

**Company Registration Number: 07744525 (England & Wales)**

**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Dee McIlmurray Isaac Otomewo (resigned 11 July 2023) Lewis Palin
<b>Trustees</b>	Julie Ann Davies, Accounting officer Dee McIlmurray, Chair of Governors Lewis Palin, Vice Chair of Governors Paul Earley Louise Macarthur-Clare Roy Priest (resigned 4 November 2022) Ahmed Elderiny Donovan James Glenys McCarron (appointed 18 October 2022) Karen Earl (appointed 11 July 2023)
<b>Company registered number</b>	07744525
<b>Company name</b>	Hillcrest School and Sixth Form Centre
<b>Principal and registered office</b>	Stonehouse Lane Bartley Green Birmingham B32 3AE
<b>Headteacher and accounting officer</b>	Julie Ann Davies
<b>Senior management team</b>	Julie Ann Davies Samuel Abbotts Stephen Connor-Hemming Shamim Palmer Sharron Johnson
<b>Independent auditor</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
<b>Bankers</b>	Lloyds TSB 125 High Street Birmingham B17 9NP

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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

Hillcrest School and Sixth Form Centre is an 11-18 girls' Converter Academy with mixed sixth form provision and is also part of the Oaks Collegiate a group of secondary and primary schools working together to ensure the best outcomes for students and investing in staff development.

Hillcrest School and Sixth Form Centre was inspected by Ofsted in September 2013 and achieved a 'Good' overall Ofsted rating with an 'Outstanding' grade for Behaviour and Safety. In July 2017 and September 2022 Hillcrest had Ofsted inspections that confirmed the leadership team has maintained the good quality of education since the last inspection and retained an Ofsted 'Good' grading.

**Structure, governance and management**

**a. Constitution**

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

The Charitable Company's Memorandum of Association is the primary governing document of the Charitable Company.

The Trustees of Hillcrest School and Sixth Form Centre are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 11.

**b. Members' liability**

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

**c. Governors' indemnities**

As allowed by the provisions of the Articles of Association of the Academy and as disclosed in note 11, professional indemnity insurance is paid on behalf of the Governors of the Academy.

**d. Method of recruitment and appointment or election of Governors**

The Academy's Board of Governors is subject to retirement by rotation. Governors are eligible for re-election at the meeting at which they retire. The Governors to retire are those who have served the longest in office since their appointment or re-election. New Governors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any Governor is 4 years, although this time limit does not apply to the Head teacher.

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

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**Structure, governance and management (continued)**

**e. Policies and procedures adopted for the induction and training of Governors**

The Academy continues to procure Governor Support services provided by Birmingham City Council, the local authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

**f. Organisational structure**

The structure of the Academy consists of three senior levels: the Board of Governors, including the Head Teacher, the Senior Leadership Team, which includes the Deputy Head Teachers, Assistant Head Teachers and Strategic Business Manager and the broader Leadership Team of Learning Managers and Support Staff Managers. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Governors is responsible for setting the Academy's policies, adopting the Academy School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Head Teacher, Deputy Head Teachers, Assistant Head teachers and Strategic Business Manager as a Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Governors and reporting back to them.

The Board of Governors has established two sub committees. Each subcommittee has its own terms of reference detailing the responsibilities discharged to the subcommittee, to the Head teacher, (The Accounting Officer), Deputy Head Teachers, Assistant Head Teachers and Strategic Business Manager. The terms of reference and meeting frequency for each subcommittee is reviewed and approved by the Board of Governors annually. The terms of reference for the Finance Sub Committee detail the Academy's authorised spending limits.

The sub committees of the Governing Body are the:

- Finance and Operations Committee
- Personnel Committee

Groups of governors may be formally organised outside of the subcommittee structure to support the Academy as required, to consider:

- Headteachers Pay Committee
- Pupil Exclusions Panel
- Staff Capability, Disciplinary and Pay Appeals Panel

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

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**Structure, governance and management (continued)**

**g. Pay policy for key management personnel**

The salaries of the Headteacher, Deputy Headteacher/s and Assistant Headteacher will be reviewed annually as required by the School Teachers Pay and Condition Document.

Working in the academy sector Hillcrest School and Sixth Form Centre believes that it is important to be transparent about pay levels of its key management personnel and how those salaries are set. Our salaries are benchmarked against similar roles in the academy sector.

The academy uses a recognised pay scale for teachers however some flexibility is applied to take into consideration the specific requirements for each post and ensure we can recruit and retain the best people for the role with both the skills required and the passion for the service. For support staff the nationally recognised single status salary grading is used to ensure equal pay.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

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

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

Total cost of facility time	-
Total pay bill	36,914
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

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

The Academy continues to work in partnership with the other schools in the Oaks Collegiate.

The Headteacher is a member of the Birmingham Education Partnership (BEP) and is a Secondary Representative for the Oaks Collegiate on the BEP SLIC group

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

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**Structure, governance and management (continued)**

**j. Principal activities**

Hillcrest School and Sixth Form Centre is an 11 - 18 girls' Converter Academy with mixed sixth form provision and is also part of the Oaks Collegiate.

Hillcrest School and Sixth Form Centre was inspected by Ofsted in September 2013 and achieved a 'Good' overall Ofsted rating with an 'Outstanding' grade for Behaviour and Safety. In July 2017 and September 2022 Hillcrest had Ofsted inspections that confirmed the leadership team has maintained the good quality of education since the last inspection and retained an Ofsted 'Good' grading.

**Objectives and activities**

**a. Objects and aims**

The object of Hillcrest School and Sixth Form Centre is set out in the Company's Articles of Association, namely "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum".

The Board of Governors continues to set the Academy's strategic aims through the School Improvement Plan. These aims are monitored closely by the Board of Governors by way of Head teacher and Senior Team Reports and through the work of the sub committees.

The aims and objectives for the Academy are derived from the school's mission statement which is:

**"Hillcrest School and Sixth Form Centre is a safe and respectful learning environment where every child is valued as an individual with unique talents and ambitions"**

We:

- are an outward looking and confident community, actively promoting the fundamental British values of democracy, the rule of law, individual liberty, mutual respect, and tolerance of those with different faiths and beliefs;
- are a happy, responsible and fair school respected by the community;
- improve our environment to meet the educational demands of the twenty first century;
- raise expectations and achievement for all;
- prepare everyone for the challenges of modern Britain and a changing world; and
- develop a passion for life long learning.

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

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**Objectives and activities (continued)**

The key aims of the Academy for the forthcoming year are to:

1. That Hillcrest is a safe and respectful learning environment where every child is valued as an individual with unique talents and ambitions and all children's specific needs are met.
2. That the curriculum at Hillcrest has an academic focus designed to enable all students to engage, enjoy and achieve.
3. That we provide all students with the knowledge, skills, understanding and relevant qualifications to enable them to successfully access the next stage of their education.
4. That our curriculum develops effective independent learners who have a passion for learning, an understanding of the power of knowledge and the importance of the female voice in affecting positive change.
5. That all teaching promotes a love of reading and exposes students to high quality academic texts in and out of lessons.
6. That the early identification of student's specific needs, allows us to provide suitable intervention to remove barriers.
7. That all teaching is responsive with reasonable adjustments made for students with special educational needs and disabilities (SEND) and English as an additional language (EAL).
8. That we provide all students with wellbeing support and advice; careers education, information, advice and guidance (CEIAG); personal, social, spiritual, moral, and cultural development (Life Skills and SMSC), to allow them to fully engage in an ever-changing world, to understand and respect fundamental British values and make informed decisions.
9. That students know how to keep themselves safe from harm in person and online, and who to go to if they need advice and support in various aspects of their lives, including external and virtual support.
10. That all students attend school regularly and are supported to achieve their full academic and social potential.

**b. Public benefit**

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

**Strategic Report**

**Achievements and performance**

Hillcrest School and Sixth Form Centre was legally formed on midnight of the 1st September 2011. This Annual Report covers the Academy's tenth period of operation.

There were 579 students on roll in year 7 to 11 and 46 students in the Sixth Form, on 31st August 2022.

The Academy is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development using evidence-based research approaches, lesson observations, performance management, learning walks, self evaluation, data analysis and action planning.



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

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**a. Key performance indicators**

Tables 1 and 2 below provide a summary of the Academy's performance in the summer 2023 examination season:

*There has been a return to pre-pandemic grading this summer in England with protection in place for students. It is most meaningful to compare results to 2019, the last summer exam series before the pandemic. 2022-23 targets below were set before this announcement was made.*

**Table 1. Summary of GCSE examination results 2022-23**

	Target	Result
Progress 8	>0	+0.62
Attainment 8	54	51.44
Grade 4+ in Maths and English	74%	72%
Grade 5+ in Maths and English	48%	50%
Ebacc Grade 4+	50%	53%
Ebacc Grade 5+	37%	34%

GCSE targets are based on student's prior attainment at Key Stage 2 using FFT target setting.

**Table 2. Summary of A Level examination results**

A Level and BTEC L3	2022/23 Target	2022/23 Results
Pass rate	100%	100%
A* B Grades	50%	60%
A*C Grades	85%	92%

A level targets are based on student's prior attainment at Key Stage 4 using LPUK target setting.

**2023/24 Targets**

GCSE	2022/23 Target
Progress 8 score	>0
Attainment 8 score	50
Grade 4+ GCSE in Maths and English	63%
Grade 5+ GCSE in Maths and English	48%
Ebacc 4+	45%
Ebacc 5+	32%

A Level and BTEC L3	2022/23 Target
Pass rate	100%
A*B Grades	70%
A*C Grades	90%

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

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(continued)

**Financial review**

**a. Reserves policy**

The Board of Governors reviews the Academy's Reserve Policy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors will keep the level of reserves under review.

The Governing Body has determined that the appropriate level of free reserves should be equivalent to 6 weeks expenditure, which equates to approximately £450,000. This is based on sufficient working capital to cover delays between spending and receipt of grants and to provide a contingency to deal with unexpected emergencies/maintenance.

The Academy's free reserves as at 31st August 2023 were £307,310. The Academy intends to continue building free reserves in the future by generating more income from increased pupil numbers, making in year savings and reducing expenditure wherever possible.

**b. Investment policy**

Investment vehicles are approved by the Board of Governors with the support of expert advice as necessary. The Academy has invested the closing balance from the predecessor school in a Corporate Guaranteed Investment Account. This is a low risk short term deposit. The objective of this account is to hold the Academy's reserve at low risk.

The Academy does not have any endowment funds.

**c. Principal risks and uncertainties**

The Board of Governors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

The Governors consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Scheme ("LGPS"). In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

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

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**d. Review of activities**

The Academy received income into its Unrestricted Fund, Restricted General Funds and Restricted Fixed Asset Fund during 2022/23:

**Restricted General Fund**

The majority of the Academy's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £4,253,313 expenditure against the fund was £4,910,929 giving an in-year deficit of £657,616 before transfers and pension losses/gains.

**Unrestricted Funds**

Income received into the Unrestricted Fund was £160,598. Expenditure against the fund was £25,262 for the year, giving an in year carry forward of £135,336 before transfers.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund was 23,453.

The SOFA details a £6,532,771 Restricted Fixed Asset Fund year end surplus after transfers between funds. This is detailed in note 17 to the accounts.

**Summary of Financial Performance**

Total fund balance as at 31st August 2023 was £6,122,743 comprised of £235,972 £Nil and £6,532,771 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively as well as the Restricted Pension Reserve deficit of £646,000.

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for sports, as part of the school's sports focus and strategic aims to promote health, pathways into the community and work, and community cohesion.

The net book value of the Academy's tangible fixed assets was £6,359,808 as at 31st August 2023. The movement in this account is detailed in note 13.

Cash in hand at 31st August 2023 was £483,194 .

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

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**Plans for future periods**

Hillcrest School and Sixth Form Centre strives to continually improve levels of achievement for all students, equipping them with the knowledge, understanding, skills and qualifications to move on to the next stage of their educational journey.

The core and wider curriculum, quality of teaching and learning, support, advice, guidance and interventions are reviewed regularly to help every child achieve their full academic and social potential. Hillcrest School and Sixth Form Centre aims to maintain its reputation as a happy and cohesive community where every individual is supported and valued.

**Funds held as custodian on behalf of others**

The academy acts as an agent in distributing 16 - 19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

**Going concern**

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Governors has a reasonable expectation that the Academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2023/2024 and for the foreseeable future. The Academy will continue to ensure best value of all contracts/supplies, make in year savings where possible and regularly review staffing expenditure. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

**Fundraising**

The academy had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

**Auditor**

The auditors, Crowe U.K. LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

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

  
.....  
**Dee McMurray**  
Chair of Trustees

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Hillcrest School and Sixth Form Centre 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 Hillcrest School and Sixth Form Centre 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 Trustees' report and in the Statement of trustees' 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:

Trustee	Meetings attended	Out of a possible
Julie Ann Davies, Accounting officer	7	7
Dee McIlmurray, Chair of Governors	7	7
Lewis Palin, Vice Chair of Governors	6	7
Paul Earley	2	7
Louise Macarthur-Clare	4	7
Roy Priest	2	2
Ahmed Elderiny	4	7
Donovan James	4	7
Glenys McCarron	4	6
Karen Earl	1	1

Governor's review annually their priorities for the next 3 years. Current priorities include:

- Maintaining the quality of education intent, implementation and impact to ensure all students make consistently strong progress in all subjects.
- Ensuring all students at Hillcrest have access to a range of independent careers advice and guidance.
- Ensure all students at Hillcrest know how to keep themselves safe, both physically, emotionally and online.
- Ensure all students develop their spiritual, moral, social and cultural understanding through personal and social education.
- Managing recruitment, staff professional development and retention in a time of falling budgets Bidding for funds to continue to update the teaching and learning facilities.
- Maintaining and strengthen the Oaks Colligate Partnership of schools.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Trust has a Conflicts of Interest Policy in place that is reviewed annually. The Trust adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Member, Trustee, Associate member or Staff member's personal interests or loyalties could, or could be seen, to prevent them from making a decision in the best interests of the Trust. Procedures are in place to manage any potential conflicts; these include early identification of conflicts of interest and where available, legal or governing document requirements on how a conflict of interest must be handled is to be used, and where possible removing the conflict of interest itself to prevent it from affecting the decision-making.

The Finance and General Purposes Committee is a sub-committee of the main board of Governors. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances, resources and premises.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Julie Ann Davies	5	5
Paul Earley	4	5
Lewis Palin	5	5
Loiuse Macarthur-Clare	4	5

**Review of value for money**

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

The accounting officer considers how the Charitable Company'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 Charitable Company has delivered improved value for money during the year by:

- improving educational results;
- collaboration - the Academy continues to work in partnership with other schools in the Oaks Collegiate, including shared provision at post 16;
- financial governance and oversight, including regular meeting of the Finance and Operations Committee and review of budget monitoring reports;
- taking a prudent approach to expenditure and ensuring staffing structures are fit for purpose through an annual review;
- regularly undertaking tender exercises of all supplies and services to ensure they remain competitive;
- generating income through hire of sports and business facilities at every opportunity;
- reviewing controls and managing risks; and
- budget holders, managers and governors regularly scrutinising budget reports to ensure the most effective use of resources.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Charitable Company 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 Hillcrest School and Sixth Form Centre for the year 1 September 2021 to 31 August 2022 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 Charitable Company 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 Charitable Company's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 Charitable Company's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Governors has considered the need for a specific internal audit function and has appointed Services For Schools as the internal auditor.

On an annual basis, the reviewer reports to the board of Governors through the audit and risk committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

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

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

**Estates Management**

The Trust continually review their estates management processes and are currently updating their Estates Management Plan for the management and development of the physical assets of the Trust including land and buildings.

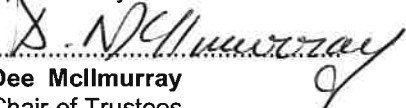
This includes the ongoing review of the condition of the building using information available including building condition survey reports, property data surveys, health and safety information, fire risk assessments, asbestos management plans and aligns the physical infrastructure with the school's education goals.

The Trust follows the DfE's Good Estate Management Guide that recommends that we consider the balance between Planned Preventative Maintenance (PPM) and Reactive Maintenance.

There has been no significant capital expenditure and no disposal of land and buildings during the last year. In previous years the Trust has been successful in CIF bids with new boilers, replacement windows, new roofing, gym and fire safety improvement works which has significantly improved the teaching environments, energy efficiency and fire H&S.

Future key challenges for the Trust are aging school buildings and being able to maintain and update the facilities with limited budgets. Devolved Formula Capital (DFC) is used for small capital and internal decoration works so the availability of CIF/other funding to make major building improvements is needed. Also with an increase in student numbers and maximum class sizes reached the ability to offer additional school places and have sufficient sized teaching rooms, toilets and communal spaces.

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

  
.....  
**Dee McMurray**  
Chair of Trustees  
Date: 12 December 2023



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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
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**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Hillcrest School and Sixth Form Centre, I have considered my responsibility to notify the Charitable Company Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Charitable Company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



**Julie Ann Davies**

Accounting Officer

Date: 12 December 2023

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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

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

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

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

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

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

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

  
.....  
**Dee McMurray**

Chair of Trustees

Date:

12 December 2023

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HILLCREST SCHOOL AND SIXTH FORM CENTRE**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HILLCREST SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HILLCREST SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

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**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:

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charitable Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charitable Company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HILLCREST SCHOOL AND SIXTH FORM CENTRE (CONTINUED)**

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the Charitable Company'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 Charitable Company'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 Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Helen Blundell (Senior statutory auditor)**

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 20 December 2023

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HILLCREST  
SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 2 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hillcrest School and Sixth Form Centre during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Hillcrest School and Sixth Form Centre's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hillcrest School and Sixth Form Centre's funding agreement with the Secretary of State for Education dated 1 September 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

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HILLCREST SCHOOL AND SIXTH FORM CENTRE  
(A company limited by guarantee)

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HILLCREST  
SCHOOL AND SIXTH FORM CENTRE AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)

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**Conclusion**

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

*Crowe UK LLP*

**Crowe U.K. LLP**

Reporting Accountant

Date: 20 December 2023



**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	42,817	42,817	60,852
Other trading activities		80,022	-	-	80,022	92,784
Investments	5	74	-	-	74	156
Charitable activities		79,166	4,944,491	-	5,023,657	4,283,572
<b>Total income</b>		<b>159,262</b>	<b>4,944,491</b>	<b>42,817</b>	<b>5,146,570</b>	<b>4,437,364</b>
<b>Expenditure on:</b>						
Charitable activities		-	5,074,185	362,381	5,436,566	5,289,160
<b>Net income/(expenditure)</b>		<b>159,262</b>	<b>(129,694)</b>	<b>(319,564)</b>	<b>(289,996)</b>	<b>(851,796)</b>
Transfers between funds	17	(87,924)	94,694	(6,770)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>71,338</b>	<b>(35,000)</b>	<b>(326,334)</b>	<b>(289,996)</b>	<b>(851,796)</b>
Actuarial gains on defined benefit pension schemes	24	-	719,000	-	719,000	2,669,000
Pension surplus not recognised	24	-	(38,000)	-	(38,000)	-
<b>Net movement in funds</b>		<b>71,338</b>	<b>646,000</b>	<b>(326,334)</b>	<b>391,004</b>	<b>1,817,204</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		235,972	(646,000)	6,532,771	6,122,743	4,305,539
Net movement in funds		71,338	646,000	(326,334)	391,004	1,817,204
<b>Total funds carried forward</b>		<b>307,310</b>	<b>-</b>	<b>6,206,437</b>	<b>6,513,747</b>	<b>6,122,743</b>

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

**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07744525**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	6,206,437	6,359,808
<b>Current assets</b>			
Debtors	14	101,587	244,161
Cash at bank and in hand	21	483,194	447,120
		<u>584,781</u>	<u>691,281</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(277,471)	(271,704)
<b>Net current assets</b>		<u>307,310</u>	<u>419,577</u>
<b>Total assets less current liabilities</b>		<u>6,513,747</u>	<u>6,779,385</u>
Creditors: amounts falling due after more than one year	16	-	(10,642)
<b>Net assets excluding pension asset / liability</b>		<u>6,513,747</u>	<u>6,768,743</u>
Defined benefit pension scheme asset / liability	24	-	(646,000)
<b>Total net assets</b>		<u><u>6,513,747</u></u>	<u><u>6,122,743</u></u>

**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07744525**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Funds of the Charitable Company</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	6,206,437	6,532,771
Pension reserve	17	-	(646,000)
<b>Total restricted funds</b>	17	<b>6,206,437</b>	<b>5,886,771</b>
<b>Unrestricted income funds</b>	17	<b>307,310</b>	<b>235,972</b>
<b>Total funds</b>		<b>6,513,747</b>	<b>6,122,743</b>

The financial statements on pages 23 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

  
**Dee McMurray**  
 Chair of Trustees

Date: 12/12/2023

The notes on pages 27 to 52 form part of these financial statements.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	202,193	443,563
<b>Cash flows from investing activities</b>	20	(166,119)	(428,479)
<b>Change in cash and cash equivalents in the year</b>		<u>36,074</u>	<u>15,084</u>
Cash and cash equivalents at the beginning of the year		447,120	432,036
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u><u>483,194</u></u>	<u><u>447,120</u></u>

The notes on pages 27 to 52 form part of these financial statements

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Company status**

The Charitable Company is a company limited by guarantee. The Charitable Company is incorporated in England & Wales, registered number 07744525. The registered office is Stonehouse Lane, Bartley Green, Birmingham, B32 3AE. The Members of the Charitable Company are the Governors named on page 1. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charitable Company.

**1.3 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 Charitable 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 that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charitable Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.4 Income**

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

• **Legacies**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Charitable Company)**

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

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.5 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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**HILLCREST SCHOOL AND SIXTH FORM CENTRE**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Long Term Leasehold Property	- 50 years straight line
Furniture and Equipment	- 7 years straight line
Computer Equipment	- 3 years straight line

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

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

**1.8 Cash at bank and in hand**

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

**1.9 Operating leases**

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

**1.10 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.11 Pensions**

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

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

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

**1.12 Fund accounting**

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

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

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

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**1. Accounting policies (continued)**

**1.13 Liabilities and provisions**

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

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

**1.14 Agency arrangements**

The academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**2. Critical accounting estimates and areas of judgement (continued)**

The asset values are reported using estimated asset allocations prepared by the Scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Where a scheme is in a surplus according to the accounting valuation the associated asset has not been recognised on the basis that it is not likely to be recoverable either through future reductions in contributions rates or future repayments. Further details of pension assets not recognised can be found with the pensions note to the financial statements.

Critical areas of judgement:

There are no critical judgements which have a material impact on the financial statements.

**3. Income from donations and capital grants**

	<b>Restricted funds 2023 £</b>	<b>Restricted fixed asset funds 2023 £</b>	<b>Total funds 2023 £</b>																
Capital Grants	-	42,817	<b>42,817</b>																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 15%;"><i>Restricted funds 2022 £</i></th> <th style="text-align: center; width: 15%;"><i>Restricted fixed asset funds 2022 £</i></th> <th style="text-align: center; width: 10%;"><i>Total funds 2022 £</i></th> </tr> </thead> <tbody> <tr> <td>Donations</td> <td style="text-align: center;">37,399</td> <td style="text-align: center;">-</td> <td style="text-align: center;">37,399</td> </tr> <tr> <td>Capital grants</td> <td style="text-align: center;">-</td> <td style="text-align: center;">23,453</td> <td style="text-align: center;">23,453</td> </tr> <tr> <td></td> <td style="text-align: center;"><b>37,399</b></td> <td style="text-align: center;"><b>23,453</b></td> <td style="text-align: center;"><b>60,852</b></td> </tr> </tbody> </table>					<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>	Donations	37,399	-	37,399	Capital grants	-	23,453	23,453		<b>37,399</b>	<b>23,453</b>	<b>60,852</b>
	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>																
Donations	37,399	-	37,399																
Capital grants	-	23,453	23,453																
	<b>37,399</b>	<b>23,453</b>	<b>60,852</b>																

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**4. Income from other trading activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Hire of facilities	917	917
Catering income	1,839	1,839
Other income	77,266	77,266
	80,022	80,022

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	526	526
Other income	92,258	92,258
	92,784	92,784

**5. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Investment income	74	74
	74	74

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	156	156
	156	156

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**6. Funding for the Academy's educational operations**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
<b>Educational Operations</b>			
<b>DfE/ESFA grants</b>			
General annual grant	-	4,211,275	4,211,275
Other DfE/ESFA grants			
Pupil premium	-	318,476	318,476
Rates relief	-	13,542	13,542
Others	-	301,375	301,375
	-	4,844,668	4,844,668
<b>Other Government grants</b>			
Local authority grants	-	99,823	99,823
<b>Other income from the Charitable Company's educational operations</b>			
	79,166	-	79,166
	79,166	4,944,491	5,023,657
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
<b>Educational Operations</b>			
<b>DfE/ESFA grants</b>			
General annual grant	-	3,740,213	3,740,213
Other DfE/ESFA grants			
Pupil premium	-	303,250	303,250
Others	-	172,451	172,451
	-	4,215,914	4,215,914
<b>Other income from the Charitable Company's educational operations</b>			
	67,658	-	67,658
	67,658	4,215,914	4,283,572

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**7. Expenditure**

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Operations:				
Direct costs	2,844,796	362,381	262,756	3,469,933
Allocated support costs	1,182,565	266,475	517,593	1,966,633
	<u>4,027,361</u>	<u>628,856</u>	<u>780,349</u>	<u>5,436,566</u>

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct costs	2,656,421	352,969	191,479	3,200,869
Allocated support costs	1,291,775	276,060	520,456	2,088,291
	<u>3,948,196</u>	<u>629,029</u>	<u>711,935</u>	<u>5,289,160</u>

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Operations	3,469,933	1,966,633	5,436,566

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	3,200,869	2,088,291	5,289,160

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational Operations 2023 £</b>	<b>Total funds 2023 £</b>
Staff costs	1,182,565	1,182,565
Technology costs	18,942	18,942
Other costs	333,357	333,357
Premises expenses	315,170	315,170
Legal and professional	97,899	97,899
Governance costs	18,700	18,700
	<u>1,966,633</u>	<u>1,966,633</u>
	<i>Educational Operations 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	1,291,775	1,291,775
Technology costs	22,248	22,248
Premises costs	276,060	276,060
Other support costs	382,126	382,126
Legal and professional	95,667	95,667
Governance costs	20,415	20,415
	<u>2,088,291</u>	<u>2,088,291</u>

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Operating lease rentals	6,829	6,215
Depreciation of tangible fixed assets	362,381	352,969
Fees paid to auditor for:		
- audit	13,150	12,000
- other services	4,200	4,000
	13,150	12,000

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	2,857,953	2,620,700
Social security costs	282,534	260,731
Pension costs	723,034	899,744
	3,863,521	3,781,175
Agency staff costs	198,840	167,021
	4,062,361	3,948,196



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**10. Staff (continued)**

**b. Staff numbers**

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

	2023 No.	2022 No.
Teachers	45	44
Administration and support	35	36
Management	5	5
	85	85

**c. Higher paid staff**

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

	2023	2022
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	1	-

**d. Key management personnel**

The key management personnel of the Charitable Company comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charitable Company was £587,008 (2022: £482,828).

**11. Trustees' remuneration and expenses**

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

		2023 £	2022 £
JAD	Remuneration	115,000 - 120,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
DJ	Remuneration	45,000 - 50,000	
	Pension contributions paid	5,000 - 10,000	

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**11. Trustees' remuneration and expenses (continued)**

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

**12. Trustees' and Officers' insurance**

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

**13. Tangible fixed assets**

	Freehold property	Assets under construction	Furniture and equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 September 2022	6,431,533	387,723	1,641,007	146,267	8,606,530
Additions	-	-	209,010	-	209,010
Transfers between classes	-	(387,723)	387,723	-	-
At 31 August 2023	<u>6,431,533</u>	<u>-</u>	<u>2,237,740</u>	<u>146,267</u>	<u>8,815,540</u>
<b>Depreciation</b>					
At 1 September 2022	1,091,301	-	1,016,426	138,995	2,246,722
Charge for the year	128,631	-	228,975	4,775	362,381
At 31 August 2023	<u>1,219,932</u>	<u>-</u>	<u>1,245,401</u>	<u>143,770</u>	<u>2,609,103</u>
<b>Net book value</b>					
At 31 August 2023	<u>5,211,601</u>	<u>-</u>	<u>992,339</u>	<u>2,497</u>	<u>6,206,437</u>
At 31 August 2022	<u>5,340,232</u>	<u>387,723</u>	<u>624,581</u>	<u>7,272</u>	<u>6,359,808</u>

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**14. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Other debtors	8,640	70,034
Prepayments and accrued income	92,947	174,127
	<b>101,587</b>	<b>244,161</b>

**15. Creditors: Amounts falling due within one year**

	2023 £	2022 £
ESFA CIF loan	10,641	15,342
Trade creditors	5,084	11,832
Other taxation and social security	73,219	67,842
Other creditors	81,238	78,960
Accruals and deferred income	107,289	97,728
	<b>277,471</b>	<b>271,704</b>

**16. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
ESFA CIF loan	-	10,642
	<b>-</b>	<b>10,642</b>

A loan of £76,950 from the ESFA, was provided in 2019 on the following terms: 2.01% Interest rate, payable over 5 years via monthly repayments.

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**17. Statement of funds**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
Unrestricted funds	235,972	159,262	-	(87,924)	-	307,310
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,211,275	(4,305,969)	94,694	-	-
Pupil Premium	-	318,476	(318,476)	-	-	-
Other government grants	-	99,823	(99,823)	-	-	-
Other	-	301,375	(301,375)	-	-	-
Rates relief	-	13,542	(13,542)	-	-	-
Pension reserve	(646,000)	-	(35,000)	-	681,000	-
	(646,000)	4,944,491	(5,074,185)	94,694	681,000	-
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds-general funds	6,359,808	-	(362,381)	209,010	-	6,206,437
Capital grants	172,963	42,817	-	(215,780)	-	-
	6,532,771	42,817	(362,381)	(6,770)	-	6,206,437
<b>Total Restricted funds</b>	5,886,771	4,987,308	(5,436,566)	87,924	681,000	6,206,437
<b>Total funds</b>	6,122,743	5,146,570	(5,436,566)	-	681,000	6,513,747

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

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**17. Statement of funds (continued)**

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

The restricted fixed asset funds are provided for specific capital projects.

The restricted income funds are subject to specific expenditure within the Charitable Company's declared objects. Transfers to or from the restricted fixed asset fund represent purchases from the GAG and capital grants used to meet repairs and maintenance costs. Other gains and losses relate to the actuarial loss for the year on the Local Government Pension Scheme.

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

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

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

	<i>Balance at 1 September 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2022</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Unrestricted funds	416,751	160,598	(25,262)	(316,115)	-	235,972
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	3,740,213	(3,740,213)	-	-	-
Pupil Premium	-	303,250	(303,250)	-	-	-
Catchup premium	33,476	-	(33,476)	-	-	-
Other DfE/ESFA COVID-19 funding	8,290	-	(8,290)	-	-	-
Other government grants	7,526	209,850	(547,700)	330,324	-	-
Pension reserve	(3,037,000)	-	(278,000)	-	2,669,000	(646,000)
	<u>(2,987,708)</u>	<u>4,253,313</u>	<u>(4,910,929)</u>	<u>330,324</u>	<u>2,669,000</u>	<u>(646,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds-general funds	6,266,522	14,207	(352,969)	432,048	-	6,359,808
Capital grants	609,974	9,246	-	(446,257)	-	172,963
	<u>6,876,496</u>	<u>23,453</u>	<u>(352,969)</u>	<u>(14,209)</u>	<u>-</u>	<u>6,532,771</u>
<b>Total Restricted funds</b>	<u>3,888,788</u>	<u>4,276,766</u>	<u>(5,263,898)</u>	<u>316,115</u>	<u>2,669,000</u>	<u>5,886,771</u>
<b>Total funds</b>	<u><u>4,305,539</u></u>	<u><u>4,437,364</u></u>	<u><u>(5,289,160)</u></u>	<u><u>-</u></u>	<u><u>2,669,000</u></u>	<u><u>6,122,743</u></u>

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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	6,206,437	6,206,437
Current assets	307,310	277,471	-	584,781
Creditors due within one year	-	(277,471)	-	(277,471)
<b>Total</b>	<u>307,310</u>	<u>-</u>	<u>6,206,437</u>	<u>6,513,747</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	6,359,808	6,359,808
Current assets	235,972	282,346	172,963	691,281
Creditors due within one year	-	(271,704)	-	(271,704)
Creditors due in more than one year	-	(10,642)	-	(10,642)
Provisions for liabilities and charges	-	(646,000)	-	(646,000)
<b>Total</b>	<u>235,972</u>	<u>(646,000)</u>	<u>6,532,771</u>	<u>6,122,743</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Reconciliation of net expenditure to net cash flow from operating activities**

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	<b>(289,996)</b>	<b>(851,796)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>362,381</b>	352,969
Interest from investments	<b>(74)</b>	(156)
Decrease in debtors	<b>142,574</b>	653,749
(Decrease)/Increase in creditors	<b>(4,875)</b>	28,417
Capital grants from DfE and other capital income	<b>(42,817)</b>	(23,453)
Defined benefit pension scheme cost less contributions payable	<b>8,000</b>	226,000
Defined benefit pension scheme finance cost	<b>27,000</b>	52,000
Disposal of fixed assets	<b>-</b>	5,833
<b>Net cash provided by operating activities</b>	<b>202,193</b>	<b>443,563</b>

**20. Cash flows from investing activities**

	2023 £	2022 £
Interest from investments	<b>74</b>	156
Purchase of tangible fixed assets	<b>(209,010)</b>	(452,088)
Capital grants from DfE Group	<b>42,817</b>	23,453
<b>Net cash used in investing activities</b>	<b>(166,119)</b>	<b>(428,479)</b>

**21. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand and at bank	<b>483,194</b>	<b>447,120</b>



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**24. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

The result of the 31 March 2022 valuation is due to be implemented from 1 April 2024 which confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6%. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The employer's pension costs paid to TPS in the year amounted to £472,034 (2022 - £440,323).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charitable Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charitable Company has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £272,000 (2022 - £220,000), of which employer's contributions totalled £216,000 (2022 - £178,000) and employees' contributions totalled £ 56,000 (2022 - £42,000). The agreed contribution rates for future years are 20.8 per cent for employers and 5.8-6.5 per cent for employees.

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

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

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**24. Pension commitments (continued)**

**Principal actuarial assumptions**

West Midlands Pension Fund	<b>2023</b>	<b>2022</b>
	%	%
Rate of increase in salaries	<b>4.00</b>	4.05
Rate of increase for pensions in payment/inflation	<b>3.00</b>	3.05
Discount rate for scheme liabilities	<b>5.20</b>	4.25
Inflation assumption (CPI)	<b>3.00</b>	3.05

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

	<b>2023</b>	<b>2022</b>
	Years	Years
<i>Retiring today</i>		
Males	<b>20.1</b>	21.2
Females	<b>24.3</b>	23.6
<i>Retiring in 20 years</i>		
Males	<b>20.3</b>	22.9
Females	<b>25.4</b>	25.4

**Sensitivity analysis**

West Midlands Pension Fund	<b>2023</b>	<b>2022</b>
	£000	£000
Discount rate +0.1%	<b>3,435</b>	3,498
Discount rate -0.1%	<b>3,291</b>	3,330
Mortality assumption - 1 year increase	<b>3,498</b>	3,429
Mortality assumption - 1 year decrease	<b>3,228</b>	3,257

**Share of scheme assets**

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**24. Pension commitments (continued)**

The Charitable Company's share of the assets in the scheme was:

	<b>At 31 August 2023</b>	<i>At 31 August 2022</i>
	<b>£'000</b>	<i>£'000</i>
Equities	2,313	2,192
Corporate bonds	714	687
Property	238	262
Cash and other liquid assets	136	130
<b>Total market value of assets</b>	<b>3,401</b>	<i>3,271</i>

The actual return on scheme assets was £(182,000) (2022 - £(101,000)).

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

	<b>2023</b>	<i>2022</i>
	<b>£</b>	<i>£</i>
Current service cost	224,000	404,000
Net interest on the defined liability	27,000	52,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>251,000</b>	<i>456,000</i>

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

	<b>2023</b>	<i>2022</i>
	<b>£</b>	<i>£</i>
<b>At 1 September</b>	<b>3,917,000</b>	<i>6,238,000</i>
Current service cost	224,000	404,000
Interest cost	170,000	106,000
Employee contributions	56,000	42,000
Benefits paid	(91,000)	(49,000)
Actuarial gains	(913,000)	(2,824,000)
<b>At 31 August</b>	<b>3,363,000</b>	<i>3,917,000</i>

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**24. Pension commitments (continued)**

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

	2023 £	2022 £
<b>At 1 September</b>	<b>3,271,000</b>	3,201,000
Interest on assets	143,000	54,000
Actuarial losses	(194,000)	(155,000)
Employer contributions	216,000	178,000
Employee contributions	56,000	42,000
Benefits paid	(91,000)	(49,000)
Derecognition of surplus	(38,000)	-
<b>At 31 August</b>	<b>3,363,000</b>	<b>3,271,000</b>

**25. Operating lease commitments**

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

	2023 £	2022 £
Not later than 1 year	8,981	6,215
Later than 1 year and not later than 5 years	17,827	5,515
	<b>26,808</b>	<b>11,730</b>

**26. 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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**27. Related party transactions**

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

**28. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £11,947 (2022: £12,368) and disbursed £12,391 (2022: £8,676) from the fund. An amount of £4,245 (2022: £4,243) is included in other creditors relating to undistributed funds.

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**22. Analysis of changes in net debt**

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	447,120	36,074	-	483,194
Debt due within 1 year	(15,342)	15,343	(10,642)	(10,641)
Debt due after 1 year	(10,642)	-	10,642	-
	<u>421,136</u>	<u>51,417</u>	<u>-</u>	<u>472,553</u>

**23. Capital commitments**

	2023 £	2022 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible assets	-	172,963
	<u>-</u>	<u>172,963</u>

**24. Pension commitments**

The Charitable Company'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 West Midlands Fund. Both are multi- employer defined benefit schemes.

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

Contributions amounting to £76,862 were payable to the schemes at 31 August 2023 (2022 - £66,452) and are included within creditors.

**Teachers' Pension Scheme**

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

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