

THE PRIORS SCHOOL  
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR PERIOD ENDED

31 MARCH 2024

Company Limited by Guarantee  
Registration Number:03143086  
(England & Wales)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, GOVERNORS AND ADVISORS****Members****S Moore (Chair)**

J Richards

J Sadler

**Governors****S Moore (Chair)**

R Hemelryk-James (Co-Chair)

R Emms (Head Teacher and  
Accounting Officer)

R Holland (Vice Chair)

M Bown

J Peto

E Hooker

C Baggiolini (Resigned 22 February 2024)

**Senior Management Team:****Headteacher**

R Emms

**Deputy Headteacher**

H Logan

**Responsible Officer**

Warriner Multi-Academy Trust

**Principal and Registered Office**

School Lane

Priors Marston

Southam

CV47 7RR

**Company Registration Number**

03143086

**Independent Auditor**

UHY Hacker Young (Birmingham) LLP

9-11 Vittoria Street

Birmingham

B1 3ND

**Bankers**

Lloyds TSB Bank

PO Box 1000

BX1 1LT

**Solicitors**

Anthony Collins Solicitors LLP

134 Edmund Street

Birmingham

B3 2ES

**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2023 to 31 March 2024. The annual report serves the purpose of both a governors' report and a directors' report under company law.

The trust operates a primary academy for pupils aged 3 to 11 primarily serving catchment areas in Priors Marston and Priors Hardwick. It has a pupil capacity of 104 and had a roll of 104 in the school census in October 2023 (2023: 84).

**Structure, Governance and Management Constitution**

The Priors School academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary documents of the academy trust. The governors of the Priors School academy trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Priors School.

Details of the governors who served throughout the year are included in the Reference and Administrative Details on page 3.

**Members' Liability**

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

**Governors' Indemnities**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on the academy trust business. This qualifies as third party indemnity insurance, as defined by section 234 of the Companies Act 2006.

**Method of Recruitment and Appointment or Election of Governors**

There are clearly designed and approved procedures for the selection and appointment of Governors which are outlined in the company's Articles of Association. These include application, shortlisting and interview procedures. Consideration is given to the skills of Governors which would enhance the effectiveness of the trust.

- The Head Teacher shall be treated for all purposes as an ex officio Governor.
- The Church Governor shall be a representative of the Church of England churches in Priors Marston and Priors Hardwick who shall be nominated by the Parish Priest.
- The Parent Governors shall be elected by the parents of registered pupils at the academy.
- The members may appoint up to five additional Governors, each of whom in the opinion of the Members is committed to the good governance and success of the academy.
- With regard to Parent and Staff Governors, procedures are in place for nomination and election of Governors.

**Policies and Procedures Adopted for the Induction and Training of Governors**

New governors attend full governing body meetings and are encouraged to view the workings of the academy through personal visits to the school. A full Governors' Induction document is available and attendance at regular training courses is made available to the governing body.

**Organisational Structure**

The organisation structure comprises the Board of Governors and the Management Team of the School. The Head teacher acts as Accounting Officer and is responsible for the day to day management of the school. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Board of Governors is responsible for the strategic development of the school, adopting an annual development plan and budget, monitoring the school by the use of budgets, management accounts and a performance management schedule for the Head Teacher.

**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Organisational Structure (cont'd)**

To ensure an efficient and effective structure to support, monitor and evaluate the work and development of the school there is a governor sub-group responsible for Finance and Audit.

The Board makes major decisions about the direction of the school, capital expenditure and staff appointments. Details of authorisation levels for expenditure are detailed in the school's Financial Regulations document.

**Arrangements for setting pay and remuneration of key management personnel**

A remuneration committee, comprising three members of the Board of governors, sits to agree the pay and remuneration of trust employees including the Head Teacher. Head Teacher pay is based upon recommendations following a formal performance appraisal process which is conducted by three governors and an independently appointed School Improvement Officer.

**Related Parties and other Connected Charities and Organisations**

The Priors School operates in premises subject to a deed of trust dated 2nd February 1849 signed by the then 4th Earl Spencer, which established the original school on the site of the Academy.

The School has access to the local play area operated by the Parish Council and has a lease agreement with the Parish Council for use of the school playing fields.

**Objectives and Activities****Objects and Aims**

The school's main objectives are outlined in our vision in that The Priors Free School will remain a relatively small, thriving primary school, dedicated to providing an outstanding education to the young people of Priors Marston, Priors Hardwick and surrounding villages. The school is at the heart of our community. A passionate, highly skilled and committed staff team deliver an innovative, exciting curriculum, which ensures that pupils leave The Priors Free School extremely well placed and appropriately qualified to continue their education at Key Stage 3 in the state or independent sectors. To achieve this, the school aims:

- To offer a secure and happy base in which each child can develop at their own rate and achieve to their full ability.
- To promote equal opportunities in all areas of school life regardless of gender, race, culture or disability.
- To provide a caring community and create a stimulating environment in our school.
- To develop a respect for moral values, tolerance, sensitivity and an understanding of the needs of others.
- To use first-hand experience, where possible, in all areas of the curriculum in order to provide relevant learning opportunities.
- To develop a child's self-confidence, self-reliance and sense of personal worth.
- To encourage a responsible, flexible and questioning outlook, enabling the child to cope with the challenge of society.
- To promote good relationships between home, school and the community.
- To ensure parental knowledge of, and to encourage their involvement in, their child's education.

Target	Actions	When?	Impact on Teaching and Learning
To successfully transition into the Warriner Multi-Academy Trust	Work in partnership with The Warriner, DfE and ESFA Attend CPD sessions	March	Teachers will have wider opportunities to work with other professionals and further develop their skills.

## GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)

Target	Actions	When?	Impact on Teaching and Learning
To develop teaching and learning pedagogy in line with the new curriculum	Review curriculum Review resources Joint observations Links with other schools	End of Year	The curriculum will be developed to ensure children make rapid progress.
To continue to develop and improve our offer for children with Special Education Needs	Conduct full SEND audit Review interventions Staff training Use of EP	End of Year	Better informed staff will allow all children to develop at a rapid rate.
To further develop and enhance healthy lifestyles for all pupils	Purchase additional resources for active play Improve quality of PE lessons and resources Develop competitive sports Active learning in different areas of the curriculum	End of Year	More active and engaged children will lead to better outcomes

**Public Benefit**

In drafting the above statements, the governors have complied with the duty of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties.

**Strategic Report****Achievements and Performance**

The academic performance of the children for the period ended 31 March 2024 years is as follows:

**KS1**

Subject	At Expected Standard 2024
	(National)
Reading	87% (68%)
Writing	80% (60%)
Maths	80% (70%)

**KS2**

Subject	At Expected Standard 2024
	(National)
Reading	100% (75%)
Writing	92% (71%)
Spelling, Punctuation and Grammar (SPAG)	83% (72%)
Maths	75% (73%)
Reading, Writing and Maths Combined	75% (61%)

**Key Performance Indicators**

The governors manage the academy on a funding stream basis and employ a number of key performance indicators to monitor the expenditure requirements of the Education Funding Agency and performance or position of the academy. The key measure the governors will be using to assess financial performance on an ongoing basis will be the expenditure on teaching staff as a percentage of total expenditure on educational. For the period ending 31 March 2024 this was 48% (2023: 46%).

	2024	2023
Pupil Numbers (31 March)	104	80
Staff costs as % of ESFA revenue grants	93%	98%
Staff costs as % of total revenue grant income (including SEN funding)	80%	83%
Staff costs as % of total costs	74%	68%

**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Investment Policy**

The school holds no significant investment capital. Any year to year surplus will be invested in short term bank deposits. This policy will be kept under review.

**Principal Risks and Uncertainties**

The major risks to which the academy trust is exposed have been identified on the academy's risk register. Governors have reviewed the risks to which the academy trust is exposed to and systems and procedures have been put in place to manage these.

The governors have responsibility to assess the strategic risks to which the school is exposed and have commissioned a systematic analysis of all risks to produce a risk management register.

The principles of the controls encompassed in the Financial Regulations document are intended to minimise risk as well as ensuring value for money in all financial transactions.

The governors consider the principal risks facing the academy are:-

- Meeting requisite standards in education for students in core subjects.
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - operating within the budget and running in deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity, and or financial commitments made without adequate authorisation.

The key controls used by this school are:-

- Schemes of delegation and formal financial regulations, as detailed in the Financial Regulations document.
- Clear authorisation and approval levels.
- Regular meetings following a calendar of management milestones identifying key activities and tasks.
- Formal written policies.
- Policies and procedures required by law to protect the vulnerable.
- Regular training of governors and staff in relevant areas of policy.
- Regular financial and performance reviews.
- Regular reporting to governors of a Responsible Officer, independent of the governors.

**Plans for Future Periods**

The school are working hard to meet the aims and objectives of their school development plan and the long term strategic plan. The school are investigating ways to improve the outdoor learning environment and are actively looking for grants to support this endeavour.

**Funds Held as Custodian Trustee on Behalf of Others**

The academy trust holds no funds on behalf of others as custodian trustee.

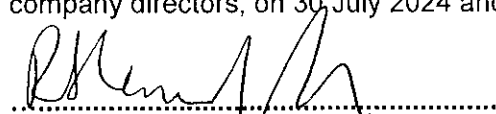
**Auditor**

Insofar as the governors are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution appoint them will be proposed in the Annual General Meeting.

Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 30 July 2024 and signed on the board's behalf by:

  
.....  
R Hemelryk, Chair of Governors  
30 July 2024

**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Achievements and Performance (cont'd)**

The figures above, include the staff who run our Nursery and wraparound care provision. This does result in our staff costs exceeding our ESFA income, although it is clear to see that the staff costs as a proportion total income, including nursery fees, grants, wraparound care fees and EHCP funding has more than covered this uplift in salaries.

Other key performance indicators have been assessed within the Achievements and Performance section above.

**Going Concern**

As we have now transferred into The Warriner MAT, The Priors School is no longer a going concern.

**Financial Review**

The majority of the school's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The income from these grants and the associated expenditure are shown as 'Restricted Funds' in the Statement of Financial Accounts.

The school has also continued to receive a capital grant within the period in respect of the new building and equipment to support the objectives within the school's development plan. In accordance with the Charity Commission's Statement of Recommended Practice, 'Accounting and Reporting by Charities (SORP 2019)', this grant is shown as restricted income in the Fixed Asset Fund and as expenditure in the form of an annual depreciation charge against the fund over the expected useful life of the assets concerned.

During the period ended 31 March 2024, total income was £410,000 (2023: £679,000), compared to expenditure of £444,000 (2023: £744,000).

At 31 March 2024, the Net Book Value of Tangible Fixed Assets was £1,599,000 (2023: £1,628,000) and movements in these assets are shown in note 12 to the Financial Statements.

**Reserves Policy**

The Governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of reserves should be equivalent to at least one month's worth of the General Annual Grant funding. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Any surplus reserves built up by the Academy are earmarked to cover:

- Planned capital expenditure
- Improve the quality of learning and social spaces within the school
- Forecast increases in staffing costs

Reserves as at the period ended 31 March 2024 were £28,000 (2023: £31,000) after deductions had been made for the fixed assets land and buildings of £1,599,000 (2023: £1,630,000) and the long term LGPS pension deficit of £Nil (2023: £Nil).

Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the LGPS, which is provided to support staff. This results in reducing the reserves in the total funds of the school. It should be noted that this does not present the school with any current liquidity problems.



**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Scope of Responsibility**

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

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

The board of governors has delegated the day to day responsibility to the Head teacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Priors School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the governors' report and in the Statement of Governors' Responsibilities. The board of governors has formally met 7 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a Possible</b>
M Bown	4	6
R Emms	7	7
R Holland	7	7
C Baggiolini	-	4
R Hemelryk	6	6
S Moore	5	7
J Peto	5	6
E Hooker	6	7
J Richards	2	2
J Sadler	1	2

**Conflicts of Interest**

All governors make an annual declaration of their interests in any external organisations. Any conflicts of interest are declared at governor meetings and the governor concerned either does not vote on any decision made, or in the case of large or contentious decisions, leaves the meeting during discussions and voting.

**Governance Reviews**

The Academy trust reviews its governance arrangements on an annual basis. The outcome of the governance review is as follows:

- The governors have appointed Warwickshire Governor Services to support the governing body to conduct and external governance review to support with identifying strengths and areas for development.
- The governors have now established members as a separate entity to meet the best practice requirements of the Academy Trust Handbook.
- The governors have reviewed the Scheme of Delegation to ensure the board are meeting the requirements of the Academy Trust Handbook.

**Review of Value for Money**

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

**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Review of Value for Money (cont'd)**

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

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Used Zenergi to re-procure our energy and access better rates for gas and electricity.
- We conducted an informal tender process to identify a company to support us with our most recent CIF bid.
- When buying replacement technology for the school, we use a company that specialises in reconditioned products, significantly reducing our costs.
- Began investigations into the installation of solar panels on the school roof. Exploring funding from a Community Energy Group. This will allow the school to save money on energy bills.

**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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Priors School for the period ended 31 March 2024 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ended 31 March 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors body;
- regular reviews by the Governing board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Following the resignation of J Franklin from his position as Reviewer on 31<sup>st</sup> August; the board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor or reviewer. This decision was made in the knowledge that The Priors School would be joining the Warriner Multi Academy Trust, initially in January 2024 and would be going through a rigorous due diligence process during the autumn term. The transfer was delayed until April 2024, however The Warriner MAT had oversight of all financial procedures and transactions during this time.

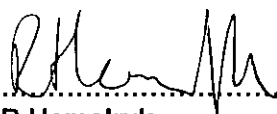
**GOVERNORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)****Review of Effectiveness**

As Accounting Officer, of The Priors School, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

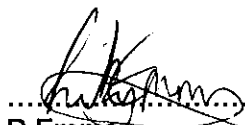
- the work of the Warriner Multi Academy Trust during due diligence;
- the work of the external auditor;
- the financial management and governance self assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- correspondence from the ESFA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee.

Approved by order of the members of the board of Governors on 30 July 2024 and signed on its behalf by:



R Hemelryk  
Chair of Governors



R Emms  
Accounting Officer

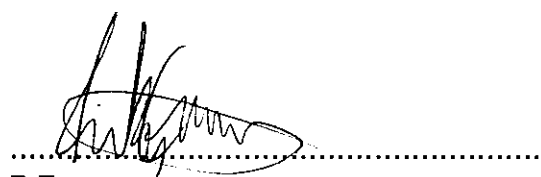
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD END 31 MARCH 2024**

As Accounting Officer of The Priors School, I have considered my responsibility to notify the Board of Trustees and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement, between the academy Company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibility for estates safety and management.

I confirm that I and the academy Company board of Directors are able to identify any material irregular or improper use of funds by the academy Company, or material non-compliance with the terms and conditions of funding under the academy Company's funding agreement and the Academy Trust Handbook 2023 including responsibilities for estates safety and management.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

- No internal scrutiny review has been carried out during the period.

A handwritten signature in black ink, appearing to read 'R Emms', is written over a horizontal dotted line.

**R Emms**  
**Accounting Officer**  
**30 July 2024**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD END 31 MARCH 2024**

The Directors, who are also the governors of the Charitable Company for the purposes of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

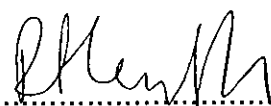
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 30 July 2024 and signed on its behalf by:



R Hemelryk  
Chair of Governors

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRIORS SCHOOL FOR THE PERIOD ENDED 31 MARCH 2024****Opinion**

We have audited the financial statements of The Priors School (the charitable company) for the period ended 31 March 2024 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the The Priors School's affairs as at 31 March 2024 and of its incoming resources and application of resources, including 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 2023 to 2024

**Basis for qualified opinion**

It was not possible to substantiate the defined benefit pension scheme liability balance sheet balance at 31 March 2024 because no actuarial valuation has been performed. We were unable to satisfy ourselves by alternative means concerning this balance at 31 March 2024, which is included in the balance sheet as a defined benefit pension scheme liability at £nil. Consequently, we were unable to determine whether any adjustments to this balance was necessary.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty relating to going concern**

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in the Statement of Accounting Policies on page 23 concerning the charitable company's ability to continue as a going concern. The charitable company is reliant on the Education and Skills Funding Agency for the advancement of general annual grant and other grant funding. This funding was withdrawn when The Priors School activities were transferred to The Warriner Multi Academy Trust on 1 April 2024.

This condition, together with the other matters set out in the Statement of Accounting Policies, indicates the existence of a material uncertainty which may cast significant doubt on the charitable company's ability to continue as a going concern in the longer term. For this reason the charitable company is preparing the accounts on a winding up basis and measuring assets and liabilities at their recoverable amounts. No material adjustments are required as a result of ceasing to apply the going concern basis.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRIORS SCHOOL FOR THE PERIOD 31 MARCH 2024 (cont'd)****Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the financial statements. 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

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the governors' report (incorporating the Strategic Report, and the governors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 13, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRIORS SCHOOL FOR THE PERIOD 31 MARCH 2024 (cont'd)****Auditor's 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 auditor's 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:

Based on our understanding of the The Priors School and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the The Priors School, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities SORP 2019 and Academies Accounts Direction 2023 to 2024. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the The Priors School's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Education and Skills Funding Agency review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the governors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRIORS SCHOOL FOR THE PERIOD 31 MARCH 2024 (cont'd)****Auditor's responsibilities for the audit of the financial statements (cont'd)**

- Conclude on the appropriateness of the governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Use of our report**

This report is made solely to the The Priors School'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 The Priors School's members those matters we are required to state to them in an auditor's 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 The Priors School's and the The Priors School's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
**Malcolm Winston**  
**Senior Statutory Auditor**  
**UHY Hacker Young (Birmingham) LLP, Statutory Auditor**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**

**30 July 2024**

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE PRIORS SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE PERIOD ENDED 31 MARCH 2024**

In accordance with the terms of our engagement letter dated 23 April 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2023 to 2024 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the academy trust during the period 1 September 2023 to 31 March 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Priors School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Priors School funding agreement with the Secretary of State for Education dated 9 December 2011, and the Academy Trust Handbook extant from 1 September 2023 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 2023 to 2024. 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 period 1 September 2023 to 31 March 2024 have not been applied to purposes intended by Parliament and 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 Accountants issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the academy trust's general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE PRIORS SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE PERIOD ENDED 31 MARCH 2024 (cont'd)**

**Approach (cont'd)**

- Formal representations obtained from the board of governors and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or governors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or governors;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

**Conclusion**

In the course of our work, the following instance of material irregularity was identified:

- No internal scrutiny review has been carried out during the period.

.....  
**Reporting Accountant**  
**UHY Hacker Young (Birmingham) LLP**  
**9-11 Vittoria Street**  
**Birmingham**  
**B1 3ND**  
**30 July 2024**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD END 31 MARCH 2024**  
**(Including Income and Expenditure Account)**

			Restricted	Restricted	Total	Total
		Unrestricted	General	Fixed	01.09.23	01.09.22
		Funds	Funds	Asset	to	to
	Note	£'000	£'000	Funds	31.03.24	31.08.23
		£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>						
Donations and capital grants	3	10	-	-	10	35
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	376	-	376	608
Other trading activities	5	24	-	-	24	36
Investment income	6	-	-	-	-	-
<b>Total</b>		<b>34</b>	<b>376</b>	<b>-</b>	<b>410</b>	<b>679</b>
<b>Expenditure on:</b>						
Raising funds	7	20	-	-	20	25
Charitable activities:						
- Academy trust's educational operations	8	-	389	35	424	719
<b>Total</b>		<b>20</b>	<b>389</b>	<b>35</b>	<b>444</b>	<b>744</b>
<b>Net income/(expenditure)</b>		<b>14</b>	<b>(13)</b>	<b>(35)</b>	<b>(34)</b>	<b>(65)</b>
Transfers between funds	15	(17)	13	4	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension schemes	25	-	-	-	-	57
<b>Net movement in funds</b>		<b>(3)</b>	<b>-</b>	<b>(31)</b>	<b>(34)</b>	<b>(8)</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>	15	<b>31</b>	<b>-</b>	<b>1,630</b>	<b>1,661</b>	<b>1,669</b>
<b>Total funds carried forward</b>	15	<b>28</b>	<b>-</b>	<b>1,599</b>	<b>1,627</b>	<b>1,661</b>

All of The Priors School's activities derive from discontinued operations during the above two financial periods (note 1).

**BALANCE SHEET AS AT THE PERIOD END 31 MARCH 2024**

	Note	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible assets	12	1,599	1,628
		<u>1,599</u>	<u>1,628</u>
<b>Current assets</b>			
Debtors	13	19	27
Cash at bank and in hand		43	53
		<u>62</u>	<u>80</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	14	(34)	(47)
<b>Net current assets</b>		<u>28</u>	<u>33</u>
<b>Total assets less current liabilities</b>		<u>1,627</u>	<u>1,661</u>
<b>Net assets excluding pension liability</b>		<u>1,627</u>	<u>1,661</u>
Defined benefit pension scheme liability	25	-	-
<b>Total Net Assets</b>		<u>1,627</u>	<u>1,661</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	15	1,599	1,630
- Restricted income fund	15	-	-
- Pension reserve	15	-	-
<b>Total Restricted Funds</b>		<u>1,599</u>	<u>1,630</u>
<b>Unrestricted income fund</b>	15	28	31
<b>Total Unrestricted Funds</b>		<u>28</u>	<u>31</u>
<b>Total Funds</b>		<u>1,627</u>	<u>1,661</u>

The financial statements on pages 20 to 41 were approved by the trustees and authorised for issue on 30 July 2024 and signed on their behalf by:

  
 .....  
 R Hemelryk  
 Chair of Governors

## STATEMENT OF CASH FLOWS FOR THE PERIOD END 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(4)	2
Cash flows from investing activities	20	(6)	(6)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>(10)</u>	<u>(4)</u>
Cash and cash equivalents at 1 September	22	53	57
Cash and cash equivalents at 31 March	22	<u>43</u>	<u>53</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024

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**1 Statement of Accounting Policies**

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

**Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Priors School meets the definition of a public benefit entity under FRS 102.

**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 company 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 there are material uncertainties about the Academy Trust's ability to continue as a going concern due to the assets and liabilities being transferred to The Warriner Multi Academy Trust from 1 April 2024. For this reason the academy trust is preparing the financial statements on a winding up basis and measuring assets and liabilities at their recoverable amounts. No material adjustments are required as a result of ceasing to apply the going concern basis.

**Income**

All incoming resources are recognised when the academy trust 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 period is deducted from income and recognised as a liability.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

- **Transfers of leasehold property**

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the building.

- **Investment Income**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024

**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 trust 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 trust's educational , including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £150 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 a straight line or reducing balance basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Leasehold buildings	2% straight line
Furniture and equipment	10% - 25% reducing balance
Computer equipment and software	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments - not applicable unless trust has a subsidiary.

**Financial Instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

**Pensions Benefits**

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

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

The LGPS is a multi funded employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / (expenditure) are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2024. 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.

The critical judgements that the Governors have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

Any LGPS surpluses will only be recognised as an asset in the financial statements to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

In assessing whether there have been any indicators of impairment assets, the Governors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**2 GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the The Priors School was not subject to a limit on the amount of GAG that it could carry forward at 31 March 2024 (see note 15).

**3 DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
DfE/ESFA capital grants	-	-	-	5
Other ESFA capital grants	-	-	-	12
Voluntary donations	10	-	10	18
	<u>10</u>	<u>-</u>	<u>10</u>	<u>35</u>

The income from donations and capital grants was £10,000 (2023: £35,000) of which £10,000 (2023: £18,000) was unrestricted, £Nil (2023: £17,000) restricted.

**4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG) (note 2)	-	277	277	471
Rates relief grant	-	3	3	2
<b>Other DfE/ESFA grants</b>				
Universal infant free school meals grant	-	10	10	14
PE and sports grant	-	10	10	17
Pupil premium grant	-	9	9	15
School Led Tutoring grant	-	-	-	2
Supplementary grant	-	-	-	13
Mainstream additional schools grant	-	9	9	6
Teachers Pay Grant	-	4	4	-
	<u>-</u>	<u>322</u>	<u>322</u>	<u>540</u>
<b>Other Government grants</b>				
High needs top up grant (WCC)	-	13	13	1
Nursery grant (WCC)	-	33	33	51
Other LA grants (WCC)	-	-	-	1
Other LA grants (WNC)	-	4	4	-
	<u>-</u>	<u>50</u>	<u>50</u>	<u>53</u>
<b>COVID-19 DfE/ESFA additional funding</b>				
Recovery Premium	-	1	1	2
	<u>-</u>	<u>1</u>	<u>1</u>	<u>2</u>
<b>Other income from the academy trust's educational operations</b>				
	-	3	3	13
	<u>-</u>	<u>3</u>	<u>3</u>	<u>13</u>
	<u>-</u>	<u>376</u>	<u>376</u>	<u>608</u>

The income from the academy trust's educational operations was £376,000 (2023: £608,000) of which £Nil (2023: £Nil) was unrestricted and £376,000 (2023: £608,000) restricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

## 5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
Nursery income	7	-	7	8
Before and after school club income	14	-	14	21
School activities income	3	-	3	4
Other miscellaneous income	-	-	-	3
	<u>24</u>	<u>-</u>	<u>24</u>	<u>36</u>

The income from the academy trusts' other trading activities was unrestricted for both 2024 and 2023.

## 6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
Bank interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The income from the academy trusts' investment activities was unrestricted for both 2024 and 2023.

## 7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
		Premises £'000	Other Costs £'000		
<b>Expenditure on raising funds</b>					
- Direct costs	-	-	3	3	5
- Allocated support costs	14	-	3	17	20
	<u>14</u>	<u>-</u>	<u>6</u>	<u>20</u>	<u>25</u>
<b>Academy's educational operations</b>					
- Direct costs	264	-	24	288	474
- Allocated support costs	22	81	33	136	245
	<u>286</u>	<u>81</u>	<u>57</u>	<u>424</u>	<u>719</u>
	<u>300</u>	<u>81</u>	<u>63</u>	<u>444</u>	<u>744</u>

The expenditure was £444,000 (2023: £744,000) of which £20,000 (2023: £25,000) was unrestricted, £389,000 (2023: £687,000) restricted and £35,000 (2023: £32,000) restricted fixed assets.

	01.09.23 to 31.03.24 £'000	01.09.22 to 31.08.23 £'000
<b>Net (income)/expenditure for the year includes:</b>		
Operating leases rentals	1	2
Depreciation	18	32
Fees payable to auditor for:		
- audit	6	6
- other services	<u>2</u>	<u>2</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**8 CHARITABLE ACTIVITIES**

	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
Direct costs - educational operations	288	474
Support costs - educational operations	136	245
	<u>424</u>	<u>719</u>

	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
<b>Analysis of Support Costs</b>		
Support staff costs	22	97
Depreciation	18	32
Impairment	17	-
Technology costs	7	11
Premises costs	46	67
Other support costs	16	23
Governance costs	10	15
	<u>136</u>	<u>245</u>

**9 STAFF COSTS****a Staff costs and employee benefits**

Staff costs during the period/year were:

	Total 01.09.23 to 31.03.24 £'000	Total 01.09.22 to 31.08.23 £'000
Wages and salaries	215	353
Social security costs	21	33
Pension costs	48	134
Other employee benefits	-	-
	<u>284</u>	<u>520</u>
Agency staff costs	16	20
Staff restructuring costs	-	-
	<u>300</u>	<u>540</u>

**b Staff severance contractual and non contractual payments**

The academy trust paid no severance payments in the period (2023: year £Nil)

**c Special staff severance non contractual payments**

Included in staff restructuring costs there are no non statutory/non contractual special severance payments (2023: £Nil).

**d Staff numbers**

The average number of persons (including School Leadership Team) employed by the Academy during the period ended 31 March 2024 expressed as whole persons was as follows:

	01.09.23 to 31.03.24 No.	01.09.22 to 31.08.23 No.
<b>Charitable Activities</b>		
Teachers	5	5
Administration and support - including Teaching Assistants	8	8
Management	1	1
	<u>14</u>	<u>14</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**9 STAFF COSTS (cont'd)****e Higher paid staff**

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

	01.09.23 to 31.03.24	01.09.22 to 31.08.23
	No.	No.
£60,001 - £70,000	-	1

**f Key management personnel**

The key management of the academy trust comprise the trustees and the Senior Leadership Team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £118,443 (2023: £183,088).

**10 RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES**

The Accounting Officer has been paid remuneration or has received other benefits from employment with The Priors School. The Accounting Officer only receives remuneration in respect of services provided undertaking the roles of Accounting Officer under their contract of employment. The value of CEO remuneration and other remuneration was as follows:

	01.09.23 to 31.03.24	01.09.22 to 31.08.23
R Emms (Headteacher and Governor)		
Remuneration	£40,000 - £45,000	£65,000 - £70,000
Employers pension	£5,000 - £10,000	£15,000 - £20,000

During the period ended 31 March 2024, there were no expenses reimbursed to the CEO undertaking their role as accounting officer.

Other related party transactions including directors are set out in note 26.

**11 TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect directors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the Governors and Officers indemnity from the overall cost of the insurance premium. The cost of this insurance is included in the total insurance cost.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

## 12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings	Furniture & Equipment	Computer Equipment	Total
Cost	£'000	£'000	£'000	£'000
At 1 September 2023	1,630	117	78	1,825
Additions	-	2	4	6
At 31 March 2024	1,630	119	82	1,831
<b>Depreciation</b>				
At 1 September 2023	69	58	70	197
Charged in year	13	3	2	18
Impairment charged in year	-	17	-	17
At 31 March 2024	82	78	72	232
<b>Net book value</b>				
At 31 March 2024	1,548	41	10	1,599
At 31 August 2023	1,561	59	8	1,628

	2024 £'000	2023 £'000
<b>13 DEBTORS</b>		
Trade debtors	-	-
VAT recoverable	2	13
Prepayments and accrued income	13	10
Other debtors	4	4
	<u>19</u>	<u>27</u>

	2024 £'000	2023 £'000
<b>14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade creditors	7	11
Other creditors	1	1
Taxation & social security	12	17
Accruals	13	10
Deferred income	1	8
	<u>34</u>	<u>47</u>
<b>Deferred Income</b>		
Deferred income at 1 September 2023	8	10
Resources deferred in the year	1	8
Amounts recognised as income during the year	(8)	(10)
Deferred income at 31 March 2024	<u>1</u>	<u>8</u>

At the balance sheet date the academy was holding funds received in advance for Universal Free School Meals £Nil (2023: £8,553), and School Trips £1,100 (2023: £Nil).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

## 15 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2023 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 March 2024 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	-	277	(290)	13	-
Pupil premium grant (note ii)	-	9	(9)	-	-
PE and sports grant (note iii)	-	10	(10)	-	-
UIFSM grant (note iii)	-	10	(10)	-	-
Mainstream schools additional grant (note iv)	-	9	(9)	-	-
Teachers pay grant (note iii)	-	4	(4)	-	-
Rates relief grant (note iii)	-	3	(3)	-	-
ESFA covid recovery premium (note v)	-	1	(1)	-	-
High needs grants (note iv)	-	17	(17)	-	-
Nursery 3&4 Year Olds - WCC (note iv)	-	31	(31)	-	-
Other LA grants - WCC (note iv)	-	2	(2)	-	-
School trips income (note vi)	-	3	(3)	-	-
<b>Total general funds</b>	-	<b>376</b>	<b>(389)</b>	<b>13</b>	-
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	1,350	-	(33)	-	1,317
Private sector capital (note viii)	258	-	-	-	258
Other capital grants - PET (note vii)	17	-	(1)	-	16
Capital expenditure from unrestricted funds (note vii)	5	-	(1)	4	8
<b>Total fixed asset funds</b>	<b>1,630</b>	-	<b>(35)</b>	<b>4</b>	<b>1,599</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note ix)	-	-	-	-	-
<b>Total restricted funds</b>	<b>1,630</b>	<b>376</b>	<b>(424)</b>	<b>17</b>	<b>1,599</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note x)	31	34	(20)	(17)	28
<b>Total unrestricted funds</b>	<b>31</b>	<b>34</b>	<b>(20)</b>	<b>(17)</b>	<b>28</b>
<b>Total funds</b>	<b>1,661</b>	<b>410</b>	<b>(444)</b>	-	<b>1,627</b>

**Notes**

i) GAG must be used for the normal running costs of the Priors School. Under the funding agreement with the Secretary of State, the Priors School was not subject to a limit on the amount of GAG that it would carry forward at 31 March 2024 (see note 2).

ii) Pupil premium grant has been used to support children from low income families placed in the academy.

iii) Grants received from the ESFA used to support expansion of the academy trust, teaching pay increases, free school meals, rates costs and PE costs.

iv) Local authority grant has been used to support enhanced learning for children with special educational needs.

v) Other grants relate to coronavirus cleaning cost claims.

vi) School funds are contributions received from parents which are used to support the academy's activities.

vii) Restricted fixed asset additions were funded by DfE/ESFA grants, other capital grants and transfers from unrestricted funds.

viii) Private sector capital sponsorship includes fixed assets funded by the private sector prior to the Academy obtaining free school status.

ix) The pension reserve represents the surplus/deficit on the LGPS (see note 25).

x) Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the governors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

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

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
<b>Restricted general funds</b>					
General annual grant (GAG) (note i)	-	471	(491)	20	-
Pupil premium grant (note ii)	-	15	(15)	-	-
PE and sports grant (note iii)	-	17	(17)	-	-
UIFSM grant (note iii)	-	14	(14)	-	-
Supplementary grant (note iii)	-	13	(13)	-	-
Mainstream schools additional grant (note iv)	-	6	(6)	-	-
National tutoring grant (note ii)	-	2	(2)	-	-
Rates relief grant (note iii)	-	2	(2)	-	-
ESFA covid recovery premium (v)	-	2	(2)	-	-
High needs grants - WCC (note iv)	-	1	(1)	-	-
Nursery 3&4 Year Olds - WCC (note iv)	-	51	(51)	-	-
Other LA grants - WCC (note iv)	-	1	(1)	-	-
School trips income (note vi)	-	13	(15)	2	-
<b>Total general funds</b>	<b>-</b>	<b>608</b>	<b>(630)</b>	<b>22</b>	<b>-</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants (note vii)	1,363	17	(30)	-	1,350
Private sector capital sponsorship (note v)	258	-	-	-	258
Other capital grants - PET (note vii)	19	-	(2)	-	17
Capital expenditure from unrestricted funds (note vii)	5	-	-	-	5
<b>Total fixed asset funds</b>	<b>1,645</b>	<b>17</b>	<b>(32)</b>	<b>-</b>	<b>1,630</b>
<b>Restricted pension scheme liability</b>					
Pension reserve (note ix)	-	-	(57)	57	-
	-	-	(57)	57	-
<b>Total restricted funds</b>	<b>1,645</b>	<b>625</b>	<b>(719)</b>	<b>79</b>	<b>1,630</b>
<b>Unrestricted funds</b>					
Unrestricted funds (note x)	24	54	(25)	(22)	31
<b>Total unrestricted funds</b>	<b>24</b>	<b>54</b>	<b>(25)</b>	<b>(22)</b>	<b>31</b>
<b>Total funds</b>	<b>1,669</b>	<b>679</b>	<b>(744)</b>	<b>57</b>	<b>1,661</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 March 2024 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restricted	Restricted	Assets	
	Funds	Funds	Funds	Restricted	Total
	£'000	£'000	£'000	Funds	£'000
Tangible fixed assets	-	-	-	1,599	1,599
Current assets	28	-	34	-	62
Current liabilities	-	-	(34)	-	(34)
Pension scheme liability	-	-	-	-	-
	<u>28</u>	<u>-</u>	<u>-</u>	<u>1,599</u>	<u>1,627</u>

Fund balances at 31 August 2023 are represented by:

	Unrestricted	Pension	General	Fixed	
	Funds	Restricted	Restricted	Assets	
	Funds	Funds	Funds	Restricted	Total
	£'000	£'000	£'000	Funds	£'000
Tangible fixed assets	-	-	-	1,628	1,628
Current assets	31	-	47	2	80
Current liabilities	-	-	(47)	-	(47)
Pension scheme liability	-	-	-	-	-
	<u>31</u>	<u>-</u>	<u>-</u>	<u>1,630</u>	<u>1,661</u>

**17 CAPITAL COMMITMENTS**

	2024	2023
	£'000	£'000
Contracted for, but not provided in the financial statements	<u>Nil</u>	<u>Nil</u>

**18 LONG TERM COMMITMENTS INCLUDING OPERATING LEASES*****Operating leases***

At 31 March 2024 the total of the The Priors School's future minimum lease payments under non-cancellable operating leases was:

	2024	2023
	Other	Other
	£'000	£'000
Amounts due within one year	2	2
Amounts due between one and five years	1	2
Amounts due more than five years	-	-
	<u>3</u>	<u>4</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2024 £'000	2023 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(34)	(65)
Adjusted for:		
Depreciation (note 12)	18	32
Capital grants from DfE and other capital income	-	(17)
Defined benefit pension scheme cost less contributions payable (note 25)	-	57
Decrease/(increase) in debtors	8	(11)
(Decrease)/increase in creditors	(13)	6
<b>Net cash (used in)/provided by operating activities</b>	<b>(4)</b>	<b>2</b>

**20 CASH FLOWS FROM INVESTING**

	2024 £'000	2023 £'000
Interest received	-	-
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(6)	(23)
Capital grants from DfE/ESFA	-	17
<b>Net cash used in investing activities</b>	<b>(6)</b>	<b>(6)</b>

**21 CASH FLOWS FROM FINANCING ACTIVITIES**

	2024 £'000	2023 £'000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>-</b>

**22 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 Mar 2024 £'000	At 31 Aug 2023 £'000
Cash in hand and at bank	43	53
<b>Total cash and cash equivalents</b>	<b>43</b>	<b>53</b>

**23 ANALYSIS OF CHANGES IN NET**

	At 1 Sept 2023 £'000	Cash Flows £'000	At 31 Mar 2024 £'000
Cash at bank	53	(10)	43
	53	(10)	43
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	53	(10)	43

**24 MEMBER LIABILITY**

Each member of the Priors School undertakes to contribute to its assets 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.

**25 PENSION AND SIMILAR OBLIGATIONS**

The Priors School'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 Warwickshire County Council Pension Fund. Both are defined multi employer benefit schemes.

As described in note 25 the LGPS obligation relates to the employees of the The Priors School, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The total pension cost to the Academy during the period ended 31 March 2024 was £48,000 (2023: £134,000) of which £33,000 (2023: £55,000) relates to the TPS and £15,000 (2023: £79,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £2,625 were payable to the schemes at 31 March 2024 (2023: £8,851) and are included within other creditors.

## 25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's costs paid to TPS in the period amounted to £33,000 (2023: year £55,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the period ended 31 March 2024 was £15,000 (2023: £29,000) of which employers contributions totalled £15,000 (2023: £22,000) and employees contributions totalled £0 (2023: £7,000).

The agreed contributions for future years is an average of 21.1% (2023: 21.1%) for employers and a minimum of 5.5% to 7.5% (2023: 5.5% to 7.5%) for employees.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

## 25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

## Principal Actuarial Assumptions

	At 31 March 2024 % per annum	At 31 August 2023 % per annum
The major assumptions used by the actuary were:		
Discount rate	-	5.2%
Salary increases	-	4.0%
Pension increase	-	3.0%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 March 2024 Approx Change to Employers Liability £'000	At 31 August 2023 Approx Change to Employers Liability £'000
Discount rate reduced by 0.1% per annum	-	9
Assumed pension increased by 0.1% per annum	-	9
Assumed 1 year increase in member life expectancy	-	13

The mortality assumptions used were as follows:

	At 31 March 2024 years	At 31 August 2023 years
Longevity at age 65 retiring today		
- Men	-	21.3
- Women	-	24.4
Longevity at age 65 retiring in 20 years		
- Men	-	22.1
- Women	-	25.9

Lumen Christi Catholic Multi Academy Company's share of the assets in the scheme were:

	Fair value at 31 March 2024 £'000	Fair value at 31 August 2023 £'000
Equity instruments	220	220
Debt instruments	95	95
Property	61	61
Cash and other liquid assets	4	4
<b>Total market value of assets</b>	<b>380</b>	<b>380</b>
Present value of scheme liabilities:		
- Funded	(380)	(380)
- Unfunded	-	-
<b>Total liabilities</b>	<b>(380)</b>	<b>(380)</b>
<b>Deficit in the scheme</b>	<b>-</b>	<b>-</b>

The actual return on the scheme assets in the year was a deficit of £Nil (2023: £3,000 deficit).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD END 31 MARCH 2024 (cont'd)

**25 PENSION AND SIMILAR OBLIGATIONS (cont'd)**

Amounts recognised in the Statement of Financial Activities:

	2024 £'000	2023 £'000
Current service cost	-	79
Interest income	-	(15)
Interest cost	-	15
<b>Total amount recognised in the SoFA</b>	<b>-</b>	<b>79</b>

	2024 £'000	2023 £'000
<b>Changes in deficit during the year:</b>		
Balance at 1 September	-	-
Movement in year:		
- Employer service cost (net of employee contributions)	-	79
- Employer contributions	(15)	(22)
- Expected return on scheme assets	15	(15)
- Interest cost	-	15
- Actuarial gains	-	(57)
<b>Deficit in the scheme at 31 March</b>	<b>-</b>	<b>-</b>

	2024 £'000	2023 £'000
<b>Changes in the present value of defined benefit obligations were as follows:</b>		
Balance at 1 September	380	329
Current service cost	-	79
Interest cost	-	15
Contributions by scheme participants	-	7
Actuarial gains	-	(50)
<b>Scheme liabilities at 31 March</b>	<b>380</b>	<b>380</b>

	2024 £'000	2023 £'000
<b>Changes in the fair value of the share of scheme assets:</b>		
Balance at 1 September	380	329
Expected return on scheme assets	(15)	15
Actuarial losses	-	7
Contributions by employer	15	22
Contributions by scheme participants	-	7
<b>Fair value of scheme assets at 31 March</b>	<b>380</b>	<b>380</b>

The estimated value of employer contributions for the year ended 31 March 2025 was not known (2024: £23,000).

The fair value of the pension plan assets at 31 March 2024 is in excess of the present value of the defined benefit obligations at that date, giving rise to a net surplus of £Nil (2023: £48,000). This surplus is recognised in the financial statements only to the extent that the academy trust can recover this surplus, either through a reduction in future contributions or through a refund to the academy trust.

The academy trust is not able to determine that future contributions will be reduced and it is not possible for the academy trust to receive a refund from the scheme, as the specific conditions for this have not been met. Therefore an asset ceiling is in place such that the surplus of £Nil (2023: £48,000) is not recognised as an asset at 31 March 2024 and the net asset/liability recognised in the financial statements is capped at £Nil.



**26 RELATED PARTY TRANSACTIONS**

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

J Richards is a trustee of the Priors Education Trust and The Priors School received donations during the period totalling £1,717 (2023: £2,693). The balance outstanding at 31 March 2024 was £Nil (2023: £Nil).

No other related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 10.

In entering into the transactions the trust has complied with the requirements of the Academy Trust Handbook 2023.

**27 TRANSFER OUT ON ACADEMIES LEAVING THE ACADEMY TRUST****The Priors School**

On 31st March 2024 the assets and liabilities of The Priors School were transferred out of the academy trust. An income amount equal to the net assets which have been derecognised for the transfer of an existing academy out of the academy trust is shown within donations and capital grant income.

The following table sets out the fair values of the identifiable assets and liabilities transferred out.

	<b>Transfer out on academies leaving the academy trust £'000</b>
<b>Tangible fixed assets</b>	
Leasehold land and buildings	1,548
Furniture and equipment	41
Computer equipment	10
<b>Current assets</b>	
Debtors	19
Cash in bank and in hand	43
<b>Liabilities</b>	
Creditors due in less than one year	(34)
<b>Pensions</b>	
Pensions – pension scheme assets	-
Pensions – pension scheme liabilities	-
<b>Net assets</b>	<u><u>1,627</u></u>

**28 EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 1 April 2024 the assets, liabilities and activities of The Priors School were transferred to the charitable company The Warriner Multi Academy Trust.

