

CHILDREN FIRST ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

CHILDREN FIRST ACADEMY TRUST

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CHILDREN FIRST ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | Christine Bachelor (resigned 7 December 2022) Elpida Theophanous Renee Flourentzou Ruth Moore (resigned 7 December 2022) Ivor Olley Jenny Tosh |
| Trustees | Jenny Tosh, Chair of Trustees Anthony Gilling Marcia Sinclair (resigned 18 February 2023) Claire Wormsley Michael Christodoulides Gary Kyriacos Christofi (appointed 19 February 2023) Neil Yeomans, Vice Chair (appointed 19 February 2023) Rosemary Stanley-McKenzie (appointed 19 February 2023) Winifred Maria Greer (appointed 19 February 2023) Eveleen Riordan (appointed 12 July 2023) |
| Company registered number | 11834165 |
| Company name | Children First Academy Trust |
| Principal and registered office | Wilbury Primary School Wilbury Way Edmonton London N18 1DE |
| Senior Management Team | Jane Flynn, Chief Executive Officer Anu Chopra, Chief Finance and Operating Officer Claire O'Brien, Finance Manager Marion Green, HR Manager |
| Independent Auditors | Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT |

CHILDREN FIRST ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Children First Academy Trust ("the Charitable Company" or "the Trust") for the year to 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 5 primary schools serving catchment areas in Edmonton, North London. The schools have a combined pupil capacity of 2,970 full time places and 360 part-time pre-school places. There was an overall roll of 2,880 in the census on 1st October 2023.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. The Trustees of Children First Academy Trust are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Schools:

- Brettenham Primary School
- Fleecefield Primary School
- Galliard Primary School
- Raynham Primary School
- Wilbury Primary School

The operation of The Trust's Schools and employment of staff are the responsibility of the Trustees. The Trust retains control of School budgets and finances, and monitors these through its Resources, Risk and Audit Committee (RR&A). Each School has a Local Governing Board (LGB) which supports the Trust's RR&A in the monitoring of their School within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees (the Board) and the term Governor to a member of an LGB. LGBs are sub-committees of the Board of Trustees.

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

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.

Trustees' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles of Association and Funding Agreement.

Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) attends all meetings of the Trust Board and attends all the committee meetings except LGB meetings.

The Articles of Association make provision for an unlimited number of Trustees and the Members and Trustees currently consider ten to be an appropriate number, plus the CEO. An annual skills audit informs the Board of any gaps in the required range of skills available to the Board which are filled either by training or appointment of a Trustee holding those skills.

CHILDREN FIRST ACADEMY TRUST

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

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

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and links with several local training providers.

New Trustees and Governors are required to attend a training programme. The induction programme involves a tour of the relevant School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as Trustees and Governors with particular emphasis on the committee work that they will undertake. There has been one new Trustee appointed during the year a few new LGB members have also been appointed. The majority of these LGB members have been sourced through the organisations Inspiring Governance and Governors for School. The newly created Trust Appointments Committee has overseen the appointment process throughout and approved new LGB members. Induction has been individually tailored to their needs and led by the Chair/Vice Chair. Links are maintained between Trustees and LGB through the Area Governance Committee meetings. These are meetings of the Chair and CEO with the Chairs of all LGBs, which take place termly.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least 4 occasions per year and its sub-committees, the RR&A committee and the Education and Standards committee at least three times per year and the Remuneration Committee at least twice per year. An Appointments Committee supports the recruitment of Trustees and LGB members. The Board of Trustees is responsible for the strategic direction of the Trust guided by the CEO and Headteachers' Board. Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring of those budgets and making major decisions about the direction of The Trust, capital expenditure, senior staff appointments and executive pay.

The Governors within their LGBs, which meet on three occasions each year, plus two training days in school, are responsible for monitoring the impact of school improvement policies and planning. The School Senior Leadership Teams (SLTs), working with the CEO, lead the schools at an executive level. Each SLT is responsible for the day-to-day operation of their School, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level (i.e. Deputy Head and above), following vetting and safeguarding recruitment processes.

The CEO is the designated Accounting Officer and has overall responsibility for the day-to-day financial management of the Trust supported by the Chief Finance and Operations Officer (CFOO). The CEO manages the Trust on a daily basis supported by a Headteachers' Board comprising the Headteachers of each School, who look across the Trust and align local SLT and LGB activity to the strategic aims of the Trust as a whole. The Headteachers' Board meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees, as required, for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, individual school range (ISR), the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

CHILDREN FIRST ACADEMY TRUST

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

Trade Union Facility Time

During the year 2022/23 the Trust has bought into a pooled service managed by the Local Authority that shares the costs of teaching and non-teaching Trade Union 'Facilities Time'. This service provides an effective route for statutory and collective consultation and bargaining, a framework and structure for non-maintained schools to manage industrial relations and access to branch officials from recognised unions. The total cost of this service during the period was £8,792.24

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGBs being drawn from local public and private sector organisations, it is inevitable that from time-to-time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

Engagement with Employees (Including disabled persons)

The Trustees recognise that our employees are fundamental and core to our business and delivery of high-quality education. Our success depends on attracting, retaining and motivating employees. The Trustees factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Where appropriate, the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trades unions. For all key staffing related policies the Trust works with the Local Authority, and it is they who carry out the consultation on behalf of the Trust.

The Trust provides information to employees generally by way of email, memoranda and staff meetings. Information is channelled via leadership meetings and staff briefings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the schools' websites and student progress and attainment statistics, when they are made available.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the current COVID-19 pandemic outbreak the Trust has followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment of their suppliers.

The Trustees consider pupils and parents to be their "customers". Whilst pupils encounter engagement daily, engagement with parents is carried out through regular newsletters and face to face meetings.

CHILDREN FIRST ACADEMY TRUST

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

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of Schools to provide free education and care for pupils of different abilities between the ages of two and eleven. Specifically, to enable each child to thrive and achieve together, through our values of Resilience, Commitment and Integrity.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims through following its three key strategic objectives:

- **To provide exceptional teaching and learning for the children within our schools**
We believe that our children deserve the best education, regardless of their background, their ability or their economic circumstances. We believe that, by looking both within and beyond our group of schools we can research and develop teaching and learning of the highest quality that enables all our children to succeed.
- **To provide a curriculum that gives children the knowledge and skills to achieve in their chosen path in life.**
Our curriculum design will ensure that children gain a deep, cohesive knowledge in all areas of the curriculum. It will include wide ranging opportunities and experiences to apply that knowledge, see it in action and enrich children's lives.
- **To develop a sustainable, well-led organisation with a culture of 'Children First'**
We will build on the culture of openness, transparency and trust, which already exists within the Head Teachers' Board, to drive the direction of the Trust. We will ensure that the right people with the right skillsets and ethos lead the organisation into the future. We are committed to developing high quality teachers and support staff as well as identifying future leaders who will lead with integrity and creativity within the schools and across the Trust.

Our success in fulfilling our aims can be measured by:

- All five of our schools have had Ofsted inspections between April 2023 and September 2023. Four schools are judged as Good and one Outstanding.
- Our School Improvement Team consists of leaders from across the Trust and these leaders have developed ambitious, well-planned curriculums in our schools.
- School improvement plans are regularly monitored by the CEO, E+S committee and SIA visits for external quality assurance
- Systems are in place to set and review leadership performance management targets across schools led by the CEO with Trust and LGB involvement.
- There is an ECT lead for Trust working across all schools to ensure high quality training and support is consistent across all schools.
- We have developed a 'People Strategy' to ensure we have a clear plan to become the employer of choice in the area.
- The CFOO reports regularly to the RR&A on joint purchasing opportunities and how schools are being supported and challenged to cut costs where required
- A Trust EWO position is funded centrally and is allocated across the schools to support the management of pupil attendance.
- Galliard school has been asked to apply to become an attendance hub by the DfE.
- Ofsted judged safeguarding to be effective in all the schools.
- There is a strong ethos of succession planning at all levels within the Trust demonstrated through appointment of; new Trustees and new LGB members during the year. The Appointments committee was created to identify, interview and appoint new Trustees as well as identify potential new LGB members and introduce them to the schools
- The Estate Vision, Strategy and Asset Management Plan has been created and agreed at RR&A.
- SCA funding has been used to ensure school buildings are well maintained and fit for purpose

CHILDREN FIRST ACADEMY TRUST

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

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust has continued its mission to ensure that students receive a high standard of education across our schools; This has been against the backdrop of recovering from the covid pandemic. Effective joined up working across the Headteachers' Board with the CEO, has ensured a continued focus on children and their families at all levels.

Specific achievements were as follows:

- Phonics screening outcomes in four of the five schools were well above the national at the end of 2023. The use of Read, Write, Inc is embedded and having positive impact.
- Early Years outcomes in all five schools are in line or just below national which represents good progress from low starting points.
- Outcomes are rising at the end of KS1 and KS2.
- 1 school has been held up as a beacon of good practice in closing the disadvantaged gap and is working to support schools in the local area with this.
- Curriculum planning was described as ambitious and well mapped in our Ofsted reports
- Our Trust IT lead is supporting the development of a strong IT curriculum
- The Trust EWO is having an impact on reducing absence across all the schools.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2022/23 were 2802, (including part time) and budgeted income was £20,276,397 The total number of pupils fluctuated during the year due to high mobility. There is an increasing issue with falling pupil numbers across the Trust, as there is across the LA. This is having, and will continue to have an impact on funding.

A further KPI is staffing costs as a percentage of total recurring income. For 2022/23 this was 81.3% against set parameters of 78-83%. Headteachers are being challenged to reduce staffing costs through attrition. The current budget shows costs reducing as a % of total income.

The RR&A committee also monitor the ratio of premises costs to General Annual Grant (GAG) income, the ratio of capitation spends on staffing, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All the above KPI's were within the parameters set by the Board.

Non-Financial

In the last 7 months all five schools had their Ofsted inspections. Four schools had graded inspections; one received outstanding in all areas and the other three all received good judgements with at least one area being deemed outstanding. The school that had an ungraded inspection retained their good grade.

Attendance data is improving across the Trust and though still below pre-pandemic levels is inline or above national primary data.

CHILDREN FIRST ACADEMY TRUST

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

The HT strategic Board has worked with a consultant to develop a People Strategy. The work started with a staff survey to seek the views of staff on workload, recruitment, retention etc. The aim of the strategy is to use staff views to ensure that we are the employer of choice in the area. This is a 3-year piece of work, and the Strategy has 5 key areas:

- Leadership and Culture
- Recruitment and Retention
- Continuing Professional Development
- Processes
- Equity, Diversity and Inclusion

A local school's Governing Body have applied to the DfE outlining its wish to join us. The staff consultation period has finished, and we hope the application will now progress to an academy order so that the TUPE consultation process can begin along with our due diligence. We are talking to other local schools who may wish to join us.

Our key objectives for the Trust for 2023-2024 are as follows:

1. To provide exceptional, ever developing, teaching and learning for the children within our schools.
2. To provide an exceptional curriculum that gives children the knowledge and skills to achieve in their chosen path in life.
3. To develop and expand a well led, ever improving Trust with a strong culture of Children First and a reputation of excellence as an employer.

Going Concern

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

Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal Risks and Uncertainties later within this Strategic Report.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2023 the Trust received £21,287,684 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £23,015,959 including capital projects. The Trust brought forward from 2021/22, £493,463 restricted funds and £969,413 of unrestricted funds. The carry forward for 2022/23 is £19,188 of restricted funds and £611,166 of unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund valuation of £nil. While there has been a significant reduction in the opening deficit of £1,195,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

CHILDREN FIRST ACADEMY TRUST

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

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Finance and Operations Officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £611,166. The Trust holds £550,000 for in year contingencies plus an amount to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2023 was £630,354.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £1,904,672. The Trustees monitor cash flow as part of the committee CFOO reports and plan to continue to build reserves.

Investment Policy

An Investment Policy was approved by the Board of Trustees 11th December 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGBs to maintain a Risk Register identifying the major risks to which the Trust and the individual Schools are exposed and identifying actions and procedures to mitigate those risks. A formal review of the Risk Register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Resources, Risk and Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up most of the expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA. Significant annual pay rises for both teaching and support staff in the last two years, falling pupil numbers and rising inflation and fuel prices mean schools needed to reduce staffing numbers to reach in-year balances.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;

CHILDREN FIRST ACADEMY TRUST

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

- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures around recruitment and retention to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Trust's geographical position mean that the London Weighting in neighbouring Inner London schools is an attraction for staff looking for new posts. The Trust has developed a People Strategy which lays out strategies aimed at improving recruitment and retention.
- Fraud and mismanagement of funds - the Trustees have appointed Buzzacott (2022/23) to carry out a programme of internal scrutiny which includes independent and external checks Governance and Risk Management systems in line with the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is low;
- The cyber security internal audit June 2022 identified areas for improvement which required the Trust to procure greater expertise in the system management. This process took place, and we now have one provider supporting all our IT and security policies.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

The Trustees are mindful of implementing the recommendations set out in the ESFA Good Estates Management Guide as a tool to assess and mitigate risks associated with the management of the Trust's estate.

Fundraising

The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen because of the fundraising events.

No fundraising events have taken place this year other than small collections for non-uniform days etc.

Streamlined Energy and Carbon Reporting (SECR)

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary, with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). This includes all five schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage (grey fleet).

Reporting period

The annual reporting period is 1st September to 31st August each year and the energy and carbon emissions are aligned to this period.

CHILDREN FIRST ACADEMY TRUST

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

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. In instances where energy invoices covering the full reporting year were not available, the direct estimation and pro-rata estimation technique has been applied. To determine mileage, the average diesel price was also used to convert costs into litres of fuel for the Minibus. Mileage figures were used to calculate energy use and emissions associated with grey fleet. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

| Energy type | 2021/22 | 2022/23 |
|-------------------------------------|------------------|------------------|
| Mandatory requirements: | | |
| Gas | 2,418,071 | 2,468,655 |
| Purchased electricity from the grid | 838,116 | 793,619 |
| Transport fuel | 515 | 3,285 |
| Total energy (mandatory) | 3,258,233 | 3,265,559 |

NOTE: Figures may not sum due to rounding

Breakdown of emissions associated with the reported energy use (tCO₂e):

| Emission source | 2021/22 | 2022/23 |
|---|------------|--------------|
| Mandatory requirements: | | |
| <u>Scope 1</u> | | |
| Natural gas | 441.4 | 451.6 |
| Company owned vehicles (minibuses) | 0.4 | 0.8 |
| <u>Scope 2</u> | | |
| Purchased electricity (location-based) | 162.1 | 164.3 |
| <u>Scope 3</u> | | |
| Category 6: Business travel (grey fleet) | 0.1 | 0 |
| Total gross emissions (mandatory) | 604 | 616.7 |
| <u>Intensity ratios (mandatory emissions only)</u> | | |
| Tonnes of CO ₂ e per pupil | 0.191 | 0.208 |
| Tonnes of CO ₂ e per square meter floor area | 0.032 | 0.033 |

NOTE: Figures may not sum due to rounding

Intensity ratio

The intensity ratio applied is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census.

CHILDREN FIRST ACADEMY TRUST

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

Energy efficiency action during current financial year

During the reporting year, the Trust has continued to undertake actions that will improve their energy efficiency. These include:

- Wilbury boiler replacement: This action involved replacing the boiler system at the Wilbury location. This led to improved energy efficiency, reduced emissions, and cost savings.
- Ongoing program of LED installations across all schools: The continuous LED installation program is a significant step towards reducing energy consumption. LED lighting is more energy-efficient and longer-lasting than traditional lighting. It not only reduces energy costs but also decreases the need for frequent bulb replacements, contributing to sustainability and cost savings.
- Installation of sensor lights in communal and toilet areas to ensure lights are only active when needed. Sensors can detect motion or light levels, automatically turning lights on and off, which reduces energy waste and maintenance requirements.
- Sections of some sites closed off at the end of the school day: This energy-saving measure involved closing off certain sections of school buildings at the end of the school day to reduce heating and cooling needs. It is a simple way to conserve energy, especially in unused spaces.
- Heating turned on based on need with delayed turn-on in Autumn 2022: Adaptive heating practices are important for optimizing energy use. Turning on heating systems based on actual need, and implementing delayed turn-ons during milder weather, demonstrates a commitment to efficient energy management and cost savings.
- Heating turned off from April 1st is a seasonal adjustment to conserve energy, as the weather becomes warmer. This prevents unnecessary heating expenses during the spring and summer months when heating is not required.
- Weekly reminders to staff about energy saving ideas: Regular communication and reminders are crucial for creating a culture of energy efficiency. Providing staff with energy-saving tips and ideas empowers them to be more conscious of their energy usage, both at work and in their daily lives. This can include actions like turning off lights and equipment when not in use.

By implementing these actions, the trust significantly reduces their energy consumption which leads to lowering operational costs and contributing to a more sustainable and eco-friendly environment.

Plans for Future Periods

The Trustees plans for the academic year 2022/23 revolve around ensuring that the Trust's vision and three strategic objectives as stated above are achieved.

Our key areas for focus are to:

- Ensure outcomes in reading, writing and maths for all year groups are closing the gaps with national expectations by the end of KS2, with a focus on GD pupils.
- Ensure the objectives in each School Improvement Plan are implemented and effective as identified through regular monitoring and external quality assurance;
- Prioritise resources to support schools with identified cause for concern and/or areas for development To ensure that all provisions across Trust schools that cater for children with ASD are providing a truly high-quality provision that enables all children to thrive and progress.
- Support schools to ensure that staffing structures are sustainable as pupil numbers fall
- To enhance the high-quality curriculum planning and delivery so that in all subjects all children know more and remember more.
- To develop a People Strategy so that we attract and develop future leaders, head teachers, trustees and Chairs of Local Governing Boards and to ensure effective succession planning for Trust schools.
- Look for opportunities for the Trust to grow, potentially recruiting schools who wish to work with the Trust's vision and values.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held in this regard.

CHILDREN FIRST ACADEMY TRUST

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

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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.

Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees on 20 Dec 2023 and signed on its behalf by:

Jenny Tosh

J Tosh (Dec 20, 2023, 4:23pm)

Jenny Tosh

Chair of Trustees

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer (CEO) as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Children First Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met five times during the year (i.e. less than six times). The Board is satisfied that, through the use of sub-committees, it maintains effective oversight.

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

| Trustee | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| Jenny Tosh, Chair of Trustees | 5 | 5 |
| Anthony Gilling | 5 | 5 |
| Marcia Sinclair | 1 | 2 |
| Claire Wormsley | 5 | 5 |
| Michael Christodoulides | 5 | 5 |
| Gary Kyriacos Christofi | 3 | 5 |
| Neil Yeomans, Vice Chair | 5 | 5 |
| Rosemary Stanley-McKenzie | 4 | 5 |
| Winifred Maria Greer | 3 | 5 |
| Eveleen Riordan | 1 | 1 |

Review of year:

The Chair of Trustees, Jenny Tosh has been Chair since October 2020. There are nine Trustees with a wide range of experience and skills covering education, financial management, Human Resources, risk management and business leadership. There are currently five Members, which include two founding Members and the addition of the Chair of Trustees. The planned meeting schedule was completed. The Trust continues to build on the role of the Local Governing Boards and the Appointment Committee has overseen the selection and appointment of several new LGB members at different schools.

The Trust Terms of Reference identifies the areas of responsibility delegated to its committees.

The Education and Standards Committee considers and advises the Trust Board on matters relating to the Trust's provisions and achievement as well as ensuring statutory requirements are met. Their brief includes the monitoring of Standards, Curriculum, Stakeholder Engagement and any other matters referred to it by the Trust Board.

The Resources Risk and Audit Committee is responsible for assisting the Trust Board to make decisions, by enabling more detailed consideration to be given to ensuring sound management of the Trust's finances and Resources. The key areas they provide scrutiny for are; Finance, Staffing, Premises and Risk and the Remuneration Committee functions as a sub-committee of the RR&A committee.

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Local Governing Boards are committees of the Trust which work closely with the individual schools at local level. Their role is to support and constructively challenge school leaders in identifying school improvement priorities and in monitoring the impact of decision made in relation to these priorities, to improve the quality of provision and outcomes. They monitor risks, particularly in terms of safeguarding and Health and Safety and report concerns to Trustees through the Area Governance Committee or CEO. Their role is also to link with the wider community to meet staff, parents and children and assess the impact of the school both within and beyond the school setting.

Governance reviews:

The Trust commissioned their Internal Auditors, Buzzacott, to carry out a Review of Governance for the Trust to ensure that its structure and procedures were as effective as possible. The Review was carried out in March 2021.

The Trust Board has reviewed the findings and responded immediately. A further Governance Review will be included in the Internal Audit programme within two years.

The Board of Trustees has formally met five times during the year. The Board met fewer than six times during the year and is satisfied that, using sub-committees, it maintains effective oversight. The Board is therefore confident that its financial reporting to Trustees is secure and considers the expectations laid out in the Academies Financial Handbook (Academy Trust Handbook 2022).

Committees

The Resources, Risk and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Take responsibility for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and School finances and resources including talent, through proper planning, monitoring, scrutiny and probity. This includes promoting the development of internal controls and risk management systems which will help satisfy the Board that the Trust and its Schools will achieve their objectives and targets and are operating in accordance with any statutory requirements for the use of public funds. The Committee also recommended the appointment of both the internal and external Auditors, agreed the budgets and forecasts for the years ahead.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------------|-------------------|-------------------|
| Neil Yeomans | 4 | 4 |
| Rosemary Stanley-McKenzie | 4 | 4 |
| Michael Christodoulides | 3 | 4 |
| Gary Cristofi | 2 | 4 |

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Installation of new windows at Brettenham utilising the DFE energy grant, ensuring the energy costs are addressed.
- Installation of new toilets in Galliard school, which utilise less water and electricity.
- Pooling staffing resources across the Trust, both teaching and support staff.
- Implementation of trust wide drive to decrease reliance on agency cover, which has led to substantial savings in budgets.
- Implementation of new Trust wide IT support provider – saving approx. £20k a year

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Children First Academy Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the 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

CHILDREN FIRST ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Internal Scrutiny/Audit

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

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

- Core Financial Procurement controls
- HR processes
- Completed Audit Tracker review and evidence of actions.

On three occasions across the year, the Internal Auditor reports to the Board of Trustees through the Resources, Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the Internal Auditor's work.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Internal Auditor;
- the school resource management self-assessment tool;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources, Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

20 Dec 2023

and signed on

Jenny Tosh

J Tosh (Dec 20, 2023, 4:23pm)

Jenny Tosh
Chair of Trustees

Jane Flynn

J Flynnn (Dec 20, 2023, 1:42pm)

Jane Flynn
Accounting Officer

CHILDREN FIRST ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Children First Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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

Jane Flynn

J Flynnn (Dec 20, 2023, 1:42pm)

Jane Flynn

Accounting Officer

Date: 20 Dec 2023

CHILDREN FIRST ACADEMY TRUST

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

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

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

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

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

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

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

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

Jenny Tosh

J Tosh (Dec 20, 2023, 4:23pm)

Jenny Tosh

Chair of Trustees

Date: 20 Dec 2023

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST

Opinion

We have audited the financial statements of Children First Academy Trust (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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 Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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 Trust'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.

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding. The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the R,R & A Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

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

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHILDREN FIRST ACADEMY TRUST (CONTINUED)

Use of our report

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



Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 20 December 2023

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN FIRST ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 August 2023 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 Children First Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Children First Academy Trust's Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Children First Academy Trust's funding agreement with the Secretary of State for Education dated 29 March 2019 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.

CHILDREN FIRST ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN FIRST ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

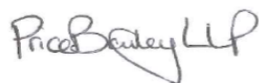
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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.



Reporting Accountant

Price Bailey LLP

Date: 20 December 2023

CHILDREN FIRST ACADEMY TRUST

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

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 32,962 | 61,612 | 552,957 | 647,531 | 735,567 |
| Other trading activities | 5 | 274,274 | - | - | 274,274 | 222,898 |
| Investments | 6 | 305 | - | - | 305 | 401 |
| Charitable activities | 4 | 150,794 | 20,214,780 | - | 20,365,574 | 19,772,702 |
| Total income | | 458,335 | 20,276,392 | 552,957 | 21,287,684 | 20,731,568 |
| Expenditure on: | | | | | | |
| Charitable activities | 7 | 816,582 | 20,827,913 | 1,371,464 | 23,015,959 | 23,992,258 |
| Total expenditure | | 816,582 | 20,827,913 | 1,371,464 | 23,015,959 | 23,992,258 |
| Net income/ (expenditure) | | (358,247) | (551,521) | (818,507) | (1,728,275) | (3,260,690) |
| Transfers between funds | 17 | - | (209,754) | 209,754 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (358,247) | (761,275) | (608,753) | (1,728,275) | (3,260,690) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains on defined benefit pension schemes | 23 | - | 1,482,000 | - | 1,482,000 | 10,748,000 |
| Net movement in funds | | (358,247) | 720,725 | (608,753) | (246,275) | 7,487,310 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 969,413 | (701,537) | 35,107,621 | 35,375,497 | 27,888,187 |
| Net movement in funds | | (358,247) | 720,725 | (608,753) | (246,275) | 7,487,310 |
| Total funds carried forward | | 611,166 | 19,188 | 34,498,868 | 35,129,222 | 35,375,497 |

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

The notes on pages 28 to 55 form part of these financial statements.

CHILDREN FIRST ACADEMY TRUST
REGISTERED NUMBER: 11834165

BALANCE SHEET
AS AT 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 34,245,691 | 34,702,070 |
| | | <u>34,245,691</u> | <u>34,702,070</u> |
| Current assets | | | |
| Debtors | 15 | 595,315 | 536,225 |
| Cash at bank and in hand | | 1,904,672 | 3,042,375 |
| | | <u>2,499,987</u> | <u>3,578,600</u> |
| Creditors: amounts falling due within one year | 16 | (1,616,456) | (1,710,173) |
| Net current assets | | <u>883,531</u> | <u>1,868,427</u> |
| Total assets less current liabilities | | <u>35,129,222</u> | <u>36,570,497</u> |
| Defined benefit pension scheme asset / liability | 23 | - | (1,195,000) |
| Total net assets | | <u><u>35,129,222</u></u> | <u><u>35,375,497</u></u> |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 34,498,868 | 35,107,621 |
| Restricted income funds | 17 | 19,188 | 493,463 |
| Pension reserve | 17 | - | (1,195,000) |
| Total restricted funds | 17 | <u>34,518,056</u> | <u>34,406,084</u> |
| Unrestricted income funds | 17 | <u>611,166</u> | <u>969,413</u> |
| Total funds | | <u><u>35,129,222</u></u> | <u><u>35,375,497</u></u> |

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

20 Dec 2023

Jenny Tosh

J Tosh (Dec 20, 2023, 4:23pm)

Jenny Tosh

Chair of Trustees

The notes on pages 28 to 55 form part of these financial statements.

CHILDREN FIRST ACADEMY TRUST

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

| | Note | 2023 £ | 2022 £ |
|---|--------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 19 | (1,405,099) | (1,577,924) |
| Cash flows from investing activities | 20 | 267,396 | 354,719 |
| Change in cash and cash equivalents in the year | | (1,137,703) | (1,223,205) |
| Cash and cash equivalents at the beginning of the year | | 3,042,375 | 4,265,580 |
| Cash and cash equivalents at the end of the year | 21, 22 | <u>1,904,672</u> | <u>3,042,375</u> |

The notes on pages 28 to 55 form part of these financial statements

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Children First Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Company status

The Trust is a company limited by guarantee. The Members of the Company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 Trust has provided the goods or services.

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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

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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.6 Interest receivable

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

| | |
|-------------------------------|-----------------------------|
| Long-term leasehold land | - 125 years straight line |
| Long-term leasehold buildings | - 10-50 years straight line |
| Furniture and equipment | - 3 years straight line |
| Computer equipment | - 3 years straight line |

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 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust 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.

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

If pension scheme assets are more than liabilities a surplus is recognised only to the extent that the academy trust is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. Any change in the restriction of the surplus is an actuarial gain or loss and is recognised in other recognised gains and losses.

CHILDREN FIRST ACADEMY TRUST

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 23, 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.

At the balance sheet date the pension scheme assets were more than the liabilities, resulting in a surplus. It was necessary to determine the extent to which this surplus was capable of being recovered either through reduced contributions in the future or through refunds from the scheme. A refund is only available on ceasing to participate in the scheme, which is not practicably possible whilst the academy trust continues in operation due to the requirement to provide access to the scheme to relevant employees and would not be possible if the trust were to cease operations as these operations would be transferred to another academy trust that would take over any asset. With regard to reductions in contributions the Trust is pooled with other trusts in the setting of its contribution rates under the scheme. In addition the Trust considers there to be a minimum funding requirement in respect of its contributions. Consequently the Trust does not consider that it is able to recover the surplus through reduced contributions in the future and has therefore restricted the surplus recognised to £nil.

CHILDREN FIRST ACADEMY TRUST

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

3. Income from donations and capital grants

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 32,962 | 61,612 | - | 94,574 | 147,517 |
| Capital grants | - | - | 552,957 | 552,957 | 588,050 |
| Total 2023 | <u>32,962</u> | <u>61,612</u> | <u>552,957</u> | <u>647,531</u> | <u>735,567</u> |
| Total 2022 | <u>24,695</u> | <u>54,515</u> | <u>656,357</u> | <u>735,567</u> | |

In 2022, income from donations was £147,517, of which £24,695 was unrestricted, £54,515 was restricted and £68,307 was in relation to restricted fixed assets.

In 2022, capital grants of £588,050 were in relation to restricted fixed assets.

CHILDREN FIRST ACADEMY TRUST

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

4. Funding for the Trust's educational operation

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 14,665,402 | 14,665,402 | 14,496,595 |
| Other DfE/ESFA grants | | | | |
| Pupil premium | - | 1,582,811 | 1,582,811 | 1,476,169 |
| UIFSM | - | 312,976 | 312,976 | 343,161 |
| Teachers pay grant | - | 12,047 | 12,047 | 21,947 |
| Teachers pension grant | - | 34,031 | 34,031 | 62,006 |
| School led tutoring grant | - | 143,232 | 143,232 | 152,934 |
| Schools supplementary grant | - | 627,836 | 627,836 | 175,943 |
| PE & sports grant | - | 103,720 | 103,720 | 104,060 |
| Other DfE / ESFA grants | - | 175,834 | 175,834 | 79,040 |
| | - | 17,657,889 | 17,657,889 | 16,911,855 |
| Other Government grants | | | | |
| Local Authority grants | - | 2,394,728 | 2,394,728 | 2,530,189 |
| | - | 2,394,728 | 2,394,728 | 2,530,189 |
| Other funding | | | | |
| Catering income | 150,794 | - | 150,794 | 174,689 |
| | 150,794 | - | 150,794 | 174,689 |
| Exceptional government funding | | | | |
| Recovery premium funding | - | 162,163 | 162,163 | 155,969 |
| | - | 162,163 | 162,163 | 155,969 |
| Total 2023 | 150,794 | 20,214,780 | 20,365,574 | 19,772,702 |
| Total 2022 | 174,689 | 19,598,013 | 19,772,702 | |

In 2022, income from DfE/ESFA grants was £16,911,855 of which all was restricted.

In 2022, income from other Government grants was £2,530,189 of which all was restricted.

In 2022, income from catering was £174,689 of which all was unrestricted.

In 2022, income from recovery premium funding was £155,969 of which all was restricted.

CHILDREN FIRST ACADEMY TRUST

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

5. Income from other trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 118,801 | 118,801 | 114,958 |
| Other income | 155,473 | 155,473 | 107,940 |
| Total 2023 | 274,274 | 274,274 | 222,898 |
| Total 2022 | 222,898 | 222,898 | |

In 2022, income from hire of facilities was £114,958 of which all was unrestricted.

In 2022, other income was £107,940 of which all was unrestricted.

6. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 305 | 305 | 401 |

In 2022, all investment income received was unrestricted.

CHILDREN FIRST ACADEMY TRUST

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

7. Expenditure

| | Staff Costs 2023 £ | Premises 2023 £ | Other 2023 £ | Total 2023 £ | Total 2022 £ |
|-------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Direct costs | 14,587,823 | 22,348 | 520,393 | 15,130,564 | 15,423,078 |
| Support costs | 3,173,655 | 3,152,874 | 1,558,866 | 7,885,395 | 8,569,181 |
| Total 2023 | 17,761,478 | 3,175,222 | 2,079,259 | 23,015,959 | 23,992,259 |
| Total 2022 | 18,480,311 | 2,388,543 | 3,123,405 | 23,992,259 | |

In 2023, of the total expenditure, £816,582 (2022: £949,173) was from unrestricted funds, £20,827,913 (2022: £21,344,375) was from restricted funds and £1,371,464 (2022: £1,698,710) was from restricted fixed asset funds.

In 2022, direct costs consisted of £14,842,743 staff costs, £19,482 premises costs and £560,853 other costs.

In 2022, support costs consisted of £3,637,568 staff costs, £2,369,061 premises costs and £2,562,522 other costs.

8. Charitable activities

| | 2023 £ | 2022 £ |
|-----------------------------------|-------------------|-------------------|
| Direct costs | 15,130,564 | 15,423,078 |
| Support costs | 7,885,395 | 8,569,181 |
| | 23,015,959 | 23,992,259 |
| Analysis of support costs: | | |
| Staff costs | 3,173,655 | 3,637,568 |
| Depreciation | 742,245 | 796,128 |
| Governance | 43,551 | 19,029 |
| Technology | 286,207 | 276,937 |
| Premises | 2,385,774 | 1,572,933 |
| Other | 1,251,463 | 2,262,824 |
| Legal | 2,500 | 3,762 |
| | 7,885,395 | 8,569,181 |

CHILDREN FIRST ACADEMY TRUST

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

9. Net expenditure

Net expenditure for the year includes:

| | 2023 £ | 2022 £ |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 22,490 | 16,696 |
| Depreciation of tangible fixed assets | 742,245 | 796,128 |
| Fees paid to Auditors for: | | |
| - audit | 12,790 | 11,545 |
| - other services | 10,405 | 9,395 |
| | <u> </u> | <u> </u> |

10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2023 £ | 2022 £ |
|---------------------------|-------------------|-------------------|
| Wages and salaries | 13,011,390 | 12,491,609 |
| Social security costs | 1,357,001 | 1,267,439 |
| Pension costs | 2,909,045 | 3,954,508 |
| | <u> </u> | <u> </u> |
| | 17,277,436 | 17,713,556 |
| Agency staff costs | 437,322 | 721,755 |
| Staff restructuring costs | - | 45,000 |
| Bought in agency | 46,720 | - |
| | <u> </u> | <u> </u> |
| | 17,761,478 | 18,480,311 |

Staff restructuring costs comprise:

| | | |
|---------------------------|-------------------|-------------------|
| Other restructuring costs | <u> </u> | <u> </u> |
| | - | 45,000 |

b. Severance payments

The Trust paid 1 severance payment in the year (2022 - 5), disclosed in the following bands:

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

c. Special staff severance payments

Included in staff restructuring costs are non-contractual payments totalling £Nil (2022 - £45,000).

CHILDREN FIRST ACADEMY TRUST

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

10. Staff (continued)

b. Special staff severance payments (continued)

d. Staff numbers

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

| | 2023 No. | 2022 No. |
|-------------------|-------------|-------------|
| Teaching | 151 | 138 |
| Admin and Support | 280 | 293 |
| Management | 19 | 30 |
| | <u>450</u> | <u>461</u> |

e. Higher paid staff

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

| | 2023 No. | 2022 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 31 | 10 |
| In the band £70,001 - £80,000 | 10 | 3 |
| In the band £80,001 - £90,000 | 7 | 4 |
| In the band £90,001 - £100,000 | 5 | - |
| In the band £100,001 - £110,000 | 1 | - |
| In the band £110,001 - £120,000 | 2 | - |
| In the band £120,001 - £130,000 | 2 | 1 |
| In the band £150,001 - £160,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

f. Key management personnel

The key management personnel of the Trust 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 Trust was £385,924 (2022 - £337,400).

Employer National Insurance contributions included within key management personnel remuneration were £35,335 (2022 - £31,774).

Employer pension contributions included within key management personnel remuneration were £61,824 (2022 - £55,006).

CHILDREN FIRST ACADEMY TRUST

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

11. Central services

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

- Finance services and software
- HR support
- Health and safety
- School improvement support and services
- RWI support
- Estates management including SCA projects
- Central EWO
- Staff professional development training
- Payroll and recruitment services and support

The Trust charges for these services on the following basis:

To fund these costs, the Trust will retain 5% (2022; 5%) of each Academy's GAG funding.

The actual amounts charged during the year were as follows:

| | 2023 £ | 2022 £ |
|--------------------|----------------|----------------|
| Brettenham School | 108,601 | 105,843 |
| Fleecefield School | 105,890 | 110,298 |
| Galliard School | 154,622 | 152,494 |
| Raynham School | 164,032 | 161,751 |
| Wilbury School | 200,125 | 197,328 |
| Total | 733,270 | 727,714 |

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

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

13. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust 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.

CHILDREN FIRST ACADEMY TRUST

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

14. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|---------------------------------|----------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 September 2022 | 36,093,843 | 499,396 | 621,232 | 37,214,471 |
| Additions | 190,867 | - | 94,999 | 285,866 |
| At 31 August 2023 | <u>36,284,710</u> | <u>499,396</u> | <u>716,231</u> | <u>37,500,337</u> |
| Depreciation | | | | |
| At 1 September 2022 | 1,789,043 | 426,783 | 296,575 | 2,512,401 |
| Charge for the year | 526,798 | 3,874 | 211,573 | 742,245 |
| At 31 August 2023 | <u>2,315,841</u> | <u>430,657</u> | <u>508,148</u> | <u>3,254,646</u> |
| Net book value | | | | |
| At 31 August 2023 | <u>33,968,869</u> | <u>68,739</u> | <u>208,083</u> | <u>34,245,691</u> |
| At 31 August 2022 | <u>34,304,800</u> | <u>72,613</u> | <u>324,657</u> | <u>34,702,070</u> |

15. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 21,225 | 5,116 |
| VAT recoverable | 63,547 | 73,757 |
| Prepayments and accrued income | 510,543 | 457,352 |
| | <u>595,315</u> | <u>536,225</u> |

CHILDREN FIRST ACADEMY TRUST

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

16. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Trade creditors | 233,724 | 324,846 |
| Other taxation and social security | 296,847 | 305,779 |
| Other creditors | 307,754 | 344,881 |
| Accruals and deferred income | 778,131 | 734,667 |
| | <u>1,616,456</u> | <u>1,710,173</u> |
| | 2023 £ | 2022 £ |
| Deferred income | | |
| Deferred income brought forward | 227,290 | 263,571 |
| Resources deferred during the year | 249,442 | 227,290 |
| Amounts released from previous periods | (227,290) | (263,571) |
| Deferred income carried forward | <u>249,442</u> | <u>227,290</u> |

The resources deferred at the period end relate to contributions towards free school meals, after school and breakfast club contributions and dinner money.

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2023 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 969,413 | 458,335 | (816,582) | - | - | 611,166 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 493,463 | 14,665,402 | (14,949,111) | (209,754) | - | - |
| Pupil Premium | - | 1,582,811 | (1,582,811) | - | - | - |
| UIFSM | - | 312,976 | (312,976) | - | - | - |
| Teachers' Pay Grant | - | 12,047 | (12,047) | - | - | - |
| Teachers' Pension Grant | - | 34,031 | (34,031) | - | - | - |
| Other DfE/ESFA grants | - | 1,212,785 | (1,205,890) | - | - | 6,895 |
| Other Government grants | - | 2,395,328 | (2,383,035) | - | - | 12,293 |
| Trip donations | - | 46,363 | (46,363) | - | - | - |
| Restricted donations | - | 14,649 | (14,649) | - | - | - |
| Pension reserve | (1,195,000) | - | (287,000) | - | 1,482,000 | - |
| | <u>(701,537)</u> | <u>20,276,392</u> | <u>(20,827,913)</u> | <u>(209,754)</u> | <u>1,482,000</u> | <u>19,188</u> |

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

Restricted fixed asset funds

| | | | | | | |
|-------------------------------|--------------------------|--------------------------|----------------------------|-----------------|-------------------------|--------------------------|
| DfE/capital grants | 405,551 | 499,123 | (629,220) | (22,278) | - | 253,176 |
| Restricted fixed assets | 34,702,070 | - | (742,244) | 285,866 | - | 34,245,692 |
| Devolved Formula Capital | - | 53,834 | - | (53,834) | - | - |
| | <u>35,107,621</u> | <u>552,957</u> | <u>(1,371,464)</u> | <u>209,754</u> | <u>-</u> | <u>34,498,868</u> |
| Total Restricted funds | <u>34,406,084</u> | <u>20,829,349</u> | <u>(22,199,377)</u> | <u>-</u> | <u>1,482,000</u> | <u>34,518,056</u> |
| Total funds | <u><u>35,375,497</u></u> | <u><u>21,287,684</u></u> | <u><u>(23,015,959)</u></u> | <u><u>-</u></u> | <u><u>1,482,000</u></u> | <u><u>35,129,222</u></u> |

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

Unrestricted funds

This represents income the Trust can use to pursue any of its objects as defined in the Articles of Association without restriction.

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

UIFSM

Universal infant free school meals (UIFSM) provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2.

Teachers' Pay Grant

The teachers' pay grant provides funding for schools to support teachers' pay awards.

Teachers' Pension Grant

The teachers' pension grant supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. The funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

Other DfE/ESFA grants

This represents funding received from the DfE/ESFA which is restricted in nature for specific educational provisions.

Other Government grants

This represents funding received from other Government bodies, local and national, which are restricted in nature.

Trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

Restricted donations

This represents contributions made by various parties towards specific events and projects in the year.

Pension reserve

This reserve represents the Trust's share of the assets and liabilities of the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

The restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through revenue grant funding.

DfE Capital grants

This represents funding received from the ESFA specifically for the maintenance and improvements of the Trust's building facilities.

Devolved Formula Capital

This represents funding received from the ESFA specifically for the maintenance and improvements of the Trust's building facilities.

Other ESFA capital grants

This represents assets that were donated from the ESFA during the year for the school to utilise.

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

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

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 1,495,903 | 422,683 | (949,173) | - | - | 969,413 |
| | | | | | | |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 776,445 | 14,496,595 | (14,627,442) | (152,135) | - | 493,463 |
| Pupil Premium | - | 1,476,169 | (1,476,169) | - | - | - |
| UIFSM | - | 343,161 | (343,161) | - | - | - |
| Teachers' Pay Grant | - | 21,947 | (21,947) | - | - | - |
| Teachers' Pension Grant | - | 62,006 | (62,006) | - | - | - |
| Other DfE/ESFA grants | - | 667,946 | (667,946) | - | - | - |
| Other Government grants | - | 2,530,189 | (2,530,189) | - | - | - |
| Trip donations | - | 54,282 | (54,282) | - | - | - |
| Restricted donations | - | 233 | (233) | - | - | - |
| Pension reserve | (10,382,000) | - | (1,561,000) | - | 10,748,000 | (1,195,000) |
| | (9,605,555) | 19,652,528 | (21,344,375) | (152,135) | 10,748,000 | (701,537) |

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

**Restricted fixed
asset funds**

| | | | | | | |
|-------------------------------|--------------------------|--------------------------|----------------------------|-----------------|--------------------------|--------------------------|
| DfE/capital grants | 801,681 | 533,344 | (902,582) | (26,892) | - | 405,551 |
| Restricted fixed assets | 35,196,158 | 68,307 | (796,128) | 233,733 | - | 34,702,070 |
| Devolved Formula Capital | - | 54,706 | - | (54,706) | - | - |
| | <u>35,997,839</u> | <u>656,357</u> | <u>(1,698,710)</u> | <u>152,135</u> | <u>-</u> | <u>35,107,621</u> |
| Total Restricted funds | <u>26,392,284</u> | <u>20,308,885</u> | <u>(23,043,085)</u> | <u>-</u> | <u>10,748,000</u> | <u>34,406,084</u> |
| Total funds | <u><u>27,888,187</u></u> | <u><u>20,731,568</u></u> | <u><u>(23,992,258)</u></u> | <u><u>-</u></u> | <u><u>10,748,000</u></u> | <u><u>35,375,497</u></u> |

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2023 were allocated as follows:

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Raynham Primary School | 491,919 | 804,472 |
| Wilbury Primary School | 176,548 | 256,694 |
| Galliard Primary School | (31,584) | 163,132 |
| Brettenham Primary School | (98,066) | (18,075) |
| Fleecefield Primary School | 50,567 | 200,133 |
| Central service | 40,970 | 56,520 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 630,354 | 1,462,876 |
| Restricted fixed asset fund | 34,498,868 | 35,107,621 |
| Pension reserve | - | (1,195,000) |
| | <hr/> | <hr/> |
| Total | 35,129,222 | 35,375,497 |
| | <hr/> | <hr/> |

Actions being taken by the Trust to return Bretttenham and Galliard to a surplus position include:

Tighter controls over staffing and supply costs. Bretttenham faced several unplanned long term staff sickness last year, which have now been resolved and in future will be covered in house, thus eliminating external supply costs.

With regards to Galliard the same as above and no further spend from reserves on building improvements.

It is to be noted that all 5 schools have limited external supply provision since September 2023, and are constantly reviewing their staffing structures with the aim to build a healthy surplus.

CHILDREN FIRST ACADEMY TRUST

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

17. Statement of funds (continued)

Total cost analysis by Academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2023 £ | Total 2022 £ |
|-------------------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Raynham Primary School | 2,786,796 | 1,147,982 | 78,697 | 865,242 | 4,878,717 | 4,590,692 |
| Wilbury Primary School | 3,008,222 | 1,382,225 | 163,611 | 1,185,328 | 5,739,386 | 5,736,927 |
| Galliard Primary School | 2,450,338 | 1,484,377 | 117,257 | 805,603 | 4,857,575 | 4,826,552 |
| Brettenham Primary School | 1,692,851 | 579,952 | 55,522 | 533,383 | 2,861,708 | 2,739,288 |
| Fleecefield Primary School | 1,761,207 | 623,258 | 76,206 | 544,957 | 3,005,628 | 2,853,781 |
| Central service | 365,164 | 474,706 | 9,811 | 81,020 | 930,701 | 2,448,890 |
| Trust | <u>12,064,578</u> | <u>5,692,500</u> | <u>501,104</u> | <u>4,015,533</u> | <u>22,273,715</u> | <u>23,196,130</u> |

CHILDREN FIRST ACADEMY TRUST

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

18. Analysis of net assets between funds

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 34,245,691 | 34,245,691 |
| Current assets | 611,166 | 1,635,644 | 253,177 | 2,499,987 |
| Creditors due within one year | - | (1,616,456) | - | (1,616,456) |
| Total | 611,166 | 19,188 | 34,498,868 | 35,129,222 |

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 | - | - | 34,702,070 | 34,702,070 |
| Current assets | 969,413 | 2,203,636 | 405,551 | 3,578,600 |
| Creditors due within one year | - | (1,710,173) | - | (1,710,173) |
| Provisions for liabilities and charges | - | (1,195,000) | - | (1,195,000) |
| Total | 969,413 | (701,537) | 35,107,621 | 35,375,497 |

CHILDREN FIRST ACADEMY TRUST

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

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) | (1,728,275) | (3,260,690) |
| Adjustments for: | | |
| Depreciation | 742,245 | 796,128 |
| Capital grants from DfE and other capital income | (552,957) | (588,050) |
| Interest receivable | (305) | (401) |
| Pension liability movements | 287,000 | 1,561,000 |
| (Increase)/decrease in debtors | (59,090) | 4,847 |
| Decrease in creditors | (93,717) | (22,451) |
| Donated Assets | - | (68,307) |
| Net cash used in operating activities | (1,405,099) | (1,577,924) |

20. Cash flows from investing activities

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Dividends, interest and rents from investments | 305 | 401 |
| Purchase of tangible fixed assets | (285,866) | (302,039) |
| Donated Assets | - | 68,307 |
| Capital grants from DfE | 552,957 | 588,050 |
| Net cash provided by investing activities | 267,396 | 354,719 |

21. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------------------|-----------|-----------|
| Cash in hand and at bank | 1,904,672 | 3,042,375 |

22. Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 3,042,375 | (1,137,703) | 1,904,672 |

CHILDREN FIRST ACADEMY TRUST

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

23. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Enfield. 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 £286,472 were payable to the schemes at 31 August 2023 (2022 - £293,023) 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.

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,193,090 (2022 - £1,111,850).

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

CHILDREN FIRST ACADEMY TRUST

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

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,349,000 (2022 - £1,250,000), of which employer's contributions totalled £1,040,000 (2022 - £965,000) and employees' contributions totalled £309,000 (2022 - £285,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 12.5% per cent for employees.

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

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

Principal actuarial assumptions

| | 2023 % | 2022 % |
|--|-----------|-----------|
| Rate of increase in salaries | 4.1 | 4.2 |
| Rate of increase for pensions in payment/inflation | 2.6 | 2.7 |
| Discount rate for scheme liabilities | 5.1 | 4.1 |
| Inflation assumption (CPI) | 2.6 | 2.7 |

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

| | 2023 Years | 2022 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| Males | 21.2 | 22.3 |
| Females | 23.6 | 24.2 |
| Retiring in 20 years | | |
| Males | 22.5 | 23.0 |
| Females | 25.1 | 25.0 |

CHILDREN FIRST ACADEMY TRUST

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

23. Pension commitments (continued)

As at the 31st August 2023 the Academy has a pension asset of £Nil (2022 - liability of £1,195,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | (302) | (384) |
| Discount rate -0.1% | 302 | 399 |
| Mortality assumption - 1 year increase | (363) | 430 |
| Mortality assumption - 1 year decrease | 363 | (430) |
| CPI rate +0.1% | 30 | 322 |
| CPI rate -0.1% | (30) | (307) |

Share of scheme assets

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

| | At 31 August 2023 £ | At 31 August 2022 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 7,511,000 | 6,975,000 |
| Gilts | 864,000 | 2,758,000 |
| Corporate bonds | 849,000 | 835,000 |
| Property | 2,923,000 | 1,584,000 |
| Cash and other liquid assets | 1,838,000 | 1,301,000 |
| Other | 1,729,000 | 693,000 |
| Total market value of assets | 15,714,000 | 14,146,000 |

The actual return on scheme assets was £518,000 (2022 - £267,000).

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

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Current service cost | 1,299,000 | 2,358,000 |
| Interest income | (602,000) | (236,000) |
| Interest cost | 630,000 | 404,000 |
| Total amount recognised in the Statement of Financial Activities | 1,327,000 | 2,526,000 |

CHILDREN FIRST ACADEMY TRUST

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

23. Pension commitments (continued)

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

| | 2023 £ | 2022 £ |
|------------------------|-------------------|-------------------|
| At 1 September | 15,341,000 | 23,723,000 |
| Interest cost | 630,000 | 404,000 |
| Employee contributions | 309,000 | 285,000 |
| Actuarial gains | (2,169,000) | (11,251,000) |
| Benefits paid | (299,000) | (178,000) |
| Current service cost | 1,299,000 | 2,358,000 |
| At 31 August | <u>15,111,000</u> | <u>15,341,000</u> |

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

| | 2023 £ | 2022 £ |
|------------------------|-------------------|-------------------|
| At 1 September | 14,146,000 | 13,341,000 |
| Interest income | 602,000 | 236,000 |
| Actuarial losses | (687,000) | (503,000) |
| Employer contributions | 1,040,000 | 965,000 |
| Employee contributions | 309,000 | 285,000 |
| Benefits paid | (299,000) | (178,000) |
| At 31 August | <u>15,111,000</u> | <u>14,146,000</u> |

24. Operating lease commitments

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

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Not later than 1 year | 26,599 | 18,381 |
| Later than 1 year and not later than 5 years | 59,249 | 48,865 |
| | <u>85,848</u> | <u>67,246</u> |

CHILDREN FIRST ACADEMY TRUST

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

25. Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while 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 cease to be a Member.

26. Related party transactions

Owing to the nature of the Trust 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 Trustee 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There have been no related party transactions in the year, other than those with Key Management Personnel as detailed in note 10.