



**PA COMMUNITY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	M Fitch S Islam N Razaq Q Zaman T Afzal
<b>Trustees</b>	P Osbourne, Chair of Trustees (from 22 July 2023) H Channa, Chair of Trustees (resigned 21 April 2023) A Vlahakis, Vice Chair (appointed 3 November 2022) S Gulzar, Chief Executive Officer (resigned 31 August 2023) P Sherlock-Lewis, Chief Executive Officer (appointed 1 September 2023) M Hodgson C Diamond L Dean (appointed 24 May 2023) F Chishty (appointed 11 September 2023) S Amir-Baz (appointed 9 September 2023) S Sadiq (appointed 30 November 2023) Q Majid (resigned 21 July 2023) D Hill (resigned 21 July 2023) T Afzal (resigned 2 November 2022)
<b>Company registered number</b>	09718257
<b>Company name</b>	PA Community Trust
<b>Principal and registered office</b>	Prince Albert High School 115 Holford Drive Perry Barr Birmingham England B42 2TU
<b>Company secretary</b>	M Perkins
<b>Chief executive officer</b>	P Sherlock-Lewis (appointed 01/09/2023)

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Senior Management  
Team**

S Gulzar OBE, Chief Executive Officer (resigned 31/08/2023)  
P Sherlock-Lewis, Deputy Chief Executive Officer  
M Douglas, Director of Finance (Chief Financial Officer)  
S Sherlock-Lewis, Director of Estates  
P Sage, Director of Marketing and Partnerships  
K Davis, Director of Safeguarding and Pupil Wellbeing  
N Johnson, Director of Human Resources  
C Shotter, Director of Communication and Technology  
M Davies, Head of School, Prince Albert Primary  
A Knibbs, Head of School, Highfield Primary  
Z Thewlis, Head of School, Birchfield Primary  
L Middleton, Head of School, Sutton Park Primary  
F Atherton, Head of School, Heathfield Primary (resigned 31/10/2022)  
Y Malik, Head of School, Heathfield Primary (appointed 01/11/2022)  
R Afzal, Head of School, Prince Albert High School (resigned 31/08/2023)

**Independent auditors**

Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

**Bankers**

Lloyds Bank  
114-116 Colmore Row  
Birmingham  
B3 3BD

**Solicitors**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic report under company law.

The P A Community Trust (PACT) operates both primary and secondary academies for pupils aged 3 to 18 in Birmingham. It has a combined pupil capacity of 3,588 and had a roll of 3,423 in the school census on 5th October 2023.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy 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 of the Trust. The Trustees of the PA Community Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as PA Community Trust (PACT).

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' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

**Method of recruitment and appointment or election of Trustees**

PACT shall have no less than 3 Trustees, up to 6 Trustees will be appointed by Members, The CEO is appointed ex-officio, and the remaining Trustees are appointed by the rest of the Board. The Trust opts not to have parent representation on the Trust Board as it has 2 parent representation spaces on each of its academy committees.

Trustees have a term of office of 4 years which can be extended however, this time limit does not apply to the CEO. A second term of office will be considered at the end of a Trustee's term.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to PACT's development. The Trust will, on occasion, use a third party such as Academy Ambassadors to source suitable Trustees with the necessary skill sets.

**Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a face-to-face introduction with the CEO and Chair of the Trust Board and where possible a site visit. Trustees are also always provided with subscriptions for online support from websites such as the NGA and the Trust has in place a supportive online platform for assisting Trustees / committee members in their duties.

There is a Trustees' away day organised each year which gives the opportunity to work on strategic projects collaboratively, build relationships and provide training where necessary.

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

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**Organisational structure**

The Board of Trustees assumes full responsibility for overseeing the strategic direction of the Multi-Academy Trust (MAT) and meets twice each term. The Trustees are accountable for the entire business of the MAT and the Board establishes an overall framework for the governance of the Trust determining Trusteeship, terms of reference and procedures of Committees and other groups. The Board of Trustees devolves some of its powers to various committees but monitors their activities through the minutes of their meetings.

There are 5 types of committees, and these are as follows:

- 1) Finance, Resource and Audit Committee (FRAC) – This meets at least 6 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management as well as monitoring and guiding all audit activities. The committee is also responsible for reviewing pay and remuneration and acts as the Trusts Pay and Remuneration Committee.
- 2) Quality and Standards Committee (QASC) - The committee convenes at least once a term and is responsible for monitoring and evaluating the effectiveness of leadership and management regarding the quality of education, testing the Trust's approach to quality assurance and improvement. QASC also monitor the impact of teaching on pupil progress, attainment and standards of achievement. QASC receive progress reporting on the Trust's strategic outcomes and priorities for Exceptional Education and Exceptional People.
- 3) Wellbeing and SEND Committee (WASC) - The new committee for 2022-23 convenes at least once a term and is responsible for monitoring and evaluating the effectiveness of the Trust's approach to pupil welfare and safeguarding, its quality assurance and impact of improvement plans which relate to the committee's area of operation. WASC receive progress reporting on the Trust's strategic outcomes and priorities for Exceptional Welfare.
- 4) Local Academy Committee (LAC) - Each school within the MAT will have an Academy Committee that has responsibility for the quality of teaching and learning, standards and safeguarding. Although the Board of Trustees will have overall control of the MAT, it is important that at the local level, schools have autonomy in these areas. Such local governance will include holding the school to account, challenge and support. Sponsored schools that are in 'special measures' at the time of conversion will not have an Academy Committee until the Trustees are satisfied that aspects of governance can safely be delegated away from the Board.
- 5) Performance Review group – To oversee the CEO's pay and performance management.

The Board of Trustees delegates the day-to-day leadership and management of the MAT to the Executive Leadership Team, consisting of; the CEO (also the accounting officer), the Business Directors and Executive Headteachers. All details of organisational structure and persons responsible can be found in the Scheme of Delegation.

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

Pay and remuneration for senior management personnel is set by the Trust Board, taking independent professional advice when necessary. Pay for the CEO (Executive Head Teacher) is subject to the School Teachers Pay & Conditions Document and overseen by the Pay and Remuneration Committee. Pay and remuneration for non-teaching senior management, such as Business Directors, is set based on the needs of the Trust, market conditions and independent professional advice where necessary. As per FRAC Terms of Reference, the Director of Finance and Trust Governance Professional's Pay and remuneration is considered by the Pay and Remuneration Committee.

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

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.6

**Percentage of time spent on facility time**

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

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

Provide the total cost of facility time	£68,346.88
Provide the total pay bill	£15,052,724
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.45%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%
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**Engagement with employees (including disabled persons)**

The Trust engages with their employees through many means and methods, including:

- giving each employee a personalised development review that is linked to their departments action plan, which is in turn linked to the Trust's strategic direction.
- the annual distribution of a staff journal detailing key information for the year.
- termly distribution of an employee newsletter detailing key matters, including successes, on-going developments and key changes.
- in the event of a member of staff becoming disabled, every effort is made to ensure that their employment within the Trust continues and that the appropriate training is arranged and adjustments made.
- facilitating career changes in the workplace that better suit the needs and desires of employees who have an ever-changing disability.
- the dissemination of information through regular briefings with staff and line management meetings.

**Engagement with suppliers, customers and others in a business relationship with the academy trust**

PACT prides itself on forming positive and effective working relationships with its external suppliers particularly those in relation to estates. This proved invaluable when Baskerville school sought help in accommodating 30 displaced students on an extremely short timescale, following the challenges they faced with RAAC (Reinforced Autoclaved Aerated Concrete) affecting their building. PACT, in turn, promptly engaged its suppliers to transform the identified areas into secure, suitable spaces for the additional needs of the Baskerville students including modifications such as door access and security systems. The works were completed in a matter of weeks enabling the school to swiftly and safely transition the students into their new environment.

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

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The objects and Aims of PACT are;

- To provide a high-quality education to all our pupils that not only prepares them for the next stage of their learning journey but for life beyond.
- To ensure that all member schools are excellent, building a reputation for innovation.
- To transform failing schools into high performing sponsored academies.

**Objectives, strategies and activities**

- To build school improvement capacity through high quality staff professional development at all levels including non-teaching staff.
- To develop a centralised team comprising of leaders for Estates, Human Resources, Finance, Marketing, ICT, Governance and Safeguarding that will provide high quality infrastructure support and development to all Trust schools.
- To ensure that special measures schools improve quickly and sustainably and are at least 'RI' at first inspection post sponsorship.
- To continue to grow sustainably towards a goal of 10,000 pupils in the Trust.
- To ensure that the Trust continues to develop leaders from within who have the knowledge, skills and expertise to lead Trust schools in the future.
- To continue to build links with key partners to further the Trust's objectives and aims.
- To continue to develop the Trust Board through high quality training and CPD.

**Public benefit**

The Trust aims to advance for the public benefit, education in Birmingham and the surrounding area by offering a broad curriculum.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

**STRATEGIC REPORT**

**Achievements, performance and key performance indicators**

Schools within the MAT currently have the following OFSTED Judgements:

- Prince Albert Junior and Infant school: OUTSTANDING
- Heathfield Primary School: GOOD
- Highfield Junior and Infant School: GOOD
- Birchfield Primary School: GOOD
- Sutton Park Primary School: No Formal Designation
- Prince Albert High School: No Formal Designation



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

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PACT is particularly proud of its progress data (detailed below) with many schools appearing in the top 5% of schools nationally.

	National Avg	PACT	MAT position	School highlights
Reading	+0.2	+1.34	Top 40% of all schools	Heathfield top 5%
Writing	+0.2	+1.56	Top 40% of all schools	Birchfield top 5%
Maths	0.0	+3.4	Top 25% of all schools	Prince Albert, Birchfield and Heathfield top 5%

This year 4 out of 5 of our primary schools were at or above national for combined end of KS2 outcomes. PACT has continued to close the disadvantaged gap and this year 4 out of 5 schools were also above or significantly above national outcomes for disadvantaged pupils with Prince Albert primary and Highfield Junior and Infant School being above by 23%, 21% respectively.

PACT is passionate about training and developing all staff but in particular, last year the Trust saw an intake of 21 ECT's, all of whom passed their ECT year and remain on track to pass their 2nd year. This is partly down to the additional support the Trust provides both through various means such as; in class support, coaching sessions, team teach sessions and effective tutoring as well as the supportive culture PACT continues to actively foster.

The Trust has once again advanced its inclusive approach to all pupils particularly those with Special Educational Needs (SEN). This was not only evidenced by its broader approach, such as approval of its plans for resource bases in all of its schools but also on an individual school level. An example of this was Prince Albert Primary school who retained its gold inclusion quality mark meaning it is now a flagship school in this area.

PACT has continued to upgrade its systems to provide more efficient ways of working for its staff as well as improved services for its pupils and wider stakeholders. In 2022/23, the dedication of various business departments leads to a smooth and seamless change in our payroll provider, HR system and Management Information System (MIS). All of these changes have instantaneously resulted in improvements in accuracy, efficiency and effectiveness as well as building a platform for realising many new efficiencies and innovative ways of carrying out our duties, including the use of AI to speed up current process's.

**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 company**

Under section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct,
- the need to act fairly as between members of the company,

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

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The Trustees of PACT have consistently taken action throughout the year to address the points mentioned above. Notably, senior leaders actively participated in chairing and presenting at a variety of events, both regionally and nationally, throughout the academic year. These events encompassed significant conferences such as the MATPN, ASCL EDI Summit, COBIS Annual Conference, ASCL Executive Trust Leaders Programme, University of Birmingham, Arbor Education, and the Youth Sport Trust.

**FINANCIAL REVIEW**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2023, the Trust received total income of £21,931,738 and incurred total expenditure of £22,622,424. The excess of expenditure over income for the year was £690,686.

At 31 August 2023 the net book value of fixed assets was £55,196,915 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Land and buildings of new academies are professionally valued on conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred to it on conversion of each of its academies. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Directors, Head Teachers, leaders, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Procurement and Tendering, Charges and Remissions policy.

**Reserves policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified in its risk register.

The Trustees have determined that the appropriate level of free reserves should be between 5% and 10% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance as well as a fall in pupil numbers. Total reserves of the Trust amount to £58,540,855 (excluding the defined benefit pension liability), although £55,680,693 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £2,860,162, representing unspent GAG, is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

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

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**Investment policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. As per the Trust investment policy, any surplus funds can be invested with Lloyds Bank in a deposit account. These investments are carried out in accordance with the powers vested in the Trust Board and is monitored by the Director of Finance.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year the vast majority of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

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.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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 Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has a comprehensive risk awareness strategy place which includes a host of policies on mitigating various risks and hazards in the workplace. Staff training is carried out in line with best practice to ensure awareness of risks and a risk register is maintained, reviewed and updated on a regular basis. The Trust also holds various risk assessments for all activities it engages with that carry an element of risk.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trustees review performance against budgets and overall expenditure by means of regular update reports at all Finance, Resource and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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

**FUNDRAISING**

Each school within the Trust holds various fundraising events each year. Most of these are held for the benefit of the pupils with three held for the benefit of external charities, all of which are events that operate within the schools and participation is optional. The charity also accepts voluntary contributions for school trips. PACT only uses third parties / professional fund raisers for the application process of additional ad hoc government grants but does not use them for raising funds from the general public. The charity received no complaints for the 2022/23 financial year in relation to fundraising. When organising fundraising events, the charity always considers the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. To further ensure this is the case, the Trust ensures prices set at charity events are fair and reasonable and events are open to attend for all.

**STREAMLINED ENERGY AND CARBON REPORTING**

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 September 2022 to 31 August 2023</b>	<b>1 September 2021 to 31 August 2022</b>
Energy consumption used to calculate emissions (kWh)	3,226,615	3,195,806
Energy consumption break down (kWh) <ul style="list-style-type: none"> <li>• gas,</li> <li>• electricity</li> <li>• transport fuel</li> </ul>	2,266,106 950,244 10,266	
<u>Scope 1 emissions in metric tonnes CO2e</u> <ul style="list-style-type: none"> <li>• Gas consumption</li> <li>• Owned transport – mini-buses</li> </ul>	414.53 1.098	406.956 1.118
<u>Total scope 1</u>	415.634	408.074
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	196.771	185.613
<u>Scope 3 emissions in metric tonnes CO2e</u> <ul style="list-style-type: none"> <li>• Business travel in employee-owned vehicles</li> <li>• Purchased electricity (transmission and distribution)</li> </ul>	1.435 17.024	0.515 16.980
Total gross emissions in metric tonnes CO2e	630.864	611.181
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.201	0.197

**Quantification and Reporting Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

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

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**Measures taken to improve energy efficiency**

The Trust has now signed up all its schools to the governments energy efficiency initiative that will give the Trust crucial data to both pinpoint the key areas for improvement as well as highlighting the impact of future improvements.

From a works perspective the Trust has continued to replace windows at Highfield with double glazing and the vast majority of single glazed windows have now been removed. Further work has also taken place to dramatically increase the efficiency of our water heaters by replacing the old and inefficient units.

**PLANS FOR FUTURE PERIODS**

Above all, the Trust will continue to strive to provide an excellent education and improve the levels of performance of its pupils at all levels whilst ensuring their safety and wellbeing.

The Trust continues to look to expand the number of academies it has placed within its care and hopes to reach 10,000 pupils within the next 5 – 7 years. In the immediate future PACT is looking forward to the successful conversion of Lakey Lane into the Trust, which is planned for 1 January 2024.

The Board of Trustees are unequivocal in their ambition and support of PACT's carefully considered growth strategy, continuing to spread its vision and ethos to as many students and their communities as possible.

The PA Community Trust has been offering support to a number of schools across Birmingham and will continue to network and offer support where needed to organisations involved in the education of children.

In 2023/24 PA Community Trust is poised to formally commence its approved resource bases following the extensive work already being carried out in this area across the Trust. This will further our engagement with children with Special Educational Needs and Disabilities (SEND) and make PACT the largest provider of resources bases specialising in Autism in the West Midlands.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITOR**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming 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 order of the Board of Trustees, as the company directors, signed on its behalf by:



**P Osborne**  
Chair of Trustees

Date: 13 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that PA Community 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, 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 PA Community 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.

The Board of Trustees takes conflicts of interest extremely seriously. The Trust maintains a register of interests not only of the Board but also of all staff and committee members. All governance meetings also start with an opportunity for those in attendance to declare any new interests as well as declare any interest on the agenda that has not already been highlighted.

**GOVERNANCE**

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
H Channa	2	5
D Hill	5	7
A Vlahakis	6	7
S Gulzar	6	7
P Osbourne	5	7
M Hodgson	6	7
Q Majid	5	7
C Diamond	5	7
E Dean	1	1
T Afzal	0	0

At the 2022 AGM, following an evaluation of proposed changes, Members agreed to adopt the latest model Articles of Association (DfE Model 2021), these were passed by special resolution and embedded in 2023.

The Trust's governance community maintain activity focused on three key areas:

- ensuring clarity of vision, ethos and strategic direction,
- holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff,
- overseeing and ensuring effective financial performance.

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023**

Dovetailed into the Trust’s strategy plan (PACT>2025) this focus is highlighted within the Sustainability pillar of the supporting framework and three-year action plan:

<b>SUSTAINABILITY</b>	
Developing the governance structure and community that enables PACT to strive in its civic duty	2.1 Trust level key performance indicators (KPIs) track Trust Executive impact and school targets, including rigorous financial governance at Board level.
	2.2 Effective sourcing, induction and invested CPD programme for Trust governance community.
	2.3 Empowered by regular high quality reporting, data and engagement with school/Head, Local Academy Representatives hold school leadership to account for quality of education whilst taking, and supporting, hard decisions in the interests of pupils.
	2.4 Governance impact statements, Board and Committee self-evaluation and internal audit review effectiveness and future areas of strength/development.
	2.5 Review intrinsic value and benefits from PACT’s ethical culture.

Meetings continue to be held through a combination of in-person, virtual and hybrid which better accommodates the broad needs of the busy and diverse governance community. We continue to see high attendance at full Boards/Committees and Sub-Committees across the year and meetings remain effective and efficient.

PACT launched a new sub-committee to the Board during 2023. The Welfare and Safeguarding Committee (WASC) has a dedicated focus across the strategic priorities identified under the Exceptional Pupil Welfare pillar of activity within the Trust’s strategy play.

Trustees and Representatives completed an annual skills audit, in addition the Board completed a broader self-evaluation of Board effectiveness and facilitated a strategy awayday to set and evaluated progress made towards the outcomes identified in the three-year strategy plan.

The Board will also embark on the commissioning of the Ethical Leadership audit, generating a plan for further action to make ethics an explicit part of life at PACT and its operating principles, enabling PACT pupils to become tomorrow’s ethical citizens.

Trustees and Local Academy Committees received high quality comprehensive reports, data and information from Heads and the Trust’s Executive Leadership Team. The Board of Trustees considers several factors that contribute to data quality and the Board’s criteria for acceptability. Regular audits, evaluation and review of data governance practices, and adherence to established standards, contribute to maintaining and improving the quality of data used by the Board to support its decision-making processes.

As a result of several Trustee vacancies, Trustee recruitment focused on the long-term succession planning of highly skilled and diverse Trustee appointments for the 2023-24 academic year. A new Chair and Vice Chair have been successfully elected. Balancing continuity and harnessing sound legacy knowledge, allocated membership of the Board’s committees has been carefully undertaken to further enhance strategic oversight, which best utilises expertise and range of perspective, whilst upholding Board and committee core purpose.

The Trust’s internal quality assurance framework (BQAV) undertook biannual reviews and provided comprehensive detailed reports for each school, reassured Representatives and Trustees that practices, procedures and policies in place were robust and effective.

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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Appointed Internal Auditors, Crowe UK LLP, under resolution by FRAC, carried out an internal review of governance for the Trust in the summer term and the Board commissioned an External Review of Governance for Autumn term 2023.

The Trust Board is rigorous in monitoring and evaluating its impact. To do this, it uses a range of review tools and approaches which assess the detailed strategic outcomes of the five strategic pillars (Exceptional Education, Exceptional People, Exceptional Welfare, Exceptional Infrastructure and Sustainability). These supplement the following core principles of effective governance (based on DfE's Governance Handbook 2020 and Competency Framework for Governance 2017):

1. Achieving the Trust's vision
  - Keeping children safe.
  - Focus on educational standards and school improvement.
  - Ensuring pupils and families receive a good service.
  - Achieving good value for money.
2. Defining functions and roles
  - Being clear about the functions of each level of governance.
  - Absolute clarity about the responsibilities of members, Trustees, executive leaders and headteachers.
  - Absolute clarity about the delegated functions of Trust sub-committees, working parties and task and finish groups.
3. Living the values of the Trust
  - Advocating the Trust's vision and values consistently.
  - Considering the diverse needs of all children and families.
  - Behaving in ways that uphold and exemplify governance.
4. Using data and evidence well
  - Ensuring decision-making is based on good quality data and information.
  - Using data to hold people to account.
  - Being rigorous and transparent about how decisions are made.
5. Developing capacity and capability
  - Making sure that members and Trustees have the essential skills, expertise and experience to perform their duties well.
  - Securing a mix of skills on the Trust Board to meet the range of requirements and responsibilities.
  - Striking an effective balance in membership between continuity and renewal.
6. Engaging with pupils, families and staff
  - Understanding formal and informal accountability relationships.
  - Taking a planned approach to dialogue with pupils, families and communities.
  - Taking an active approach to communicating with staff.
  - Engaging creatively with wider stakeholders to improve partnerships, opportunities and outcomes.

The Finance, Resource and Audit Committee (FRAC) is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management as well as monitoring and guiding all audit activities.

After many successful years of contributing to FRAC, Darrin Hill, Sajid Gulzar and Qasim Majid all stepped down from the committee on 31/08/2023 following their planned resignation as Trustees. These posts have since been filled by Phillipa Sherlock-Lewis (CEO from 01/09/23) Liz Dean and Shabana Amir-Baz.



**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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Attendance at FRAC meetings was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
A Vlahakis	5	6
S Gulzar	4	6
D Hill	4	6
Q Majid	3	6

**REVIEW OF VALUE FOR MONEY**

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

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- 1) Enhancing the recruitment process - PACT HR commenced a working relationship with My New Term in September 2022. This has transformed the recruitment administration processes for us as a recruiter and for made the process slick and efficient for applicants. We now have a streamlined process of advertising on multiple platforms, communicating with applicants, sharing information with recruiting managers and ensuring that KCSIE regulations are adhered to whenever they are updated.
- 2) Prioritised Capital spending - This year was the first year the Trust received funding through the School Condition Allocation (SCA). The Estates team carried out a Trust wide assessment of all buildings across the Trust and prioritized spending using a range of scoring criteria designed to ensure funding was used effectively in maintaining a safe environment for students, staff and all other stakeholders using our buildings. Some of these projects included, asbestos removal, fixed wiring improvements and pupil toilet upgrades.

**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 the Trusts 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 PACT for the period 01 September 2023 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 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 period 01 September 2023 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.

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023**

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**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. In particular, it includes:

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

The Board of Trustees has decided to buy-in an internal audit service from Crowe UK LLP. This option has been chosen due to the Trustee's belief in its effectiveness in meeting the required standards.

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

- Testing of the budgeting process.
- Testing of the Trusts vulnerability to fraud.
- Testing of the effectiveness of governance.

On a termly basis, the auditor reports to the Board of Trustees, through the Finance, Resource and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the auditor prepares a 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 auditor has delivered their schedule of work as planned and provided by the Finance, Resource and Audit committee.

**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 financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy Trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- correspondence from ESFA

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

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023**

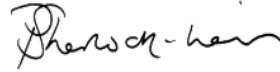
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Approved by order of the members of the Board of Trustees and signed on their behalf by:



**P Osborne**  
Chair of Trustees

Date: 13 December 2023



**P Sherlock-Lewis**  
Accounting Officer

Date: 13 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

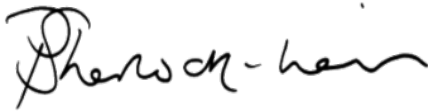
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of PA Community Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academies Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Trust 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 Academies Trust Handbook 2022.

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



**P Sherlock-Lewis**  
Accounting Officer  
Date: 13 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements for each financial year 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:

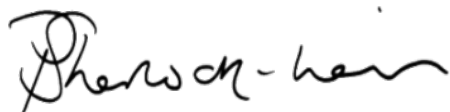
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



**P Sherlock-Lewis**  
Chair of Trustees  
Date: 13 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA  
COMMUNITY TRUST**

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**OPINION**

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA  
COMMUNITY TRUST (CONTINUED)**

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**OTHER INFORMATION**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA  
COMMUNITY TRUST (CONTINUED)**

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**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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.



**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA  
COMMUNITY TRUST (CONTINUED)**

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Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

**USE OF OUR REPORT**

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



**Andrew Wood FCCA (Senior Statutory Auditor)**

for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 20 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PA  
COMMUNITY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 2 October 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 PA Community 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 PA Community Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to PA Community 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 PA Community Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PA COMMUNITY TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of PA Community Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

The work undertaken to draw our conclusions includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PA  
COMMUNITY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**CONCLUSION**

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



Reporting Accountant  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors

Date: 20 December 2023

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2023	Restricted funds 2023	Restricted fixed asset funds 2023	Total funds 2023	Total funds 2022
<b>INCOME FROM:</b>						
Donations and capital grants	3	21,296	-	720,081	741,377	31,025,190
Other trading activities	5	61,984	66,659	-	128,643	176,506
Investments	6	13,470	-	-	13,470	505
Charitable activities	4	226,130	20,822,118	-	21,048,248	18,323,261
<b>TOTAL INCOME</b>		<b>322,880</b>	<b>20,888,777</b>	<b>720,081</b>	<b>21,931,738</b>	<b>49,525,462</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	8	1,219,159	19,855,619	1,547,646	22,622,424	22,012,191
<b>TOTAL EXPENDITURE</b>		<b>1,219,159</b>	<b>19,855,619</b>	<b>1,547,646</b>	<b>22,622,424</b>	<b>22,012,191</b>
<b>NET (EXPENDITURE) / INCOME</b>		<b>(896,279)</b>	<b>1,033,158</b>	<b>(827,565)</b>	<b>(690,686)</b>	<b>27,513,271</b>
Transfers between funds	16	512,582	(805,338)	292,756	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>(383,697)</b>	<b>227,820</b>	<b>(534,809)</b>	<b>(690,686)</b>	<b>27,513,271</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial gains on defined benefit pension schemes	23	-	3,669,000	-	3,669,000	13,968,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(383,697)</b>	<b>3,896,820</b>	<b>(534,809)</b>	<b>2,978,314</b>	<b>41,481,271</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		383,697	(4,608,658)	56,215,502	51,990,541	10,509,270
Net movement in funds		(383,697)	3,896,820	(534,809)	2,978,314	41,481,271
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>(711,838)</b>	<b>55,680,693</b>	<b>54,968,855</b>	<b>51,990,541</b>

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

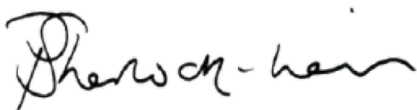
The notes on pages 29 to 55 form part of these financial statements.

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:09718257**

**BALANCE SHEET  
AS AT 31 AUGUST 2023**

	Note	2023	2022
<b>FIXED ASSETS</b>			
Tangible assets	13	<b>55,196,915</b>	55,586,061
<b>CURRENT ASSETS</b>			
Debtors	14	<b>1,421,091</b>	1,794,255
Cash at bank and in hand		<b>5,490,395</b>	7,900,797
		<u><b>6,911,486</b></u>	<u>9,695,052</u>
Creditors: amounts falling due within one year	15	<b>(3,567,546)</b>	(6,511,572)
<b>NET CURRENT ASSETS</b>		<b>3,343,940</b>	3,183,480
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>58,540,855</b></u>	<u>58,769,541</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u><b>58,540,855</b></u>	<u>58,769,541</u>
Defined benefit pension scheme liability	23	<b>(3,572,000)</b>	(6,779,000)
<b>TOTAL NET ASSETS</b>		<u><u><b>54,968,855</b></u></u>	<u><u>51,990,541</u></u>
<b>FUNDS OF THE ACADEMY</b>			
<b>RESTRICTED FUNDS:</b>			
Fixed asset funds	16	<b>55,680,693</b>	56,215,502
Restricted income funds	16	<b>2,860,162</b>	2,170,342
		<u><b>58,540,855</b></u>	<u>58,385,844</u>
Restricted funds excluding pension asset	16	<b>58,540,855</b>	58,385,844
Pension reserve	16	<b>(3,572,000)</b>	(6,779,000)
<b>TOTAL RESTRICTED FUNDS</b>	16	<b>54,968,855</b>	51,606,844
<b>UNRESTRICTED INCOME FUNDS</b>	16	-	383,697
<b>TOTAL FUNDS</b>		<u><u><b>54,968,855</b></u></u>	<u><u>51,990,541</u></u>

The financial statements on pages 26 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**Mrs P Sherlock-Lewis**  
Chair of Trustees  
Date: 13 December 2023

The notes on pages 29 to 55 form part of these financial statements.

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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	<b>Note</b>	<b>2023</b>	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash (used in)/provided by operating activities	18	<b>(2,516,761)</b>	4,007,386
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	20	<b>(424,949)</b>	(243,259)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	19	<b>(6,203)</b>	(6,203)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(2,947,913)</b>	3,757,924
Cash and cash equivalents at the beginning of the Year		<b>7,900,797</b>	4,142,873
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	21, 22	<b>4,952,884</b>	7,900,797

The notes on pages 29 to 55 form part of these financial statements

## **1. ACCOUNTING POLICIES**

### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

PA Community Trust meets the definition of a public benefit entity under FRS 102.

### **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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 INCOME**

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME (CONTINUED)**

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

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 Academy's accounting policies.

**1.4 EXPENDITURE**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTEREST RECEIVABLE**

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

**1.6 TANGIBLE FIXED ASSETS**

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

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



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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS (CONTINUED)**

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
Long-term leasehold property	- 50 years
Furniture and equipment	- 10 years
Computer equipment	- 3 years
Motor vehicles	- 25% reducing balance

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.

**1.7 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.

**1.8 CASH AT BANK AND IN HAND**

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

**1.9 LIABILITIES**

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

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.10 FINANCIAL INSTRUMENTS**

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

**1.11 OPERATING LEASES**

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

**1.12 PENSIONS**

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 FUND ACCOUNTING**

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

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

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

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

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2020 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.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2023</b>	<b>Restricted funds 2023</b>	<b>Restricted fixed asset funds 2023</b>	<b>Total funds 2023</b>	Total funds 2022
Donations	21,296	-	-	<b>21,296</b>	29,877,549
Capital Grants	-	-	720,081	<b>720,081</b>	1,147,641
	<u>21,296</u>	<u>-</u>	<u>720,081</u>	<b><u>741,377</u></b>	<u>31,025,190</u>
<b>TOTAL 2022</b>	<u>17,549</u>	<u>(110,000)</u>	<u>31,117,641</u>	<b><u>31,025,190</u></b>	

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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

	<b>Unrestricted funds 2023</b>	<b>Restricted funds 2023</b>	<b>Total funds 2023</b>	Total funds 2022
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	16,138,896	<b>16,138,896</b>	14,462,384
<b>OTHER DFE/ESFA GRANTS</b>				
Pupil Premium	-	1,598,898	<b>1,598,898</b>	1,334,691
Rates Relief	-	85,469	<b>85,469</b>	8,854
Universal Infant Free School Meals	-	297,865	<b>297,865</b>	314,879
Start Up Grant	-	-	-	205,000
School Supplementary Grant	-	453,129	<b>453,129</b>	180,813
Mainstream School Additional Grant	-	237,672	<b>237,672</b>	-
Other DfE/ESFA Grants	-	125,396	<b>125,396</b>	196,396
	-	18,937,325	<b>18,937,325</b>	16,703,017
<b>OTHER GOVERNMENT GRANTS</b>				
SEN Funding	-	817,363	<b>817,363</b>	596,362
Other Government Grants	30,772	278,577	<b>309,349</b>	42,599
Early Years Funding	-	545,599	<b>545,599</b>	614,004
	30,772	1,641,539	<b>1,672,311</b>	1,252,965
<b>COVID-19 ADDITIONAL FUNDING (DFE/ESFA)</b>				
Recovery Premium	-	233,339	<b>233,339</b>	83,986
School Led Tutoring	-	9,915	<b>9,915</b>	93,960
	-	243,254	<b>243,254</b>	177,946
<b>OTHER INCOME</b>				
Catering Income	195,358	-	<b>195,358</b>	189,333
	195,358	-	<b>195,358</b>	189,333
	226,130	20,822,118	<b>21,048,248</b>	18,323,261
<b>TOTAL 2022</b>	<b>189,333</b>	<b>18,133,928</b>	<b>18,323,261</b>	

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2023</b>	<b>Restricted funds 2023</b>	<b>Total funds 2023</b>	Total funds 2022
Trip Income	255	53,504	<b>53,759</b>	43,114
Lettings and other income	61,729	13,155	<b>74,884</b>	133,392
	<u>61,984</u>	<u>66,659</u>	<u><b>128,643</b></u>	<u>176,506</u>
TOTAL 2022	<u><u>133,392</u></u>	<u><u>43,114</u></u>	<u><u>176,506</u></u>	

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2023</b>	<b>Total funds 2023</b>	Total funds 2022
Investment income	13,470	<b>13,470</b>	505
TOTAL 2022	<u><u>505</u></u>	<u><u>505</u></u>	

**7. EXPENDITURE**

	<b>Staff Costs 2023</b>	<b>Premises 2023</b>	<b>Other 2023</b>	<b>Total 2023</b>	Total 2022
Direct costs	12,097,017	-	2,587,312	<b>14,684,329</b>	13,191,458
Support costs	2,962,028	2,873,649	2,102,418	<b>7,938,095</b>	8,820,733
	<u>15,059,045</u>	<u>2,873,649</u>	<u>4,689,730</u>	<u><b>22,622,424</b></u>	<u>22,012,191</u>
TOTAL 2022	<u><u>13,728,748</u></u>	<u><u>2,874,245</u></u>	<u><u>5,409,198</u></u>	<u><u>22,012,191</u></u>	

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2023</b>	<b>Support costs 2023</b>	<b>Total funds 2023</b>	<b>Total funds 2022</b>
Education	14,684,329	7,938,095	<b>22,622,424</b>	22,012,191
	<u>13,191,458</u>	<u>8,820,733</u>	<u>22,012,191</u>	
TOTAL 2022	<u>13,191,458</u>	<u>8,820,733</u>	<u>22,012,191</u>	

**ANALYSIS OF DIRECT COSTS**

	<b>Total funds 2023</b>	<b>Total funds 2022</b>
Pension finance costs	<b>87,000</b>	100,000
Staff costs	<b>12,155,279</b>	11,052,796
Educational supplies	<b>393,708</b>	424,556
Staff development	<b>86,566</b>	50,564
Other costs	<b>418,530</b>	324,932
Supply teachers	<b>1,262,597</b>	1,007,951
Technology costs	<b>75,654</b>	56,769
Educational consultancy	<b>204,995</b>	173,890
	<u><b>14,684,329</b></u>	<u>13,191,458</u>

**PA COMMUNITY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**ANALYSIS OF SUPPORT COSTS**

	<b>Total funds 2023</b>	Total funds 2022
Pension finance costs	<b>204,000</b>	235,000
Staff costs	<b>3,074,766</b>	4,055,952
Depreciation	<b>1,547,646</b>	1,521,811
Supply cover	<b>164,106</b>	261,461
Recruitment and support	<b>44,594</b>	32,509
Ground maintenance	<b>156,461</b>	250,696
Cleaning	<b>441,132</b>	406,034
Water and rates	<b>143,128</b>	109,956
Energy costs	<b>285,583</b>	367,713
Insurance	<b>70,519</b>	62,600
Security and transport	<b>49,527</b>	38,713
Catering	<b>1,148,448</b>	1,003,395
Technology	<b>50,313</b>	21,631
Overheads	<b>179,653</b>	116,722
Professional costs	<b>371,867</b>	336,409
Bank charges	<b>5,992</b>	-
Legal fees	<b>360</b>	131
	<b>7,938,095</b>	<b>8,820,733</b>

**9. NET (EXPENDITURE)/INCOME**

Net (expenditure)/income for the Year includes:

	<b>2023</b>	2022
Operating lease rentals	<b>23,577</b>	31,460
Depreciation of tangible fixed assets	<b>1,547,646</b>	1,521,811
Net interest on defined benefit pension liability	<b>291,000</b>	335,000
Fees paid to auditors for:		
- audit	<b>23,650</b>	20,600
- other	<b>2,410</b>	1,100



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

**10. STAFF**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	<b>2023</b>	2022
Wages and salaries	<b>11,551,554</b>	10,094,054
Social security costs	<b>1,147,824</b>	997,631
Pension costs	<b>2,529,405</b>	4,007,823
	<b>15,228,783</b>	15,099,508
Agency staff costs	<b>1,426,703</b>	1,269,412
Staff restructuring costs	<b>1,262</b>	9,240
Staff development and other staff costs	<b>86,566</b>	50,564
	<b>16,743,314</b>	16,428,724
Severance payments	<b>39,669</b>	9,240

**b. SEVERANCE PAYMENTS**

The Academy paid 8 severance payments in the Year, disclosed in the following bands:

	<b>2023 No.</b>
£0 - £25,000	<b>8</b>

**c. SPECIAL STAFF SEVERANCE PAYMENTS**

Included in severance payments are non-statutory / non-contractual severance payments totalling £1,262 (2022: £9,240). This was payable to one individual.

**d. STAFF NUMBERS**

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

	<b>2023 No.</b>	2022 No.
Teachers	<b>138</b>	130
Administration and Support	<b>270</b>	261
Management	<b>47</b>	43
	<b>455</b>	434

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

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**10. STAFF (CONTINUED)**

**e. HIGHER PAID STAFF**

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

	<b>2023</b>	2022
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>7</b>	6
In the band £70,001 - £80,000	<b>3</b>	3
In the band £80,001 - £90,000	<b>3</b>	-
In the band £110,001 - £120,000	<b>1</b>	-
In the band £130,001 - £140,000	-	1
In the band £150,001 - £160,000	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

**f. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,455,813 (2022: £1,170,506).

**11. TRUSTEES' REMUNERATION AND EXPENSES**

The CEO only received remuneration in respect of services they provide undertaking the roles of CEO, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the period was as follows; S Gulzar OBE: remuneration £150,000 - £160,000 (2022: £150,000 - £160,000), employer's pension contributions £15,000 - £20,000 (2022: £35,000 - £40,000).

During the year ended 31 August 2023, expenses totalling £92 were reimbursed or paid directly to 1 Trustee (2022 - £143 to 1 Trustee).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the Year ended 31 August 2023 was £66,707 (2022 - £59,742). The cost of this insurance is included in the total insurance cost.

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**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property	Furniture and equipment	Computer equipment	Motor vehicles	Total
<b>COST OR VALUATION</b>					
At 1 September 2022	56,683,999	1,589,741	1,437,790	58,995	59,770,525
Additions	719,998	138,692	299,810	-	1,158,500
Disposals	-	-	(1,675)	-	(1,675)
At 31 August 2023	<u>57,403,997</u>	<u>1,728,433</u>	<u>1,735,925</u>	<u>58,995</u>	<u>60,927,350</u>
<b>DEPRECIATION</b>					
At 1 September 2022	2,771,089	569,145	799,812	44,418	4,184,464
Charge for the Year	960,074	115,139	468,790	3,643	1,547,646
On disposals	-	-	(1,675)	-	(1,675)
At 31 August 2023	<u>3,731,163</u>	<u>684,284</u>	<u>1,266,927</u>	<u>48,061</u>	<u>5,730,435</u>
<b>NET BOOK VALUE</b>					
At 31 August 2023	<u>53,672,834</u>	<u>1,044,149</u>	<u>468,998</u>	<u>10,934</u>	<u>55,196,915</u>
At 31 August 2022	<u>53,912,910</u>	<u>1,020,596</u>	<u>637,978</u>	<u>14,577</u>	<u>55,586,061</u>

**14. DEBTORS**

	2023	2022
Trade debtors	24,283	80,073
Other debtors	21,299	20,716
Prepayments and accrued income	991,374	1,131,902
Tax recoverable	384,135	561,564
	<u>1,421,091</u>	<u>1,794,255</u>

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

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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	2022
Salix loans	-	6,203
Trade creditors	<b>2,201,690</b>	5,396,764
Other taxation and social security	<b>537,511</b>	-
Other creditors	<b>196,171</b>	197,661
Accruals and deferred income	<b>632,174</b>	910,944
	<u><b>3,567,546</b></u>	<u>6,511,572</u>
	<b>2023</b>	2022
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2022	<b>268,896</b>	232,667
Resources deferred during the year	<b>207,149</b>	268,896
Amounts released from previous periods	<b>(268,896)</b>	(232,667)
	<u><b>207,149</b></u>	<u>268,896</u>

Deferred income represents grants received in advance of entitlement arising and monies received in advance for school trips which took place after the year end.

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

**16. STATEMENT OF FUNDS**

	Balance at 1 September 2022	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2023
<b>UNRESTRICTED FUNDS</b>						
General Funds	<b>383,697</b>	<b>322,880</b>	<b>(1,219,159)</b>	<b>512,582</b>	-	-
<b>RESTRICTED GENERAL FUNDS</b>						
GAG	<b>2,170,342</b>	<b>16,105,054</b>	<b>(14,609,896)</b>	<b>(805,338)</b>	-	<b>2,860,162</b>
Pupil Premium	-	<b>1,598,898</b>	<b>(1,598,898)</b>	-	-	-
UIFSM	-	<b>297,865</b>	<b>(297,865)</b>	-	-	-
Recovery Premium	-	<b>233,339</b>	<b>(233,339)</b>	-	-	-
Early Years Funding	-	<b>545,599</b>	<b>(545,599)</b>	-	-	-
School Supplementary Grant	-	<b>453,129</b>	<b>(453,129)</b>	-	-	-
Special Educational Needs Funding	-	<b>817,363</b>	<b>(817,363)</b>	-	-	-
Other DfE/ESFA Grants	-	<b>575,908</b>	<b>(575,908)</b>	-	-	-
Other Government Grants	-	<b>208,118</b>	<b>(208,118)</b>	-	-	-
Trip Income	-	<b>53,504</b>	<b>(53,504)</b>	-	-	-
Pension Reserve	<b>(6,779,000)</b>	-	<b>(462,000)</b>	-	<b>3,669,000</b>	<b>(3,572,000)</b>
	<b>(4,608,658)</b>	<b>20,888,777</b>	<b>(19,855,619)</b>	<b>(805,338)</b>	<b>3,669,000</b>	<b>(711,838)</b>

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

**16. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2022	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2023
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Inherited on Conversion	22,511,496	-	(858,175)	-	-	21,653,321
DfE/ESFA Capital	3,156,332	720,081	(120,324)	-	-	3,756,089
Capital Expenditure from GAG	1,104,582	-	(42,108)	292,756	-	1,355,230
Donated Fixed Assets	29,443,092	-	(527,039)	-	-	28,916,053
	<u>56,215,502</u>	<u>720,081</u>	<u>(1,547,646)</u>	<u>292,756</u>	<u>-</u>	<u>55,680,693</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>51,606,844</u>	<u>21,608,858</u>	<u>(21,403,265)</u>	<u>(512,582)</u>	<u>3,669,000</u>	<u>54,968,855</u>
<b>TOTAL FUNDS</b>	<u><u>51,990,541</u></u>	<u><u>21,931,738</u></u>	<u><u>(22,622,424)</u></u>	<u><u>-</u></u>	<u><u>3,669,000</u></u>	<u><u>54,968,855</u></u>

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

**Restricted:**

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Universal Infant Free School Meals - Income from the ESFA for the provision of free school meals.

Recovery Premium - Income from the ESFA which is to be used to support pupils whose education was impacted by COVID-19.

Early Years Funding - Income from the Local Authority in relation to free early education and childcare for 3- and 4-year olds.

School Supplementary Grant - Income from the ESFA which is to be used to support the costs of the Health and Social Care Levy and other wider costs.

Special Educational Needs Funding - Income from the Local Authority to fund further support for students with additional needs.

Other DfE/ESFA Grants - Income from the ESFA which is to be used in accordance with the terms of the funding.

**16. STATEMENT OF FUNDS (CONTINUED)**

Other Government Grants - Income from the Government which is to be used for in accordance with the terms of the funding.

Trip Income - Contributions made by parents to cover the cost of educational school trips.

Pension Reserve - The Academy's share of the assets and liabilities in the Local Government Pension Scheme.

**Fixed Asset Funds:**

Inherited on Conversion - The buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

DfE/ESFA Capital - Funding from the ESFA to cover the maintenance and purchase of school assets.

Capital Expenditure from GAG - Capital assets that have been purchased out of restricted GAG fundings.

Donated Fixed Assets - The buildings donated to the Academy from the Local Authority on additional schools joining the Trust.

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

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**16. 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
<b>UNRESTRICTED FUNDS</b>						
General Funds	1,103,722	340,779	(1,060,804)	-	-	383,697
<b>RESTRICTED GENERAL FUNDS</b>						
GAG	2,014,947	14,462,384	(13,755,559)	(551,430)	-	2,170,342
Pupil Premium	-	1,708,933	(1,708,933)	-	-	-
UIFSM	-	314,879	(314,879)	-	-	-
Recovery Premium	244,359	272,169	(516,528)	-	-	-
Other DfE/ESFA Grants	-	1,334,691	(1,334,691)	-	-	-
Other Government Grants	-	83,986	(83,986)	-	-	-
Pension Reserve	(18,922,000)	(110,000)	(1,715,000)	-	13,968,000	(6,779,000)
	(16,662,694)	18,067,042	(19,429,576)	(551,430)	13,968,000	(4,608,658)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Inherited on Conversion	23,404,746	-	(893,250)	-	-	22,511,496
DfE/ESFA Capital	2,088,395	1,147,641	(79,704)	-	-	3,156,332
Capital Expenditure from GAG	575,101	-	(21,949)	551,430	-	1,104,582
Donated Fixed Assets	-	29,970,000	(526,908)	-	-	29,443,092
	26,068,242	31,117,641	(1,521,811)	551,430	-	56,215,502
<b>TOTAL RESTRICTED FUNDS</b>	9,405,548	49,184,683	(20,951,387)	-	13,968,000	51,606,844
<b>TOTAL FUNDS</b>	10,509,270	49,525,462	(22,012,191)	-	13,968,000	51,990,541



**PA COMMUNITY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	<b>2023</b>	2022
Prince Albert Primary School	<b>229,641</b>	513,156
Birchfield Community School	<b>415,167</b>	149,431
Heathfield Primary School	<b>380,823</b>	446,545
Highfield Junior School	<b>371,139</b>	297,059
Sutton Park Primary	<b>598,024</b>	321,416
Prince Albert High School	<b>514,679</b>	274,940
Central Services	<b>350,689</b>	551,492
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>2,860,162</b>	2,554,039
Restricted fixed asset fund	<b>55,680,693</b>	56,215,502
Pension reserve	<b>(3,572,000)</b>	(6,779,000)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>54,968,855</b>	51,990,541
	<hr/> <hr/>	<hr/> <hr/>

The Trust switched to reserves and GAG pooling from 1 September 2020. In line with their policy the brought forward reserves were split equally between each school and the central services.

A rebalancing exercise takes place at 1st September every year.

**PA COMMUNITY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. 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
Prince Albert Primary School	2,708,207	250,307	62,817	631,701	<b>3,653,032</b>	3,326,995
Birchfield Community School	2,207,356	275,504	53,078	602,256	<b>3,138,194</b>	3,282,527
Heathfield Primary School	1,739,654	191,844	73,547	423,633	<b>2,428,678</b>	2,351,134
Highfield Junior School	2,829,073	327,588	78,728	659,728	<b>3,895,117</b>	3,831,088
Sutton Park Primary	1,666,964	234,430	41,197	373,301	<b>2,315,892</b>	2,257,218
Prince Albert High School	1,579,624	230,517	82,419	578,778	<b>2,471,338</b>	1,655,984
Central Services	628,736	1,615,944	1,922	463,925	<b>2,710,527</b>	2,070,434
<b>ACADEMY</b>	<b>13,359,614</b>	<b>3,126,134</b>	<b>393,708</b>	<b>3,733,322</b>	<b>20,612,778</b>	<b>18,775,380</b>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Restricted funds 2023	Restricted fixed asset funds 2023	Total funds 2023
Tangible fixed assets	-	55,196,915	<b>55,196,915</b>
Current assets	6,427,708	483,778	<b>6,911,486</b>
Creditors due within one year	(3,567,546)	-	<b>(3,567,546)</b>
Provisions for liabilities and charges	(3,572,000)	-	<b>(3,572,000)</b>
<b>TOTAL</b>	<b>(711,838)</b>	<b>55,680,693</b>	<b>54,968,855</b>

**PA COMMUNITY TRUST  
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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**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	-	-	55,586,061	55,586,061
Current assets	383,697	8,681,914	629,441	9,695,052
Creditors due within one year	-	(6,511,572)	-	(6,511,572)
Provisions for liabilities and charges	-	(6,779,000)	-	(6,779,000)
<b>TOTAL</b>	<b>383,697</b>	<b>(4,608,658)</b>	<b>56,215,502</b>	<b>51,990,541</b>

**18. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(690,686)</b>	27,513,271
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>1,547,646</b>	1,519,811
Capital grants from DfE and other capital income	<b>(720,081)</b>	(1,147,641)
Interest receivable	<b>(13,470)</b>	(505)
Defined benefit pension scheme cost less contributions payable	<b>171,000</b>	1,380,000
Defined benefit pension scheme finance cost	<b>291,000</b>	445,000
Decrease in stocks	-	24,335
Decrease/(increase) in debtors	<b>373,164</b>	(125,124)
(Decrease)/increase in creditors	<b>(3,475,334)</b>	4,368,239
Fixed assets inherited on donation	-	(29,970,000)
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(2,516,761)</b>	4,007,386

**19. CASH FLOWS FROM FINANCING ACTIVITIES**

	2023	2022
Repayment of loans	<b>(6,203)</b>	(6,203)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6,203)</b>	(6,203)

**PA COMMUNITY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2023</b>	2022
Purchase of tangible fixed assets	<b>(1,158,500)</b>	(1,391,405)
Capital grants from DfE Group	<b>720,081</b>	1,147,641
Interest receivable	<b>13,470</b>	505
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(424,949)</b>	(243,259)

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2023</b>	2022
Cash in hand and at bank	<b>4,952,884</b>	7,900,797
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>4,952,884</b>	7,900,797

**22. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 September 2022</b>	<b>Cash flows</b>	<b>At 31 August 2023</b>
Cash at bank and in hand	7,900,797	(2,410,402)	5,490,395
Debt due within 1 year	(6,203)	6,203	-
	<b>7,894,594</b>	<b>(2,404,199)</b>	<b>5,490,395</b>

### **23. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Scheme.. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £273,957 were payable to the schemes at 31 August 2023 (2022 - £193,144) 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 latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 are:

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

The next valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (CONTINUED)**

The employer's pension costs paid to TPS in the year amounted to £1,406,568 (2022 - £1,233,224).

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>) for 2016 and [www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx](https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx) for 2020.

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

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2023 was £1,242,000 (2022 - £1,497,000), of which employer's contributions totalled £978,000 (2022 - £1,293,000) and employees' contributions totalled £264,000 (2022 - £204,000). The agreed contribution rates for future years are 28.7 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

**PRINCIPAL ACTUARIAL ASSUMPTIONS**

	<b>2023</b>	2022
	%	%
Rate of increase in salaries	<b>3.95</b>	4.05
Rate of increase for pensions in payment/inflation	<b>2.95</b>	3.05
Discount rate for scheme liabilities	<b>5.20</b>	4.25

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

	<b>2023</b>	2022
	Years	Years
Retiring Today		
Males	<b>20.5</b>	21.2
Females	<b>23.7</b>	23.6
Retiring in 20 years		
Males	<b>21.0</b>	22.9
Females	<b>24.4</b>	25.4

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. PENSION COMMITMENTS (CONTINUED)**

**SENSITIVITY ANALYSIS**

	<b>2023</b>	2022
	<b>£000</b>	£000
Discount rate -0.1%	<b>(349)</b>	(431)
Mortality assumption - 1 year increase	<b>(541)</b>	(634)
CPI rate+0.1%	<b>(309)</b>	(374)
	<b>=====</b>	<b>=====</b>

**SHARE OF SCHEME ASSETS**

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

	<b>At 31 August 2023</b>	At 31 August 2022
Equities	<b>6,775,000</b>	6,076,000
Other bonds	<b>2,092,000</b>	1,904,000
Property	<b>697,000</b>	725,000
Cash and other liquid assets	<b>399,000</b>	363,000
	<b>=====</b>	<b>=====</b>
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>9,963,000</b>	9,068,000
	<b>=====</b>	<b>=====</b>

The actual return on scheme assets was £120,000 (2022 - £227,000).

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

	<b>2023</b>	2022
Current service cost	<b>(1,149,000)</b>	(2,565,000)
Past service cost	<b>978,000</b>	-
Interest income	<b>409,000</b>	146,000
Interest cost	<b>(700,000)</b>	(481,000)
Transfer in of new school	<b>-</b>	110,000
	<b>=====</b>	<b>=====</b>
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(462,000)</b>	(2,790,000)
	<b>=====</b>	<b>=====</b>

**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:

	<b>2023</b>	2022
<b>AT 1 SEPTEMBER</b>	<b>15,847,000</b>	26,802,000
Transfer in of new school	-	158,000
Current service cost	<b>1,149,000</b>	2,565,000
Interest cost	<b>700,000</b>	481,000
Employee contributions	<b>264,000</b>	252,000
Actuarial losses	<b>(4,299,000)</b>	(14,328,000)
Benefits paid	<b>(126,000)</b>	(83,000)
<b>AT 31 AUGUST</b>	<b>13,535,000</b>	15,847,000

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

	<b>2023</b>	2022
<b>AT 1 SEPTEMBER</b>	<b>9,068,000</b>	7,880,000
Transfer in of new school	-	48,000
Interest income	<b>409,000</b>	146,000
Actuarial gains	<b>(630,000)</b>	(360,000)
Employer contributions	<b>978,000</b>	1,185,000
Employee contributions	<b>264,000</b>	252,000
Benefits paid	<b>(126,000)</b>	(83,000)
<b>AT 31 AUGUST</b>	<b>9,963,000</b>	9,068,000

**24. OPERATING LEASE COMMITMENTS**

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

	<b>2023</b>	2022
Not later than 1 year	<b>17,392</b>	26,103
Later than 1 year and not later than 5 years	<b>10,444</b>	12,939
	<b>27,836</b>	39,042

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



**26. RELATED PARTY TRANSACTIONS**

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

**27. GENERAL INFORMATION**

PA Community Trust is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Unity House, 27 Trinity Road, Birmingham, B6 6AJ