Board's approval of the Self Evaluation Report
- Drafting responses for the Board's consideration to school improvement and Ofsted reports when necessary
- Holding the Headteacher to account for the performance of the school
- Ensuring parents and pupils are involved, consulted and informed as appropriate
- Making information available to the community

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

Structure, governance and management (continued)

The day to day leadership and management of the school is the sole responsibility of the Headteacher supported by the school's Senior Leadership Team.

To fulfil their role, governors need to gain knowledge of how their school operates through training, by attending meetings and by getting to know their school community, for example through visits to the school during the school day.

Governors need to work together as a team under the leadership of the Chair of the LGB and are required to sign that they adhere to a code of conduct.

Meetings

LGBs are required to meet formally a minimum of three times a year, i.e. once a term. Meeting dates are usually set well in advance and usually last up to two hours. Governors need to be well prepared for these meetings and attendance is expected, with apologies only for good reasons.

In addition to full LGB meetings, there are two committees at Walton High, Heronsgate and Kents Hill which also meet termly:

- Learning, Teaching and Student Welfare
- Personnel, Finance and Facilities

New Chapter uses a circle method of governance. Meaning that there is a minimum of six times a year the full LGB meet i.e. twice a term. One meeting is PFF focused and one that is LTSW focused per term. What would be the traditional LGB has been dissolved and what would have been the committee meetings no longer exist. All governors sit on both the LGB focused meetings.

Other committees

Committees and/or working groups meet between governing body meetings. Governors are expected to play a full role in all aspects of governance by volunteering to fulfil specific roles such as being the Special Educational Needs governor, Health and Safety governor or the link governor for a particular year or subject. Most governors arrange a couple of days or half day visits to the school focusing on key priorities so that they can see how the school is addressing issues identified for development or improvement. In addition, informal visits to special events such as drama productions, sports day and open days are encouraged.

Skills and training

Governors do not need specific skills but many of the tasks they are required to undertake can benefit from general business knowledge such as understanding management systems, budget planning and HR functions. The Schools may subscribe to the Governor Development Programme provided by Milton Keynes Council. Ad hoc and in-house training is also provided as required.

Support for Governors

Each LGB has a clerk who both advises and services the governing body. MKET has an expenses policy which covers out of pocket costs, including those incurred in caring for dependents. Loss of earnings is not covered but employers are required to release employees for them to conduct their governor role. Release may, however, be unpaid.

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

Structure, governance and management (continued)

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

The Chief Executive Officer's pay is determined by the Pay and Remuneration Committee and benchmarked against similar roles. Arrangements for setting pay for the Senior Leadership Team are determined by the respective Teacher and Support Staff Pay Policies.

All pay for key management personnel is determined as an outcome of the performance management process which is used to make recommendations to the relevant Governor Pay Committee as to the level of pay increase as set out in the pay policy. Pay increases can only be actioned with Governor approval.

i. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

Total cost of facility time	-
Total pay bill	18,797,872
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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j. Representation on other bodies

Chief Executive Officer: MK Schools' Forum

MK Headteachers' Group; MK School Inclusion Partnership; MK School Place Planning Group Walton High Principal

MK School Inclusion Partnership Heronsgate Headteacher

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

Objectives and activities

a. Objectives and aims

The educational aims and objectives of Milton Keynes Education Trust (MKET) are based on our commitment to securing social justice through high quality education that promotes inclusion and embraces diversity.

The Trust aims to enhance and enrich the lives of children and young people by enabling them to make the most of outstanding learning opportunities within and beyond the curriculum; instilling an appreciation that there are no limits to what they can achieve and developing the attributes needed to successfully shape and respond to the future.

A clear secular moral framework will promote honesty, integrity, tolerance and respect as well as an appreciation of individual and collective responsibility.

In this way, we will bring out the very best in our children and young people.

We will realise our aims and secure sustainable school improvement through high quality transformational leadership, professional development and collaborative partnerships.

b. Objectives, strategies and activities

The Trust's principal objective is to provide high quality education and central support services, which enables enhances and enriches the lives of children and young people. Through the work of its schools and central support services, the Trust continued to implement these objectives throughout 2022/23.

The main objectives for the Trust's schools for the period 2022-25 are as follows:

- A. Increase the proportion of students who achieve or exceed the age-related expectation in both English (Reading and Writing) and Maths
- B. Reduce the gap in progress between Disadvantaged and Other students
- C. Reduce in school variation between different student groups and subjects

These overarching objectives informed each school's development plans and associated action plans. The Board of Trustees and Local Governing Bodies monitor the implementation of improvement strategies and evaluate their impact on a termly basis.

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

Objectives and activities (continued)

c. Public benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report.

Benefits & Beneficiaries

- advance the education of the children and young people attending its Academies. The Trust's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout its schools.
- promote for the benefit of the inhabitants of the areas in which the Academies are located, and the surrounding areas, the provision of facilities for recreation and leisure time activities.

Trustees' Assessment of Public Benefit

To determine whether or not the Trust has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of MKET's activities using the range of measures.

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

Objectives and activities (continued)

d. Strategic Report

MKET aims to provide high quality education for children and young people in Milton Keynes. Schools sharing the Trust's aims and objectives are welcome to join the Trust in keeping with the strategic priority of growing the Trust in a sustainable manner.

The Trust Schools Achievements and Performance

a. Key performance indicators

	Walton High		Heronsgate		New Chapter		Kents Hill		MKET	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Ofsted Rating	Good	Good	Good	Good	Good	Good	Good	Good		
Ofsted Year	2023		2022		2022		2023			
Age Range	11-19	11-19	7-11	7-11	4-11	4-11	3-7	3-7	3-19	3-19
Number on Roll	2751	2990	369	381	295	258	56	84	3471	3713
No of fixed term exclusions	73*	221	8	9	39	39	0	0	120	269
No of permanent exclusions	1	0	0	0	0	0	0	0	1	0
EYFS Good Level of Development										
Number of Children achieving GLD					63%	63%	58%	55%	60.50%	59%
Number of Disadvantaged achieving GLD					44%	67%	0	50%	44%	59%
Number of EAL achieving GLD					75%	50%	25%	36%	50%	43%
Key Stage 1 Headlines										
Year 1 Phonics					51%	83%	77%	75%	64%	79%
Year 2 Phonics Retest					26%	79%	50%	63%	38%	71%
Reading % Age Related or Greater					56%	62%	74%	50%	65%	57%
Writing % Age Related or Greater					42%	47%	70%	29%	56%	40%
Maths % Age Related or Greater					62%	70%	78%	54%	58%	64%
Combined % Age Related or Greater					40%	47%	70%	29%	55%	40%
Key Stage 2 Headlines										
Reading			75%	80%	68%	46%			71.50%	63%
Writing			78%	71%	34%	31%			56%	51%
Maths			65%	71%	70%	58%			67.50%	65%
SPAG			54%	74%	64%	40%			59%	57%
Combined			73%	61%	30%	29%			51.50%	45%
Key Stage 4 Headlines										
Progress 8	0.14	0.18							0.14	0.18
Attainment 8	48.3	45.25							48.3	45.25
5+ En & Ma %	49%	45.2							0.49	45.2
Students entered for Ebacc %	56.8	34.9							56.8	34.9
Average Ebacc Score	4.15	4.02							4.15	4.02
Key Stage 5 Headlines										
A level average grade	C+	C-							C+	C-
A level average points per entry	33.55	27.95							33.55	27.95
Applied General average grade	M+	Merit=							M+	Merit=
Applied General average points per entry	29.25	26.39							29.25	26.39
Tech level average grade	D=	Dist=							D=	Dist=
Tech level average points per entry	35.13	32.5							35.13	32.5

* data available for two terms only.

Additional performance data for Walton High can be found at:
<https://wm.compare-school-performance.service.gov.uk/school/136842>

b. Going concern

Whilst there are concerns about the future of education funding in general, the Trustees have confidence in the Trust 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 these financial statements and have concluded the Academy Trust has adequate resources to be able to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Financial review

MILTON KEYNES EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the schools and to fund future projects. Trustees measure reserves on the basis of the number of months reserves cover held based on average monthly expenditure during the year.

At the balance sheet date, the Trust had free reserves of £1,011,587 (2022: £964,370). The Trustees intend to utilise these reserves in the near future to continue to develop the aims of the Trust, ensure against concerns surrounding the reduced funding, and for capital development programmes. The Trust monitors reserves over a three year period to identify early warning signs in the reserves going forward. This allows Trustees to work with senior management to protect reserves and to adopt strategies to allow the Trust to meet its reserves policy.

The balance on the restricted general funds (excluding pension reserve) is £3,133,801 (2022: £2,435,110), unrestricted funds £1,011,587 (2022: £964,370) and restricted fixed asset funds £34,112,290 (2022: £34,968,309) which includes unspent capital of £189,427 (2022: £55,420). Details of the nature of these funds are outlined in note 19.

b. Investment policy

The Trustees' investment powers are set down in the Trust's Memorandum and Articles of Association, which permit the investment of monies of the academies that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law. The Trustees currently employ a prudent approach to investment. The Trustees review investments regularly to ensure that the interest rates applicable to the account is competitive with alternative investments.

The Trust's funds are currently held in Lloyds Bank accounts, current accounts no longer attract returns so the Trust uses short term and longer-term deposits to generate interest from available cash flow. As at 31st August 2023 the Trust had deposited £1,500,000 in a 183-day account attracting a return of 3.1% maturing on 5 December 2023, £1,500,000 in a 183-day account maturing on 21 February 2024 with a return of 3.4% and £500,000 in a monthly rolling account at a rate of 2.6%.

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

c. Principal risks and uncertainties

A risk register has been established to identify the principal risks and uncertainties across the Trust, and where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The principal financial risks and uncertainties facing the Academy Trust in 2022/23 related to the following:

- A decline in pupil numbers at Kents Hill school which has led to significant rationalisation. This was mitigated with central reserves support.
- The rate of per pupil funding continues to have some uncertainty without full movement to the national funding formula and the lack of government per pupil funding to match teaching and non teaching staff pay awards, energy costs and general inflation. Trustees review three-year forecasts on a termly basis to understand the implications on the Trust's reserves, and, alongside senior management are implementing plans to manage cost pressures across the Trust.
- The National Governance Association carried out a governance review which highlighted some key areas for improvement, which the Trustees are currently in the process of undertaking.
- The Trusts Chief Executive Officer (CEO) retired at 31 August 2023 and had been absent during the Spring and Summer terms. Since 1 September 2023, the Trust has employed an off-payroll CEO. A long-term solution is currently being explored by the Trustees.

The Trustees are aware of the deficit of £579,000 (2022: £1,612,000) which is being reported for the Local Government Pension Scheme as at 31 August 2023. Whilst Trustees understand this will ultimately be covered by the Government, the Trust has been subject to historical increases in employer contributions which has put additional pressures on Trust funds.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. An actuarial valuation of the Fund was carried out during 2022 which resulted in a decrease in contributions to 22.1% for the period from 1 April 2023 to 31 March 2026. The expectation is that these will cover the impact of the McCloud judgement though the final implementation of changes and the impact is still to be confirmed.

The Trust currently participates in the Milton Keynes Academies pool with 26 other employers in order to share experience of risks they are exposed to in the Fund. Liabilities are calculated and allocated to each employer in proportion to their active payroll. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

The Trustees are aware there is significant pressure on the General Annual Grant (GAG) restricted fund. Decisions have been made by the Trustees to use reserves for certain projects. Trustees are aware that a balanced/surplus GAG fund needs to be maintained and will ensure this by reviewing three-year forecasts regularly and adopting appropriate strategies to ensure this is achieved going forward.

Fundraising

The Trust operates in accordance with the Charities (Protection and Social Investment) Act 2016.

The Trusts approach to fundraising is to support the independent work of parents and friends groups linked to our individual schools. The Trust does not work with any commercial participators / professional fundraisers. The Trust ensures any fundraising conforms to recognised standards and has received no fundraising complaints. The Trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate on its' behalf.

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

Streamlined energy and carbon reporting

Quantification and Reporting Methodology:

We have followed the guidance for Streamlined Energy and Carbon Reporting (SECR) for academy trusts.

Intensity measurement: The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂.

Measures taken to improve energy efficiency:

In 2019/20 New Chapter installed new boilers and Walton High refurbished its ground source Post 16 heating system.

The Trust has also introduced a Cycle to Work scheme through the green commute initiative.

All schools have Energy Performance Certificates and are considering recommendations made alongside these.

Walton High have commissioned consultants to support a CIF bid to replace existing failed gas boilers with sustainable energy efficient sources.

	Year ending	
	Aug-23	Aug-22
UK Greenhouse gas emissions and energy use data		
Energy consumption used to calculate emissions (kwh)	3,916,490	4,095,746
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption. Owned Transport (minibuses). Total Scope 1	487	604
Scope 2 emissions in metric tonnes CO ₂ e purchased electricity	317	210
Scope 3 emissions in metric tonnes CO ₂ e Business Travel in employees own vehicles.	-	-
Total Gross Emissions in metric tonnes CO₂e	804	814

Plans for future periods

The Trust's Improvement Priorities for 2022-25 are to:

- (a) Increase the proportion of students who achieve or exceed the age related expectation in both English (Reading and Writing) and Maths
- (b) Reduce in school variation between different student groups and subjects

The development plans for the Academies within the Trust will focus on these priorities. Robust self evaluation of past performance informs future plans and the allocation of resources at school and Trust level.

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

Employee involvement and employment of the disabled

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

Equalities and Diversity policy
Health & Safety policy

In accordance with the academy's equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.


Full details of these policies are available from the Trust's offices.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 21-12-2023 | 17:45 GMT and signed on its behalf by:

DocuSigned by:

.....013FB4F0AD5F4EC.....
Penelope Dent
Chair of Trustees
Date: 21-12-2023 | 17:45 GMT

MILTON KEYNES EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Milton Keynes Education 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 Milton Keynes Education 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.

MILTON KEYNES EDUCATION TRUST
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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 5 times during the year.

The Personnel, Finance and Facilities committee is made up of Board Trustees that meets at least 3 times a year and includes oversight of funds within its meetings.

The Quality Provisions and Outcomes Committee is made up of Board Trustees that meets at least 3 times a year and includes oversight across the Trust of the Educational performance of the Trust and ensure the effectiveness of the Safeguarding, Behavioural and Attendance management.

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

Trustee	Meetings attended	Out of a possible
Penelope Dent, Chair of Trustees, Chair of QPO	5	5
Wayne Preston, Trustee, Chair of PFF Committee	5	5
Kevin Gowans, Trustee	3	3
Michelle Currie, Chief Executive	1	2
Ayser Asif, Trustee	4	5
Raymond Moodley, Trustee	3	3
Nicola Roncone, Trustee	3	3
Anne Watson, Trustee	0	3
Julie Whitehead, Trustee	3	3
Julia Kedwards, Trustee	1	1
Phil Webster, Trustee	1	1
Sasha Gudgeon, Trustee	1	1
Emma Gough, Trustee	1	1
Joanne Wright, Trustee	1	1

MKET is a small Trust of 4 schools whose Trustees meet as a Board 5 times a year in accordance with the Trusts Articles and in excess of the Governance Handbook recommended minimum of 3 times a year. Additional Extraordinary General meetings may also take place. The Board Trustee representatives from all of the Trusts Academies who are Chairs of their Local Governing Bodies. This structure was moved away from during the year further to the NGA governance review recommendation to ensure full impartiality of the Board. These meet separately from the main Board, 3 times a year at each school, where they consider all local matters including financial and compliance in accordance with the Trusts scheme of delegation.

In addition, the Personnel, Finance, Facilities, and Audit Scrutiny Committees and the Learning, Teaching and Student Welfare Committees of the individual Trust schools met termly. The Trust reviews its governance arrangements on an on-going basis. As a result of this process an amendment to the Articles of Association was approved by Special Resolution on 23 September 2020. This amendment to the Articles was to mirror the latest Department for Education Model Articles and had the prior approval of the Secretary of State.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The purpose of the Personnel, Finance, Facilities, and Audit Scrutiny Committee is:

Finance

- To oversee the school budgets for all schools in the Trust. Establish and maintain an up to date three year financial plan for the Trust.
- To recommend to the Board of Trustees approval of the consolidated annual budget plan for the forthcoming financial year in accordance with the schedule published by MKET's Chief Operating Officer.
- Put in place a process of cash flow forecasting and review such forecasts periodically to ensure that the Trust remains solvent at all times.
- To review the spending and income received in each Trust school.
- To receive termly consolidated management reports, to facilitate the monitoring of the Trust's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Local Governing Body and MKET's Chief Operating Officer. In all cases liaison must be maintained with other appropriate committees.
- To make decisions or recommendations to the Board of Trustees to requests from Local Governing Bodies that will have an impact on the Trust's financial position.
- To make decisions on expenditure within the Trust's delegated powers.
- To review annually the MKET Financial Regulations and Scheme of Delegation.
- To ensure the Register of Pecuniary and Non-Pecuniary Interests is kept up to date and reviewed annually for Trustees and Governors.
- To ensure that funding from the ESFA and other sources is used only in accordance with any conditions attached.
- Ensure that the Trust schools operate within all relevant financial and legal regulations (including Company and Charity Law and the requirements of the Funding Agreement together with all Tax legislation).
- To ensure the Trust schools adhere to the policies and procedures as specified by the Department for Education and the Academies Financial Handbook.
- To ensure that the Trust schools comply with MKET's Scheme of Delegation and associated documents. To ensure that all financial controls are adhered to in order to protect against fraudulent or improper use of public money and assets.
- Ensure arrangements are in place for the proper custody of the Trust's assets.
- Undertake, with the Chief Operating Officer of MKET, an annual review of the Trust schools' financial management.

Facilities

- In conjunction with the Local Governing Bodies, to ensure that the buildings and grounds within the Trust are inspected annually and that a statement of priorities for maintenance and development is prepared.
- To advise Board of Trustees on priorities, including Health and Safety, for the maintenance and development of Trust premises.
- Ensure that the responsibilities of the Trust are discharged under the Health and Safety at Work Act 1974.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Personnel

- To review the staffing structure of the Trust in consultation with MKET Chief Executive Officer and the Local Governing Bodies.
- To ensure MKET's procedure for recruitment and appointment of staff are followed.
- To oversee the process leading to staff reductions and restructuring.
- To ensure that established procedure when advertising, selecting and appointing new members of staff are followed by the Trust.
- To ensure that each Local Governing Body works within MKET's adopted personnel policies, such as discipline, capability, grievance and redundancy.
- To monitor action taken under the capability or disciplinary procedures.
- To ensure MKET's Policy for reviewing the Performance of Staff is implemented.
- To review reports on accidents, near misses and incidents of aggressive behaviour involving MKET central staff.

Audit

- To advise the Board of Trustees on the adequacy and effectiveness of the Academy Trust's system of internal financial control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
- To advise the Board of Trustees on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the Internal Audit Service.
- To advise the Board of Trustees on the scope and objectives of the work of the financial statements auditor and the Internal Audit Service.
- To ensure effective co-ordination between the Internal Audit Service and financial statements auditor purposes.
- To consider and advise the Board of Trustees on the audit strategy and annual programme of work for the Internal Audit Service.
- To advise the Board of Trustees on internal audit reports and on control issues included in the financial statements auditor's management letters, and management's responses to these.
- To monitor, within an agreed time-scale, the implementation of agreed recommendations relating to Internal Audit Service reports and financial statements auditor's management letter.
- To consider and advise the Board of Trustees on relevant reports by the National Audit Office, The ESFA and other funding bodies and, where appropriate, management's response to these.
- To establish, in conjunction with Academy Trust management, relevant performance measures and indicators, and to monitor the effectiveness of the Internal Audit Service and financial statements auditor through these measures and indicators.
- To receive and comment on the content of any audit report and to monitor the implementation of the agreed action plan.
- To produce an annual report for the Board of Trustees and accounting officer which includes the Committee's advice on the effectiveness of the Academy Trust's risk management, control and governance processes. The report must incorporate any significant matters arising from the work of the Internal Audit Service and the financial statements auditor.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To receive reports on any additional services undertaken by the Internal Audit Service and the financial statements auditors.
- To exercise its role, the Committee is empowered to: investigate any activity within its terms of reference; seek any information it requires from the Internal Audit Service, the external auditor, Trustees, Committees

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

and Academy Trust employees, plus relevant information from sub-contractors and other third parties; obtain external professional advice.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Anne Watson	0	2
Wayne Preston	3	3
Ayser Asif	3	3
Kevin Gowans	2	2
Penelope Dent	2	2

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

- Using approved purchasing and tendering frameworks to obtain value for money namely for the catering that was entered into collaboratively across three schools within the Trust during the year.
- The Venue at Walton High is a theatre which is used across the Trust. In addition, the Venue provides a service and facilities to the wider community for amateur, professional and community theatre, comedy and music groups making full use of a public funded resource and achieving best value for money.
- Implementation of a new across Trust Improvement Plan for English through the appointment of a Trust Director of English who has implemented a programme called Eng:Age. Eng:Age is the branding for the Reading, Writing, Speaking & Listening Programme. It looks to enhance learning and teaching; it focuses on three key areas being Celebrate, Create and Collaborate. Improvement in results are already being seen across the Trust and key performance indicators to measure the impact are being developed.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Milton Keynes Education Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Personnel, Finance, Facilities and Audit Scrutiny Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ TIAA as internal auditor.

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 payroll inclusive of policy and processes.

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as planned in April 2022. No material control issues were identified but recommendations were made including ensuring completeness of starters and leavers forms.

The NSPCC undertook a Safeguarding Review and NGA undertook a governance review.

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

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


MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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

DocuSigned by:

.....013FB4F0AD5F4EC.....

Penelope Dent
Chair of Trustees
Date: 21-12-2023 | 17:45 GMT

DocuSigned by:

.....34C13E6519D7452.....

Tony Nelson
Accounting Officer
21-12-2023 | 15:30 GMT

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

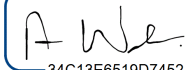
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Milton Keynes Education Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

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

DocuSigned by:



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Tony Nelson
Accounting Officer

Date: 21-12-2023 | 15:30 GMT

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


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

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

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

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

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

DocuSigned by:

013FB4F0AD5F4EC...

.....
Penelope Dent
Chair of Trustees
Date: 21-12-2023 | 17:45 GMT

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MILTON KEYNES EDUCATION TRUST**

Opinion

We have audited the financial statements of Milton Keynes Education 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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MILTON KEYNES EDUCATION 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MILTON KEYNES EDUCATION 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:

- the control environment and performance of the Academy Trust, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We considered the results of our enquiries of management and internal audit about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023 and relevant tax legislation.

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

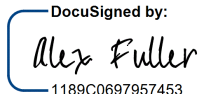
MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MILTON KEYNES EDUCATION TRUST (CONTINUED)**

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.

DocuSigned by:


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Alexander Fuller BA(Hons) BFP ACA (Senior Statutory Auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

Date: 22-12-2023 | 09:07 GMT

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MILTON
KEYNES EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 June 2018 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 Milton Keynes Education 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 Milton Keynes Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Milton Keynes Education 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 Milton Keynes Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Milton Keynes Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Milton Keynes Education Trust's funding agreement with the Secretary of State for Education dated 24 January 2013 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MILTON
KEYNES EDUCATION 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.

DocuSigned by:

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Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 22-12-2023 | 09:05 GMT

MILTON KEYNES EDUCATION 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	4,827	-	293,307	298,134	127,306
Other trading activities	6	282,853	-	-	282,853	325,507
Investments	7	51,519	-	-	51,519	1,208
Charitable activities		378,888	23,488,948	-	23,867,836	21,935,402
Total income		718,087	23,488,948	293,307	24,500,342	22,389,423
Expenditure on:						
Raising funds		61,144	-	-	61,144	50,604
Charitable activities	9	609,726	23,029,257	1,149,326	24,788,309	23,351,249
Total expenditure		670,870	23,029,257	1,149,326	24,849,453	23,401,853
Net movement in funds before other recognised gains/ (losses)		47,217	459,691	(856,019)	(349,111)	(1,012,430)
Other recognised gains/ (losses):						
Actuarial gains on defined benefit pension schemes	26	-	1,272,000	-	1,272,000	11,878,000
Net movement in funds		47,217	1,731,691	(856,019)	922,889	10,865,570
Reconciliation of funds:						
Total funds brought forward		964,370	823,110	34,968,309	36,755,789	25,890,219
Net movement in funds		47,217	1,731,691	(856,019)	922,889	10,865,570
Total funds carried forward		1,011,587	2,554,801	34,112,290	37,678,678	36,755,789

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07663689


BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	33,922,863	34,912,889
Current assets			
Debtors	17	655,409	649,650
Cash at bank and in hand		4,921,777	4,455,196
		<u>5,577,186</u>	<u>5,104,846</u>
Creditors: amounts falling due within one year	18	(1,242,371)	(1,649,946)
Net current assets		<u>4,334,815</u>	<u>3,454,900</u>
Net assets excluding pension liability		<u>38,257,678</u>	<u>38,367,789</u>
Defined benefit pension scheme liability	26	(579,000)	(1,612,000)
Total net assets		<u><u>37,678,678</u></u>	<u><u>36,755,789</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	34,112,290	34,968,309
Restricted income funds	19	3,133,801	2,435,110
		<u>37,246,091</u>	<u>37,403,419</u>
Restricted funds excluding pension asset	19	37,246,091	37,403,419
Pension reserve	19	(579,000)	(1,612,000)
Total restricted funds	19	<u>36,667,091</u>	<u>35,791,419</u>
Unrestricted income funds	19	1,011,587	964,370
Total funds		<u><u>37,678,678</u></u>	<u><u>36,755,789</u></u>

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07663689

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 30 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

013FB4F0AD5F4EC...

.....
Penelope Dent
Chair of Trustees

Date: 21-12-2023 | 17:45 GMT

The notes on pages 34 to 61 form part of these financial statements.

MILTON KEYNES EDUCATION 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	21	281,055	2,123,200
Cash flows from investing activities	23	185,526	(362,917)
Cash flows from financing activities	22	-	(3,683)
Change in cash and cash equivalents in the year		466,581	1,756,600
Cash and cash equivalents at the beginning of the year		4,455,196	2,698,596
Cash and cash equivalents at the end of the year	24, 25	4,921,777	4,455,196

The notes on pages 34 to 61 form part of these financial statements

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. General information

Milton Keynes Education Trust is a charitable company limited by guarantee and an exempt charity. The academy is incorporated in England and Wales. Its registered office is Walton High Fyfield Barrow, Walnut Tree, Milton Keynes, MK7 7WH.

2. Accounting policies

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

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.

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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

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.

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.

• **Expenditure on raising funds**

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

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, and land held under a license to occupy from the local authority at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 16 to 50 years
Furniture and equipment	- 5 to 15 years
Computer equipment	- 5 years
Motor vehicles	- 10 years
Assets under construction	- Not depreciated

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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

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 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 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

2.12 Operating leases

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

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.13 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.

2.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

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.

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	4,827	-	4,827	60,071
Capital Grants	-	293,307	293,307	67,235
	<u>4,827</u>	<u>293,307</u>	<u>298,134</u>	<u>127,306</u>
<i>Total 2022</i>	<u>10,071</u>	<u>117,235</u>	<u>127,306</u>	

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

5. Funding for the academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational operations				
DfE/ESFA grants				
General Annual Grant	-	21,335,664	21,335,664	19,134,031
Other DfE/ESFA grants				
Rates reclaim	-	-	-	128,497
Pupil Premium	-	875,651	875,651	835,556
Universal Infant Free School Meals (UiFSM)	-	31,514	31,514	40,279
Other DfE and ESFA revenue	-	158,424	158,424	90,485
	-	22,401,253	22,401,253	20,228,848
Other Government grants				
SEN Funding	-	209,342	209,342	198,391
Other Government Funding	-	180,277	180,277	71,239
	-	389,619	389,619	269,630
Other income from the academy's educational operations	378,888	563,881	942,769	1,088,344
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	181,698	181,698	109,228
Other Covid Funding	-	(47,503)	(47,503)	239,352
	-	134,195	134,195	348,580
Total Educational operations	378,888	23,488,948	23,867,836	21,935,402
<i>Total 2022</i>	<u><u>630,726</u></u>	<u><u>21,304,676</u></u>	<u><u>21,935,402</u></u>	

The academy's covid related income, expenditure and funds carried forward is disclosed in full in the note above, and in note 19.

MILTON KEYNES EDUCATION 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 £	<i>Total funds 2022 £</i>
School shop income	28,436	28,436	88,829
Hire of facilities	254,417	254,417	236,678
	<u>282,853</u>	<u>282,853</u>	<u>325,507</u>
<i>Total 2022</i>	<u>325,507</u>	<u>325,507</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Interest from short term deposits	51,519	51,519	1,208
	<u>1,208</u>	<u>1,208</u>	
<i>Total 2022</i>	<u>1,208</u>	<u>1,208</u>	

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total</i> <i>2022</i> £
Expenditure on fundraising trading activities:					
Direct costs	-	-	61,144	61,144	50,604
Educational operations:					
Direct costs	15,414,589	-	982,335	16,396,924	14,303,937
Allocated support costs	3,383,283	1,149,326	3,858,776	8,391,385	9,047,312
	<u>18,797,872</u>	<u>1,149,326</u>	<u>4,902,255</u>	<u>24,849,453</u>	<u>23,401,853</u>
<i>Total 2022</i>	<u><u>17,497,834</u></u>	<u><u>1,406,987</u></u>	<u><u>4,497,032</u></u>	<u><u>23,401,853</u></u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	<i>Total</i> <i>2022</i> £
Educational operations	609,726	24,178,583	24,788,309	23,351,249
<i>Total 2022</i>	<u>935,261</u>	<u>22,415,988</u>	<u>23,351,249</u>	

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational operations	16,396,924	8,391,385	24,788,309	23,351,249
<i>Total 2022</i>	<u>14,303,937</u>	<u>9,047,312</u>	<u>23,351,249</u>	

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	15,069,391	13,363,514
Other staff costs	345,198	157,826
Educational supplies	181,046	130,323
Examination fees	369,518	238,816
Consultancy	88,898	103,901
Technology costs	303,178	285,087
Other costs	39,695	24,470
	<u>16,396,924</u>	<u>14,303,937</u>

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension expense	52,000	192,000
Staff costs	3,383,283	3,976,494
Depreciation	1,149,326	1,130,825
Other staff costs	187,352	80,263
Consultancy	115,677	93,939
Maintenance of premises and equipment	291,739	389,522
Recruitment	61,796	60,704
Cleaning and caretaking	654,705	562,805
Rent & rates	-	117,730
Energy	534,120	297,693
Insurance	77,964	92,337
Security & transport	100,249	94,835
Technology costs	311,102	262,990
Catering	590,008	896,661
Other costs	530,836	394,165
Governance costs	48,951	50,557
Sundry equipment	302,277	353,792
	8,391,385	9,047,312

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	357,445	308,568
Depreciation of tangible fixed assets	1,149,326	1,130,825
Fees paid to auditors for:		
- audit	21,250	19,250
- other services	8,603	3,975

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	13,580,979	12,222,497
Social security costs	1,443,362	1,214,375
Pension costs	3,224,365	3,878,761
	<u>18,248,706</u>	<u>17,315,633</u>
Agency staff costs	345,198	157,826
Staff restructuring costs	203,968	24,375
	<u>18,797,872</u>	<u>17,497,834</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	-	12,403
Termination payments	203,968	11,972
	<u>203,968</u>	<u>24,375</u>

b. Severance payments

The academy paid 1 severance payments in the year (2022 - 4), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	-	4
£150,000+	1	-
	<u>1</u>	<u>-</u>

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

12. Staff (continued)

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	210	219
Administration and support	151	176
Management	27	7
	<u>388</u>	<u>402</u>

d. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £150,001 - £160,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £806,964 (2022: £811,738).

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

13. Central services

The academy has provided the following central services to its academies during the year:

- Human Resources
- Financial Services
- Legal Services
- Educational Support Services
- Others as arising

The academy charges for these services on the following basis:

The Trust charges for these services on a flat 5% of GAG income.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Walton High	916,485	789,386
New Chapter Primary School	89,998	86,465
Heronsgate School	84,615	98,821
Total	<u>1,091,098</u>	<u>974,672</u>

Kents Hill were not charged in the year, or in the previous year, as Trustees agreed to waive charges in order to financially support a restructure at the school.

14. 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
	£	£
Michelle Currie, Chief Executive Remuneration	180,000 - 185,000	155,000 - 160,000
Pension contributions paid		0 - 5,000

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

15. Trustees' and Officers' insurance

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

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2022	43,928,485	1,315,584	623,103	59,718	188,679	46,115,569
Additions	17,820	60,137	70,303	-	11,040	159,300
Transfers between classes	65,426	94,846	28,407	-	(188,679)	-
At 31 August 2023	<u>44,011,731</u>	<u>1,470,567</u>	<u>721,813</u>	<u>59,718</u>	<u>11,040</u>	<u>46,274,869</u>
Depreciation						
At 1 September 2022	9,958,133	656,276	530,203	58,068	-	11,202,680
Charge for the year	983,825	121,493	42,358	1,650	-	1,149,326
At 31 August 2023	<u>10,941,958</u>	<u>777,769</u>	<u>572,561</u>	<u>59,718</u>	<u>-</u>	<u>12,352,006</u>
Net book value						
At 31 August 2023	<u><u>33,069,773</u></u>	<u><u>692,798</u></u>	<u><u>149,252</u></u>	<u><u>-</u></u>	<u><u>11,040</u></u>	<u><u>33,922,863</u></u>
At 31 August 2022	<u><u>33,970,352</u></u>	<u><u>659,308</u></u>	<u><u>92,900</u></u>	<u><u>1,650</u></u>	<u><u>188,679</u></u>	<u><u>34,912,889</u></u>

Included in freehold property is land held under a license to occupy from the local authority of £8,945,235 which is not depreciated.

17. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	44,967	12,049
Other debtors	196,838	196,901
Prepayments and accrued income	413,604	440,700
	<u>655,409</u>	<u>649,650</u>

MILTON KEYNES EDUCATION TRUST
(A Company Limited by Guarantee)

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

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	510,045	643,726
Other taxation and social security	-	624,773
Other creditors	489,999	22,260
Accruals and deferred income	242,327	359,187
	1,242,371	1,649,946
	2023	2022
	£	£
Deferred income at 1 September 2022	44,304	131,434
Resources deferred during the year	43,290	44,304
Amounts released from previous periods	(44,304)	(131,434)
	43,290	44,304

At the balance sheet date, the Academy Trust was holding funds received in advance for various grants relating to activities in the next financial year.

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted funds	964,370	718,087	(670,870)	-	-	1,011,587
Restricted general funds						
General Annual Grant (GAG)	2,432,703	21,335,664	(20,634,566)	-	-	3,133,801
Other DfE / ESFA grants	-	158,424	(158,424)	-	-	-
Pupil premium	-	875,651	(875,651)	-	-	-
Local authority grants	-	180,277	(180,277)	-	-	-
Universal FSM	-	31,514	(31,514)	-	-	-
SEN Funding	-	209,342	(209,342)	-	-	-
Catch up premium	-	181,698	(181,698)	-	-	-
Other covid funding	2,407	(47,503)	45,096	-	-	-
Other income	-	563,881	(563,881)	-	-	-
Pension reserve	(1,612,000)	-	(239,000)	-	1,272,000	(579,000)
	823,110	23,488,948	(23,029,257)	-	1,272,000	2,554,801
Restricted fixed asset funds						
Fixed assets	34,912,889	-	(1,149,326)	159,300	-	33,922,863
DfE / ESFA capital grants	5,420	293,307	-	(159,300)	-	139,427
Capital donation	50,000	-	-	-	-	50,000
	34,968,309	293,307	(1,149,326)	-	-	34,112,290
Total Restricted funds	35,791,419	23,782,255	(24,178,583)	-	1,272,000	36,667,091

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

Total funds	36,755,789	24,500,342	(24,849,453)	-	1,272,000	37,678,678
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The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant (GAG) Fund represents the core funding for the educational activities of the school that has been provided to the Academies via the Education & Skills Funding Agency by the Department for Education. The GAG Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The Pension Reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The fixed assets fund has been set up to recognise the tangible assets gifted to and purchased by the Trust following initial conversion. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/ESFA capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Trust. Transfers are made to the restricted fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

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

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

	<i>Balance at 1 September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted funds	982,723	967,512	(985,865)	-	-	964,370
Restricted general funds						
General Annual Grant (GAG)	1,213,219	19,134,031	(17,495,002)	(419,545)	-	2,432,703
Other DfE / ESFA grants	-	202,063	(202,063)	-	-	-
Pupil premium	-	835,556	(835,556)	-	-	-
Local authority grants	-	269,630	(269,630)	-	-	-
Universal FSM	-	40,279	(40,279)	-	-	-
Rates reclaim	-	128,497	(128,497)	-	-	-

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

19. Statement of funds (continued)

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
SEN Funding	-	198,391	(198,391)	-	-	-
Catch up premium	167,923	109,228	(277,151)	-	-	-
Other covid funding	-	239,352	(236,945)	-	-	2,407
Other income	-	147,649	(147,649)	-	-	-
Pension reserve	(12,036,000)	-	(1,454,000)	-	11,878,000	(1,612,000)
	<u>(10,654,858)</u>	<u>21,304,676</u>	<u>(21,285,163)</u>	<u>(419,545)</u>	<u>11,878,000</u>	<u>823,110</u>
Restricted fixed asset funds						
Fixed assets	35,562,354	-	(1,130,825)	481,360	-	34,912,889
DfE / ESFA capital grants	-	67,235	-	(61,815)	-	5,420
Capital donation	-	50,000	-	-	-	50,000
	<u>35,562,354</u>	<u>117,235</u>	<u>(1,130,825)</u>	<u>419,545</u>	<u>-</u>	<u>34,968,309</u>
Total Restricted funds	<u>24,907,496</u>	<u>21,421,911</u>	<u>(22,415,988)</u>	<u>-</u>	<u>11,878,000</u>	<u>35,791,419</u>
Total funds	<u><u>25,890,219</u></u>	<u><u>22,389,423</u></u>	<u><u>(23,401,853)</u></u>	<u><u>-</u></u>	<u><u>11,878,000</u></u>	<u><u>36,755,789</u></u>

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Walton High	3,416,712	2,531,201
New Chapter Primary School	331,005	433,625
Heronsgate School	164,968	296,347
Kents Hill School	(6,780)	(16,374)
Central Services	239,483	154,681
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,145,388	3,399,480
Restricted fixed asset fund	34,112,290	34,968,309
Pension reserve	(579,000)	(1,612,000)
	<hr/>	<hr/>
Total	37,678,678	36,755,789
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MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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 £	Total 2022 £
Walton High	12,216,172	1,946,830	768,138	3,323,547	18,254,687	16,821,442
New Chapter Primary School	1,321,118	182,924	30,842	221,146	1,756,030	1,789,949
Heronsgate School	1,441,455	152,795	28,015	293,818	1,916,083	2,081,602
Kents Hill School	389,458	82,745	13,813	53,990	540,006	673,665
Central Services	46,386	830,989	141,527	214,419	1,233,321	904,370
Academy	15,414,589	3,196,283	982,335	4,106,920	23,700,127	22,271,028

20. 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	-	-	33,922,863	33,922,863
Current assets	1,011,587	4,376,172	189,427	5,577,186
Creditors due within one year	-	(1,242,371)	-	(1,242,371)
Provisions for liabilities and charges	-	(579,000)	-	(579,000)
Total	1,011,587	2,554,801	34,112,290	37,678,678

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	34,912,889	34,912,889
Current assets	1,035,367	4,014,059	55,420	5,104,846
Creditors due within one year	(70,997)	(1,578,949)	-	(1,649,946)
Provisions for liabilities and charges	-	(1,612,000)	-	(1,612,000)
Total	<u>964,370</u>	<u>823,110</u>	<u>34,968,309</u>	<u>36,755,789</u>

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(349,111)</u>	<u>(1,012,430)</u>
Adjustments for:		
Depreciation	1,149,326	1,130,825
Capital grants from DfE and other capital income	(293,307)	(117,235)
Interest receivable	(51,519)	(1,208)
Defined benefit pension scheme settlements	30,000	-
Defined benefit pension scheme cost less contributions payable	157,000	1,262,000
Defined benefit pension scheme finance cost	52,000	192,000
(Increase)/decrease in debtors	(5,759)	19,062
(Decrease)/increase in creditors	(407,575)	650,186
Net cash provided by operating activities	<u>281,055</u>	<u>2,123,200</u>

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	-	(3,683)
Net cash provided by/(used in) financing activities	-	(3,683)

23. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	51,519	1,208
Purchase of tangible fixed assets	(159,300)	(481,360)
Capital grants from DfE Group and other capital income	293,307	117,235
Net cash provided by/(used in) investing activities	185,526	(362,917)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	4,921,777	4,455,196
Total cash and cash equivalents	4,921,777	4,455,196

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,455,196	466,581	4,921,777
	4,455,196	466,581	4,921,777

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

26. 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 Buckinghamshire County Council. Both are multi-employer defined benefit schemes.

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

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

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.

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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 1.7% above the rate of CPI.

The next valuation result is due to be implemented from 1 April 2026.

The employer's pension costs paid to TPS in the year amounted to £2,153,715 (2022 - £1,884,948).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.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.

MILTON KEYNES EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Pension commitments (continued)

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 £1,075,000 (2022 - £919,000), of which employer's contributions totalled £842,000 (2022 - £718,000) and employees' contributions totalled £ 233,000 (2022 - £201,000). The agreed contribution rates for future years are 22.1 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.70	21.00
Females	24.30	24.60
<i>Retiring in 20 years</i>		
Males	22.00	22.30
Females	25.70	26.00

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

26. Pension commitments (continued)

Sensitivity analysis

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.1%	(251)	<i>(317)</i>
Discount rate -0.1%	258	<i>326</i>
Mortality assumption - 1 year increase	354	<i>370</i>
Mortality assumption - 1 year decrease	(345)	<i>(360)</i>
CPI rate +0.1%	254	<i>312</i>
CPI rate -0.1%	(247)	<i>(304)</i>
Long term salary increase +0.1%	10	<i>18</i>
Long term salary increase -0.1%	(10)	<i>(18)</i>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August	<i>2022</i>
	2023	<i>2022</i>
	£	<i>£</i>
Equities	7,067,000	<i>6,232,000</i>
Gilts	922,000	<i>892,000</i>
Corporate bonds	1,233,000	<i>1,426,000</i>
Property	709,000	<i>723,000</i>
Cash and other liquid assets	157,000	<i>275,000</i>
Alternative assets	2,377,000	<i>1,644,000</i>
Total market value of assets	12,465,000	<i>11,192,000</i>

The actual return on scheme assets was £148,000 (2022 - £(650,000)).

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

26. Pension commitments (continued)

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

	2023 £	2022 £
Current service cost	(989,000)	(1,972,000)
Interest income	507,000	192,000
Interest cost	(559,000)	(384,000)
Administrative expenses	(10,000)	(8,000)
Total amount recognised in the Statement of Financial Activities	(1,051,000)	(2,172,000)

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

	2023 £	2022 £
At 1 September	12,804,000	23,403,000
Current service cost	989,000	1,972,000
Interest cost	559,000	384,000
Employee contributions	233,000	201,000
Actuarial gains	(1,631,000)	(12,720,000)
Benefits paid	(271,000)	(436,000)
Liabilities assumed on settlements	361,000	-
At 31 August	13,044,000	12,804,000

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

	2023 £	2022 £
At 1 September	11,192,000	11,367,000
Interest income	507,000	192,000
Actuarial losses	(359,000)	(842,000)
Employer contributions	842,000	718,000
Employee contributions	233,000	201,000
Benefits paid	(271,000)	(436,000)
Administrative expenses	(10,000)	(8,000)
Settlement prices received/(paid)	331,000	-
At 31 August	12,465,000	11,192,000

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

27. 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	116,526	122,216
Later than 1 year and not later than 5 years	31,929	115,864
	<u>148,455</u>	<u>238,080</u>

28. 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.

29. Related party transactions

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

The following related party transactions took place in the period of account:

V Jewell, a close family member of W Preston, a trustee, was employed by the academy trust as a Business Manager until May 23. V Jewell's appointment was made in open competition and W Preston was not involved in the decision-making process regarding appointment. V Jewell was paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a trustee.

30. Agency Arrangments

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £44,961 (2022: £25,683) and disbursed £23,512 (2022: £31,584) from the fund. An amount of £24,310 (2022: £2,862) is included in other creditors relating to undistributed funds that is repayable to ESFA.

