



**(A Company Limited by Guarantee)**

# **Annual Report and Financial Statements**

## **Year ended 31st August 2023**

**Company Registration Number 06462935 (England and Wales)**

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

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# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Reference and Administrative Details

<b>Members</b>		H D Gee D Harry R Partington P Houten
<b>Trustees</b>	<b>a</b>	H D Gee (Chair)
	<b>b</b>	S Richardson (Vice-Chair)
	<b>a</b>	I Jones
	<b>b</b>	F Knowles
	<b>b</b>	J Mackinder
	<b>b</b>	L Tyreman
	<b>b</b>	C Allen
	<b>b</b>	S Dixon
<b>Key</b>	<b>a</b>	Trustee appointed by Members
	<b>b</b>	Trustee appointed by Sponsor

<b>Chief Executive/Accounting Officer</b>	I Jones
<b>Chief Financial Officer/Company Secretary</b>	D Carchedi
<b>Clerk to the Trustees</b>	M Mammatt
<b>Executive Leadership Team:</b>	
Deputy CEO & Head, The Priory Academy LSST	J Hopkinson
Grantham Hub Lead & Head, The Priory Ruskin Academy	R Wyles
Primary Executive	J Marston
Director of Federation Services & Lincoln Hub Lead	A Madge
Director of Welfare	R Reeve
Director of Wellbeing	J Wilson
Director of Professional Learning	A Chisholm
Director of Safeguarding	K Creaser

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Reference and Administrative Details (continued)

<b>Registered Office</b>	The Priory Federation of Academies 23 Cross O' Cliff Hill Lincoln Lincolnshire LN5 8PW Tel: 01522 889977
<b>Company Registration Number</b>	06462935 (England and Wales)
<b>Independent External Auditor</b>	Duncan & Toplis Audit Limited Statutory Auditors 4 Henley Way Lincoln LN6 3QR
<b>Independent Internal Auditor</b>	Mazars LLP 45 Church Street Birmingham B3 2RT
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
<b>Bankers</b>	Lloyds Bank plc 12 – 16 Lower Parliament Street Nottingham NG1 3DA

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report

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

The Trust operates twelve academies; five secondary, five primary, one all-through and one special all-through with a combined roll of 8,293 in the school census on 1 October 2023.

## Structure, Governance and Management

### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of The Priory Federation of Academies are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Priory Federation of Academies.

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 2.

### 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

The Trust is a member of the Department for Education's Risk Protection Arrangement (RPA). The RPA Administrator will subject to the definitions, extensions, exclusions and conditions of the Rules indemnify the Trust in respect of losses arising as a result of indemnifying an indemnified person in accordance with its legal obligations, for loss arising from claims made against the indemnified person, during a membership year. The RPA Administrator's limit of liability in respect of each academy shall be £10,000,000 each and every loss and shall be the maximum aggregate liability of the RPA Administrator from all losses from an academy whose Academy Trust is a member during any one membership year.

An indemnified person is:

- i) Any Governor or any Member of the governing body or board of governors of the Trust and/or any representative acting solely on behalf of an indemnified person.
- ii) Any Employee of the member whilst acting in a managerial capacity with regard to the overall operation of the educational establishment.
- iii) Any Employee who is named as a co-defendant in respect of a claim made against a Governor.

### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Trust's Memorandum and Articles of Association.

The number of Trustees shall be not less than three, and the Trust shall have the following Trustees

- i) Up to five Trustees appointed by the Members and
- ii) If appointed before the end of February 2022, up to seven Trustees appointed by the then Sponsor, The Priory Fundraising Trust.
- iii) In addition, Trustees may appoint co-opted Trustees.

A minimum of two Parent Governors sit on each local governing body.

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

All new Trustees are provided with access to appropriate DfE guidance and the Trust's own governance handbook (The Priory Handbook). In addition, a Trustee training workshop is arranged at least once per year.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Organisational Structure

As at 31st August 2023, The Priory Federation of Academies consisted of five secondary academies (The Priory Academy LSST, The Priory City of Lincoln Academy, The Priory Ruskin Academy, The Priory Belvoir Academy and The Priory Pembroke Academy), one all-through academy (The Priory Witham Academy), five primary academies (Ling Moor Primary Academy, Heighington Millfield Primary Academy, Huntingtower Community Primary Academy, Waddington Redwood Primary Academy and Cherry Willingham Primary Academy) and one all-through special academy (Willoughby Academy).

As specified in the Memorandum of Association, The Priory Federation of Academies is responsible for all academies in the Trust.

The Trustees of The Priory Federation of Academies may delegate to a committee, to any Trustee holding executive office, to the Chief Executive, or to the Heads of Academy, such of their powers or functions as they consider to be desirable to be exercised by them.

Committees of The Priory Federation of Academies are known as Trust committees. Separate local advisory committees known as Local Governing Bodies have been appointed for each of the academies.

A representative from a Local Governing Body is, subject to an assessment of appropriate skill-sets, nominated by Members of the Trust to become a Trustee.

A Trust Governance Development Group, chaired by the Chief Executive Officer (CEO) of the Trust, provides a link between the Trust Board, members of the Senior Leadership Team and the individual academies.

The Accounting Officer is the CEO of the Trust.

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

The Trust policy for Teachers' pay (up to and including Headteachers) follows closely the requirements of the School Teachers' Pay and Conditions Document (STPCD), including the salary scales and reference points for the Main, Upper and Leadership scales. Pay progression is dependent upon a successful annual appraisal.

The job roles of the key non-teaching staff have been externally evaluated by The Hay Group and this data is being used to ensure that pay is appropriate for each senior position. Again, pay progression is dependent on a successful appraisal. Appraisals for the Headteachers and key non-teaching staff are managed by the CEO and moderated with an external consultant. The CEO's appraisal is carried out by the Pay Performance and HR committee, again supported by an external consultant. In addition, annual benchmarking against similar Multi Academy Trusts is carried out in respect of the CEO's pay.

### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
11	10.6

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	8
1% - 50%	3
51% - 99%	-
100%	-

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

Total cost of facility time	£20,901.45
Total pay bill	£44.0m
% spent on facility time	0.048%

### Paid trade union activities

There was no expenditure on paid trade union activities

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

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

The Priory Fundraising Trust served as the Sponsor of The Priory Federation of Academies until February 2022 and was formally dissolved in July 2023. There are no other charities or organisations connected to the Trust.

### **Engagement with employees (including disabled persons)**

Throughout the year, the Trust maintained regular, appropriate, and proportionate communication with all employees. The Trust-wide newsletter, 'The Priory Star,' highlights collaborative efforts, achievements, and organizational developments.

The HR and Finance departments advanced the development of the Trust's software system, enabling employee "self-service" access to personal pay, holiday, absence, and performance management records. HR Business partners conduct regular drop-in sessions at each academy, offering opportunities for employees to discuss various topics, including return to work, pensions, and wellbeing. Sites also conduct their own wellbeing related activities, such as staff wellbeing days and awareness initiatives.

A Strategic Wellbeing Group guides the development of the Wellbeing function, integrating its goals into each Academy's Development Plan. This aligns with a "You Said, We Did" approach, reflecting a commitment to fostering a healthy work environment and enhancing the quality of work life for staff. Wellbeing champions, appointed across all 12 academies and central services, provide guidance to staff on available support and resources, and contribute insights to the Strategic Wellbeing Group, helping identify trends, needs, and wellbeing issues. Comprehensive training in areas such as nutrition, self-reflection, resilience, and stress management was provided to these champions in the past academic year.

Employee wellbeing is primarily assessed through an annual staff survey, which evaluates aspects like sense of belonging, overall wellbeing, and areas for organizational improvement. Feedback from these surveys is actioned in line with the "You Said, We Did" approach. Last year, an external survey tool was utilised to gather feedback from staff, parents, and pupils, highlighting areas such as communication, wellbeing, and workload, with actions currently underway in response to these concerns.

The Trust recognises the importance of Equality, Diversity and Inclusion (EDI) within the organisation. The Trust's Director of Wellbeing is responsible for the development and implementation of EDI initiatives across the Trust, supported by an Equality and Diversity Champion whose role commenced in September 2022. The role of the champion continues to grow, assisting sites with understanding EDI and identifying future training needs. The Trust's EDI strategy, now firmly established, underwent a review during the year as part of external assurance activities. Actions are being implemented to ensure its comprehensive integration across the Trust.

Each academy within the Trust has a dedicated Accessibility Plan, outlining efforts to ensure an inclusive environment. A commitment to equality of provision for all visitors, staff, and students is upheld, with active support for the recruitment and retention of individuals with disabilities. Regular reviews and updates are made to each academy's Accessibility Plan in collaboration with staff and students.

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

Within the Trust's Ethos, one of its guiding principles is the approach of Agile Partnering, where the Trust seeks to identify and collaborate with colleagues and organisations that share the Trust's values, with the overarching mission to enhance the educational outcomes and improve the life chances of pupils. This is evidenced in the Trust's collaboration with the Lincoln City Foundation on delivering a Sports BTEC over the last academic year, drawing on the expertise of Lincoln City FC as an elite football academy.

The Trust recognises its responsibility as a custodian of public funds and is dedicated to ensuring value for money and transparency in the deployment of these resources. As part of this, the Trust operates a centralised procurement team to facilitate an efficient and timely payment process for our suppliers and partners. In 2022, the Trust's procurement processes were independently verified, confirming a Moderate Assurance rating on the effectiveness of internal controls that "support the effective procurement of goods and services across the Trust".

The Trust's suppliers and partners continue to benefit from this approach, with payments being made in a timely and consistent manner, as demonstrated within our published payment practices reports.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Objectives and Activities

#### Objects and Aims

The principal object of the Trust, in line with the Articles, is to advance for the public benefit education in the United Kingdom, by establishing and developing academies offering a broad and balanced curriculum.

The Mission statement is:

- a) To improve the life chances of our students; and
- b) To ensure that all students appreciate the excitement of learning, the rewards of personal challenge and the importance of helping others – and so become true citizens of the world.

#### Objectives, Strategies and Activities

The objectives are set out in the Trust's Vision, which is reviewed annually, published in full in The Priory Handbook and used to inform the Trust's Development Plan:

1. Maximising Performance: Custodians of the Trust are aligned in approach, effective in decision making, and work in the best interests of our pupils.
2. Maximising Effectiveness: Colleagues feel valued, access quality development opportunities, and consider the Trust as an employer of first choice.
3. Maximising Learning: Colleagues and pupils benefit from teaching, learning, and assessment frameworks that are used consistently, developed from best practice research, and provide powerful experiences across the curriculum.
4. Maximising Values: Pupils feel valued, make meaningful contributions, and become true citizens of the world.
5. Maximising Achievement: We all become more passionate, more courageous, more generous, more curious, and a little wiser.

#### Public Benefit

In setting objectives and planning the Trust's activities, Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

1. To advance for the public benefit education in the city of Lincoln and the surrounding area including Grantham, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to, either one or a combination of the specialisms. The specialisms are The Priory Academy LSST – Technology and Science; The Priory Witham Academy – Performing Arts and Business and Enterprise; The Priory City of Lincoln Academy – Sport; and The Priory Ruskin Academy – Sport and Visual Arts.
2. To provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the interest of improving the life of the said community.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

There is a clear strategic direction for the Priory framed within the Mission: To improve life chances; and the Motto: 'By the good deeds you do, you will be remembered in the stars for eternity.'

The Trust's Vision Statement, which is reviewed each year, provides an overarching framework for the direction of the Trust.

This direction is detailed within a Trust Development Plan that is monitored throughout the year by members of the senior team and by Trustees.

#### Key Performance Indicators

Secondary	Progress 8	Attainment 8	4+ English & Maths	5+ English & Maths
Belvoir	0.33	47.38	77	43
Lincoln	-0.34	39.83	58	30
LSST	0.24	55.36	83	60
Pembroke	-0.1	41.64	58	39
Ruskin	0.14	43.11	58	31
Witham	-0.33	37.85	46	24

Primary	Reading Exp	Writing Exp	Maths Exp	R, Wr, M Exp	Reading Progress	Writing Progress	Maths Progress
Cherry	66	69	72	59	-2.2	-0.6	-0.2
Heighington	85	77	77	60	1.4	0.8	0.4
Huntingtower	70	58	73	50	-0.6	-2.0	-0.5
Ling Moor	93	89	91	81	1.9	1.2	1.8
Redwood	86	70	68	61	1.0	-1.9	-2.5
Witham	50	53	60	43	-3.1	-3.1	-0.7

#### School Centred Initial Teacher Training

The Trust's SCITT has developed successful relationships with the University of Lincoln and a number of local teaching schools and Lead Schools. It was successful in its bid for reaccreditation for September 2024, which will involve further and deeper collaboration with local stakeholders.

#### Post-16 Offer

The Trust continues to develop its ambitious post-16 offer, developing Academic and Technical career pathways through its well-established A-levels and a new suite of T-level qualifications. It also offers a growing number of industry standard work-based apprenticeships for those students who wish to continue their studies alongside paid employment.

#### Language Hub

The Priory Academy LSST was selected as one of the schools leading the government's language hub scheme, which aims to improve the take-up of foreign languages nationally.

#### Equal Opportunities Policy

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Trust aims to maintain equal opportunity in all areas of its activities, including a working environment in which the contribution and needs of all people are fully valued.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### 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

In accordance with section 172(1) of the Companies Act 2006, The Trustees have acted in the way in which they consider, in good faith, most likely to promote the success of the Trust and to achieve its charitable purposes. Prescribed in the Trust's objects and aims, all key decisions during the year were made toward advancing these charitable purposes.

In making key decisions, the long-term consequences are assessed and considered by Trustees, including the effect on the long-term financial stability of the Trust through maintenance of rolling five-year forecasts.

These decisions are taken with due regard for the interests of the Trust's stakeholders. Details of how the Trust engages with these key stakeholders to inform its own decision making process are described further in the sections within this report headed; Engagement with employees (including disabled persons) and Engagement with suppliers, customers and others in a business relationship with the Trust.

In order to maintain high standards of business conduct, the Trust operates a number of appropriate policies, including Anti-Fraud, Corruption and Bribery, Business Travel and Expenses, Gifts and Hospitality; and Whistleblowing.

Trustees sign a number of documents at the start of each academic year in order to commit to ongoing probity and integrity; included among these are a Code of Conduct, Declaration of Eligibility to Serve and Declaration of Business Interests.

All Members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact Trustees or the Executive.

The Trust endeavours to reduce its impact on the environment and reduce its carbon footprint. These efforts are described further under the section Streamlined Energy and Carbon Reporting, wherein it is demonstrated how the Trust has continued to reduce its carbon emissions per pupil and implemented a Heat Decarbonisation Plan with the ambition to be near carbon neutral by 2040.

In line with its commitment to robust assurance practices, Trustees initiated several internal audits throughout the year, guided by the Trust's comprehensive risk management framework. These audits spanned a diverse range of operational areas.

A detailed examination of Cash, Bank, and Treasury Management revealed that the control frameworks governing the Trust's liquidity and asset management are highly effective, earning a rating of substantial assurance. Furthermore, an assessment of the Trust's Health and Safety Management processes was conducted, yielding moderate assurance regarding the effectiveness of internal controls. The internal controls surrounding Staff Performance Management were evaluated, with findings indicating substantial assurance in both adequacy and effectiveness. Additionally, the Trust engaged in externally-led cybersecurity exercises, encompassing a Phishing Simulation, a comprehensive Vulnerability Assessment, and a critical review of the Multi-Factor Authentication systems. These assurance reviews provided a set of best practice recommendations, slated for implementation in the forthcoming academic year

Looking ahead, the Trustees are committed to continuing these in-depth external scrutiny reviews. Future audits will be strategically directed by the recommendations of the externally appointed Internal Auditor, aligned with the ongoing review program, and informed by the insights of the Trust's Risk Register and Risk Appetite Statement.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Financial Review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 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. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants 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 expected useful life of the assets concerned.

Total income for the year was £64.8m and expenditure amounted to £65.9m which resulted in a net outflow of funds of £1.1m.

Total funds at 31 August 2023 are in surplus by £129.5m, made up of a surplus of £127.4m restricted funds and £2.1m unrestricted funds. The restricted funds comprise £118.7m restricted fixed asset fund, £8.0m restricted operating funds, £0.5m endowment funds and a pension reserve fund asset of £0.2m. Of the £118.7m within the restricted fixed asset fund, £0.2m relates to unspent capital grants and £118.5m related to fixed assets whose value can only be realised on disposal.

Membership in the Local Government Pension Scheme (LGPS) is offered to all support staff in accordance with the terms outlined in the Funding Agreement. The current value of the scheme shows a surplus, which has been subject to an actuarial asset ceiling calculation. This measure is taken to ensure the scheme's value is accurately represented and not overstated.

The Trust maintains live financial plans for each academy over a rolling five-year period to ensure that academies are able to maintain a viable long term financial position whilst continuing to raise educational standards.

### Reserves Policy

The Trust has established a policy that monitors and sets the level of reserves required over its combined five-year plans to ensure sufficient working capital to cover delays between spending and receipt of grants and to provide a contingency to deal with unexpected emergencies. Academies look to maintain a targeted level of reserves between 5% and 10% of GAG income to meet these demands proportionately. Where the levels of reserves fall outside this range, plans are in place for their expenditure or recovery to the desired levels. There is also a centrally held contingency that is managed to support those academies within the Trust with financial challenges and to maintain the overall reserves of the Trust at the desired level.

### Investment Policy

The Trust holds and monitors its cash balances centrally. Amounts not deemed to be required immediately are invested in zero-risk fixed-term deposits with UK high street banks.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Principal Risks and Uncertainties

Trustees' are of the opinion that during the year, the Trust was operating an effective set of controls to manage risk and implemented mitigation activities where appropriate. The formal process around risk was regularly reviewed by the Audit Committee and the outcomes presented to Trustees.

A consistent area of concern has been staffing, particularly challenges associated with recruitment and retention. The wellbeing of staff and the impact of workload demands are also areas the Trust is proactively addressing, providing support and guidance in key areas.

The financial outlook for future academic years remains a concern, with errors from the DfE in calculating the National Funding Formula and subsequent reduction in funding rates. Compounded by uncertainties over inflation, future pay awards, pension contribution increases and high energy costs, Educational budgets are expected to face constraints.

Managing the risks around cybersecurity and the increasing cost of IT infrastructure and services are a priority for the Trust, with ongoing mitigation efforts and external reviews conducted to ensure robust cybersecurity measures are in place.

Despite the asset value presented from the latest LGPS accounting valuation, volatile financial markets mean the Trust anticipates further increases to the necessary employer contributions from both the Local Government Pension and Teachers' Pension Schemes at the next fund valuations.

Student numbers are presented to the Finance Committee at each meeting and future trends and predictions reviewed to ensure that realistic estimates are used in the Trust's financial modelling.

Trustees are aware of the risks impacting on their responsibilities to ensure the Trust's estate is safe, well maintained and complies with relevant regulations. Trustees have appointed individuals in central roles to support academies in identifying and mitigating such risks.

Subsequent to the balance sheet date of this report, two of the Trust's Primary Academies experienced significant flooding. Whilst insurance coverage mitigates an immediate financial impact, extensive efforts are underway to restore the buildings fully. The Trust has efficiently reallocated building space across its other Academies, ensuring minimal disruption to students' education as the recovery projects progress.

### Fundraising

The Trust does not use any external fundraisers. The Trust's fundraising activities are limited to the letting of premises and facilities for community use when not utilised for the Trust's educational purposes and from voluntary contributions for educational visits. These activities form part of the Trust's charitable objectives as prescribed in its Articles of Association.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Streamlined Energy and Carbon Reporting

The Trust undertook an ambitious series of energy efficiency and decarbonisation projects during the year. These improvements were paid for by a £1.7m grant from the Department for Business and Industrial Strategy, administered by Salix, together with the use of the DfE Energy Efficiency Grants issued to each Academy.

14 additional solar arrays were installed, ensuring there is now at least one solar array at every Trust site. As a result, the actual annual solar generation increased from 540,690 kWh last year to 878,480 kWh this year, which is the equivalent of 30% of the Trust's annual electricity consumption.

The Trust also completed the installation of 12 air source heat pumps (ASHPs) across 5 sites. The purpose is to reduce the Trust's dependence on fossil fuels by removing gas-fired boilers and replacing them with a more efficient heat source powered by electricity. To compensate for the increase in electricity, a solar array was justified for each of the five sites, ensuring that over a 12-month period, the solar arrays will generate approximately the same electricity as the ASHP's annual usage.

Additionally, the Trust completed the installation of a storage battery at one of its sites, helping to reduce the baseload for that academy and giving valuable information on the technology for future direction.

As a result, there was a reduction in both electricity and gas use as the Trust took advantage of increased solar generation along with efforts to increase awareness to staff and students of the need to reduce our consumption.

The above projects are in line with the Trust's Heat Decarbonisation Plan, where the aim is to be near carbon neutral by 2040. The Trust is making significant progress towards this aim illustrated by the fact that on certain days, during the year, each site was indeed carbon neutral.

The Trust can confirm again that during the year no waste was sent to landfill, 20% waste was recycled and the remainder sent as diverted waste to be repurposed.

The Trust's net carbon energy density has again dropped this last year:

UK Greenhouse gas emissions and energy use data for the period	kg of CO <sub>2</sub> e	
	2022/23	2021/22
<b>Scope 1</b>		
Gas Consumption	1,410,602	1,501,709
Own Transport (minibuses and vans)	9,520	8,398
<b>Scope 2</b>		
Purchased Electricity	634,472	646,274
<b>Scope 3</b>		
Business Travel (employee owned vehicles)	21,977	16,662
Contracted bus service to LSST Academy	3,772	3,921
<b>Total Gross Emissions</b>	<b>2,080,343</b>	<b>2,176,964</b>
Renewable energy exported to grid	(65,059)	(47,839)
Energy savings due to processing of Trust waste	(28,000)	(50,000)
<b>Total Net Emissions</b>	<b>1,987,284</b>	<b>2,079,125</b>
<b>Overall net carbon intensity</b> (total net emissions kg CO <sub>2</sub> e/pupil)	<b>245</b>	<b>256</b>

The format of the table follows the guidance as given in the latest 2022/23 Academies Direction on Energy and Carbon reporting and uses the 2023 conversion factors as updated by the Department for Business, Energy and Industrial Strategy (BEIS). It should be noted that the conversion factor for electricity this year has risen by 7% due a national reduction in the implementation of renewables across the country. This had a negative impact on the Trust's own carbon reduction. If the factor had reduced by 9%, as in previous years, the Trust's Overall Net Carbon Intensity would have reduced by 10% to 232kgCO<sub>2</sub>e/pupil.

The Trust uses the market based methodology for calculating its emissions and net carbon intensity so that our efforts in generating and purchasing low carbon energy are correctly reflected.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Trustees' Report (continued)

### Plans for Future periods

In its ongoing work, the Trust adopts the following approaches:

**Organic Alignment:** as we seek to develop our organisation, we endeavour to work more closely together. We, therefore, grow organically by aligning our overarching policies, our best practices and our most effective procedures.

**Agile Partnering:** as the educational and civic landscapes are constantly changing, we seek to identify colleagues and organisations with a similar ethos with whom we can collaborate.

**Creative Innovation:** as we encounter increasingly complex challenges, we seek to provide an environment in which creativity and innovation are key features of the curriculum, the classroom and the workplace.

**Intelligent Accountability:** as our Trust develops, we become increasingly focused on defining and then working to achieve a level of intelligent accountability that is meaningful to the organisation.

In short, our priorities are based on a desire: to develop organically by becoming more aligned; to work with inspirational partners; to deploy new thinking; and to better define, achieve, and celebrate success.

### 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 Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2023 and signed on the Board's behalf by:

**H Gee**  
Chair of Trustees

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Governance Statement

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Priory Federation of Academies 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.

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

### Governance

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

Trustee	Meetings attended	Out of a possible
H D Gee (Chair)	4	4
S Richardson	4	4
I Jones	4	4
F Knowles	4	4
J Mackinder	4	4
S Dixon	3	4
L Tyreman	3	4
C Allen	2	4

**The Finance Committee** is a sub-committee of the main Board of Trustees. Its main functions, among those set out in its Terms of Reference, are to monitor the annual budget of the Trust and its performance to budget, to approve certain expenditure and to recommend the Annual Report to the Trust Board.

Attendance at Finance Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
H Gee	5	5
F Knowles	5	5
I Jones	5	5

**The Education & Standards Committee** is a sub-committee of the main Board of Trustees. Its main function, among those set out in its Terms of Reference, is to monitor educational strategy and standards across the academies.

Attendance at Education & Standards Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
F Knowles	5	5
H Gee	5	5
L Tyreman	5	5
I Jones	5	5
C Allen	5	5

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Governance Statement (continued)

**The Pay, Performance & HR Committee** is a sub-committee of the main Board of Trustees. Its main functions, among those set out in its Terms of Reference, are to monitor HR issues and risks; and to carry out the performance management process for Heads and Federation staff Directors.

Attendance at Pay, Performance & HR Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Richardson	5	5
H Gee	5	5
I Jones	4	5

**The Audit Committee** is a sub-committee of the main Board of Trustees. Its main functions, among those set out in its Terms of Reference, are: to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes; to scope, evaluate, monitor and report on the work of internal and external auditors; and to report to the board as required on the above and other matters within its Terms of Reference.

Attendance at Audit Committee meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Dixon	4	4
J Mackinder	4	4

### Governance Reviews

Trustees recognise the importance of external governance reviews and continue to seek assurance in key areas in line with its Risk Assurance Framework. In July 2021, the process around Risk Management was reviewed by the Trust's internal auditors, Mazars, who deemed the system of controls to be Substantial, commenting that: "From our review of the Trust's Risk Assurance Framework, we have noted that the Trust conforms to best practice in setting out principles of; purpose, risk identification, risk assessment, scoring, risk responses, ownership, escalation/oversight, staff and group responsibilities and training/support arrangements."

The Trust continues to strengthen its governance arrangements by identifying skills gaps through maintenance of skills matrices for governors and trustees, helping to shape and inform its recruitment and succession strategies. It also runs a Governance Development Group, providing training and information on relevant topics twice a year.

The Trust oversees the governance arrangements at its academies with bi-annual reviews of the activity of their Local Governing Bodies to ensure compliance and assurance. It also completes the DfE's self-assessment tool, which checks that appropriate financial management and governance arrangements are in place.

### Conflicts of interest

The Trust follows the requirements of the Academy Trust Handbook and Charities Commission in managing any potential conflicts of interest. Trustees, members, local governors and senior employees, including those with budgetary responsibility, are required to record their relevant business and pecuniary interests on the register of interests. These interests are updated and monitored to ensure conflicts of interest are avoided and that any related party transactions are disclosed in these financial statements. Prior ESFA approval is sought for contracts and other agreements where required.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Governance Statement (continued)

### Review of Value for Money

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

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

#### Improving educational outcomes

- The academies, working and collaborating as a Federation, enabled a common approach to be taken to values, standards, the use of resources, utilisation of management expertise and the creation of a broad and rich opportunity for young people to achieve their maximum potential in society.
- Existing staffing structures were under regular review by Heads and curriculum managers to ensure best value and best use of resources.
- The Trust's SCITT programme demonstrates that it is attempting to address, in part, the skills shortage in the education sector.
- The Trust's Education & Standards Committee met formally five times during 2022-23 and also held regular clinics with the Trust's Headteachers, providing support and challenge in pursuit of higher standards and monitoring the effectiveness of the academies in terms of the key performance indicators that relate to students.

#### Financial governance and oversight

- With the Board meeting less than six times during the year, it maintained effective oversight by delegating financial scrutiny and oversight to the Finance Committee, which met five times during the year. At each Board meeting, the Chair of the Finance Committee presented a report to the Board with the CFO in attendance. At the July meeting, the budget and financial forecast were approved and at the December meeting the annual accounts were approved.
- Monthly management accounts were produced by the CFO to include income & expenditure, variation to budget, cash flow and balance sheet reports which were shared with the Chair of Trustees and made available to all Trustees. The Chair met monthly with the CEO and CFO where the financial position was reviewed further.
- The Trust's Finance Committee and Audit Committee met a total of nine times during 2022-23, with committee members presenting scrutiny and challenge to budgeting processes, spending decisions and resource allocations.
- The Audit Committee engages national education experts Mazars as the Trust's Internal Auditor. The Internal Audit team examined the Trust's processes around Cash, Bank and Treasury Management, with substantial assurance given over the adequacy and effectiveness of internal controls.
- The Trust utilised the DfE's School Resource Management Self-Assessment tool and View My Financial Insights tool to benchmark its academies against similar schools nationally. Appropriate follow-up actions were taken for those academies which appear to deviate from the benchmark where a suitable justification does not exist.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Governance Statement (continued)

### Purchasing

- Contracts and services were regularly reviewed – particularly at any annual review or full-term renewal – to ensure that the Trust obtained optimum value for money.
- Economies of scale and multi-site discounts were achieved through a collaborative cross-academies approach by the Federation Purchasing and Estates & Facilities teams.
- The Trust continued its framework arrangements for certain areas and levels of procurement so that, where applicable, best value scrutiny was carried out by independent third parties.
- Contract costs have been held, renegotiated or switched to secure maximum quality and efficiency in major areas like catering supplies; cleaning; alarm systems; security; transport; and equipment maintenance and servicing.
- The Trust effectively utilised its condition funding and secured grants to continue energy cost saving projects across its academies, including the fitting of solar panels, battery storage and replacement of gas boilers.

### Reviewing controls and managing risks

- The Trust, informed by internal reports and controls, provided strategic direction for the use of assets and funds, with oversight exercised by the Finance Committee and Audit Committee.
- All Trust Committees had regard for the Trust's Risk Register. The Register is reviewed regularly by management and Trustees.
- Heads met regularly with their respective Finance Partners to review individual academy budgets. The Senior Leadership Team received regular reports from the Chief Financial Officer to help assess current and forecast income and expenditure plans. Sufficient cash is held in reserve to enable the Federation to support any unexpected or urgent financial issues that the academies may experience.

### Lessons learned

- The Trust is mindful of additional investments that will be required over coming years and this informed the prudent use of its financial resources.
- The Trust is assuming that there will be national shortages of teachers in the future. The Trust continued to "grow its own" through its successful SCITT arm.
- The Trust is mindful of the need to ensure that Executive Pay falls within the guidance set out in the Academy Trust Handbook. It has, therefore, reviewed all senior salary levels to ensure that, where relevant, they fall within the national pay structures and where appropriate they are benchmarked against similar posts.

## The Purpose of the System of Internal Control

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

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Governance Statement (continued)

### 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 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
- delegation of authority and segregation of duties
- identification and management of risks

The Trust's internal audit function is carried out by Mazars. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. These checks are directed by the risks arising in the Trust's risk registers and coverage of the Trust's risk assurance map. The internal auditor also reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor carried out their schedule of work as planned and no material control issues arose.

### Review of Effectiveness

As accounting officer, the Chief Executive 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 work of the external 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 Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and the Finance Committee and a plan to ensure continuous improvement of the systems is in place.

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

**H Gee**  
Chairman

**I Jones**  
Accounting Officer

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Statement of Regularity, Propriety and Compliance

As accounting officer of The Priory Federation of Academies I have considered my responsibility to notify the Trust Board of Trustees and the Education & 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 Academy Trust Handbook 2022, including responsibilities for estates and safety 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 Academy Trust Handbook 2022.

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

.....

**I Jones**  
**Accounting Officer**  
11 December 2023

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

**H Gee**  
**Chairman**

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Auditor's Report on the Financial Statements to the Members of The Priory Federation of Academies

### Opinion

We have audited the financial statements of The Priory Federation of Academies (the Trust) for the year ended 31 August 2023 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2023 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### Basis For Opinion

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

### Conclusions Relating To Going Concern

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

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

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

### Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report and the Governance Statement. 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.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Auditor's Report on the Financial Statements to the Members of The Priory Federation of Academies (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

### Responsibilities Of Trustees

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

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

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Auditor's Report on the Financial Statements to the Members of The Priory Federation of Academies (continued)

### Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Trustees and other management obtained as part of the work required by auditing standards. We have also discussed with the Trustees and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the Trust is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements, (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimate and judgemental areas of the financial statements such as depreciation of tangible fixed asset, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates.

Secondly, the Trust is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified Ofsted regulations, Health and Safety regulations, compliance with the Funding agreement and compliance with the Academy Trust Handbook as most likely to have such an effect.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection. We have performed audit work through enquiries with management regarding any non-compliance and reviewed all available information to assess whether any breaches have been found. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Auditor's Report on the Financial Statements to the Members of The Priory Federation of Academies (continued)

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

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

### Use Of Our Audit Report

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

.....  
Timothy Godson FCA  
for and on behalf of  
**Duncan and Toplis Audit Limited**  
Statutory Auditors  
4 Henley Way  
Lincoln  
Lincolnshire  
LN6 3QR

Date: \_\_\_\_\_

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Reporting Accountant's Assurance Report on Regularity to The Priory Federation of Academies and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 November 2022 and further to the requirements of the Education & 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 The Priory Federation of Academies during the period 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 The Priory Federation of Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Priory Federation of Academies 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 The Priory Federation of Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of The Priory Federation of Academies' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Priory Federation of Academies' funding agreement with the Secretary of State for Education dated 28 August 2018 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 period 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 Trust's income and expenditure.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Independent Reporting Accountant's Assurance Report on Regularity to The Priory Federation of Academies and the Education & Skills Funding Agency (continued)

### Conclusion

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

.....  
Timothy Godson FCA  
for and on behalf of  
**Duncan and Toplis Limited**  
Reporting Accountant  
4 Henley Way  
Lincoln  
Lincolnshire  
LN6 3QR

Date: \_\_\_\_\_

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Endowment Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
<b>Income and endowments from:</b>							
Donations and capital grants	3	512	-	-	2,680	3,192	1,834
Charitable activities:							
Funding for the Trust's educational operations	4	-	60,015	-	-	60,015	53,024
SCITT	4	-	1,105	-	-	1,105	1,402
Other trading activities	5	336	7	-	-	343	360
Investments	6	53	114	-	-	167	6
<b>Total</b>		<b>901</b>	<b>61,241</b>	<b>-</b>	<b>2,680</b>	<b>64,822</b>	<b>56,626</b>
<b>Expenditure on:</b>							
Raising funds	7	484	7	-	-	491	588
Charitable activities:							
Trust's educational operations	7	56	58,645	-	5,208	63,909	59,334
SCITT	7	-	1,480	-	-	1,480	1,609
<b>Total</b>		<b>540</b>	<b>60,132</b>	<b>-</b>	<b>5,208</b>	<b>65,880</b>	<b>61,531</b>
<b>Net income/(expenditure)</b>		<b>361</b>	<b>1,109</b>	<b>-</b>	<b>(2,528)</b>	<b>(1,058)</b>	<b>(4,905)</b>
Transfers between funds	18	(387)	(3,090)	-	3,477	-	-
<b>Other recognised gains/(losses)</b>							
Actuarial (losses)/gains on defined benefit pension schemes	33	-	(923)	-	-	(923)	28,571
<b>Net movement in funds</b>		<b>(26)</b>	<b>(2,904)</b>	<b>-</b>	<b>949</b>	<b>(1,981)</b>	<b>23,666</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		2,090	11,095	500	117,762	131,447	107,781
Total funds carried forward		2,064	8,191	500	118,711	129,466	131,447

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Balance Sheet as at 31 August 2023

	Note	2023		2022	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	11		9		12
Tangible assets	12		118,543		116,808
<b>Current assets</b>					
Investments	13	2,997		2,997	
Stock	14	29		26	
Debtors	15	2,586		1,885	
Cash at bank and in hand	29	10,461		14,017	
		<u>16,073</u>		<u>18,925</u>	
<b>Liabilities</b>					
Creditors - amounts falling due within one year	16	<u>(5,370)</u>		<u>(5,748)</u>	
<b>Net current assets</b>			10,703		13,177
<b>Total assets less current liabilities</b>			<u>129,255</u>		<u>129,997</u>
Creditors: Amounts falling due after more than one year	17		(2)		(4)
<b>Net assets excluding pension asset/(liability)</b>			<u>129,253</u>		<u>129,993</u>
Defined benefit pension scheme asset/(liability)	33		213		1,454
<b>Total net assets</b>			<u>129,466</u>		<u>131,447</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Restricted fixed asset funds	18	118,711		117,762	
Restricted general funds	18	7,978		9,641	
Endowment funds	18	500		500	
Pension reserve	18	213		1,454	
<b>Total restricted funds</b>			127,402		129,357
<b>Unrestricted income funds</b>	18		2,064		2,090
<b>Total funds</b>			<u>129,466</u>		<u>131,447</u>

Company Registration Number 06462935 (England and Wales)

The financial statements on pages 27 to 64 were approved by the Trustees and authorised for issue on 11 December 2023 and signed on their behalf by:

.....  
**H Gee**  
 Chair of Trustees

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Statement of Cash Flows for the year ended 31 August 2023

		2023 £000	2022 £000
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operations	26	(1,895)	2,747
Cash flows from investing activities	27	(1,659)	(143)
Cash flows from financing activities	28	(2)	(102)
<b>Change in cash and cash equivalents in the reporting period</b>	30	<b>(3,556)</b>	<b>2,502</b>
Cash and cash equivalents at 1 September 2022		14,017	11,515
<b>Cash and cash equivalents at 31 August 2023</b>		<b>10,461</b>	<b>14,017</b>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements

### 1 Accounting Policies

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

#### Basis of Preparation

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

#### Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. The Trust is not subject to a limited GAG carried forward amount.

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

- **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **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 period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

- **Donated fixed assets (excluding Transfers on conversion/into the Trust)**

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

### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### Intangible Fixed Assets

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life, as follows:

- Purchased computer software 30%

Intangible assets are reviewed on an annual basis to review for any signs of impairment.

### Tangible Fixed Assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost, net of depreciation and any provision for impairment.

Assets costing £2,500 or more are capitalised as tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

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

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

- |                            |       |
|----------------------------|-------|
| • Freehold buildings       | 2%    |
| • Long leasehold buildings | 2-15% |
| • Computer hardware        | 30%   |
| • Motor vehicles           | 25%   |
| • Furniture and equipment  | 15%   |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified under one of the categories listed above.

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.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### Liabilities

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

### Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

### Long term lease of property

When a long term lease has been entered into by The Priory Federation of Academies following the procurement of a new build through the Partnership for Schools the cost of the new build together with the cost of the original land and any remaining buildings is included in the appropriate fixed asset category and depreciated over its useful economic life in accordance with the Trust's accounting policy regarding tangible fixed assets.

### Leased Assets

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

### Investments

The Trust's investments are currently in the form of interest-bearing zero-risk deposits in UK high street bank accounts.

### Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### Taxation

The 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 Trust 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.

As of 1 April 2011 the Trust was registered for VAT under the partial exemption scheme, this therefore means that some resources are included in the accounts inclusive of irrecoverable VAT and some are included excluding VAT.

### Pensions Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

### Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education & Skills Funding Agency.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### **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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 33, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

### **Agency Arrangements**

The Trust acts as an agent in distributing 16 to 19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 2 General Annual Grant

The Trust does not have a limit on the amount of GAG that can be carried forward from year-to-year, as per the Academy Trust Handbook.

### 3 Donations And Capital Grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
Interest received on endowment funds	2	-	-	2	-
Donations received	510	-	-	510	49
Capital grants	-	-	2,680	2,680	1,785
	512	-	2,680	3,192	1,834
2022 total	49	-	1785	1,834	

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 4 Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
<b>DfE / ESFA grants</b>					
General Annual Grant (GAG)	-	39,776	-	39,776	38,493
16 to 19 Grant Funding	-	4,589	-	4,589	4,222
Pupil Premium	-	2,391	-	2,391	2,105
Rates Relief	-	252	-	252	251
16 to 19 Bursary	-	26	-	26	28
Other grants	-	2,585	-	2,585	1,260
Catch-up premium	-	-	-	-	-
Recovery premium	-	482	-	482	254
Tuition funding	-	153	-	153	183
Other COVID-19 funding	-	-	-	-	-
	-	50,254	-	50,254	46,796
<b>Other Government grants</b>					
Special educational needs	-	3,299	-	3,299	2,941
Other grants	-	2,999	-	2,999	1,083
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Other COVID-19 funding	-	-	-	-	123
	-	6,298	-	6,298	4,147
<b>Other educational bodies</b>					
Other educational income	-	568	-	568	351
	-	568	-	568	351
<b>Other income</b>					
Minibus income	-	-	-	-	1
Nursery income	-	19	-	19	22
Staff on secondment	-	46	-	46	34
Trip income	-	813	-	813	315
Catering income	-	1,052	-	1,052	882
Sundry income	-	965	-	965	476
	-	2,895	-	2,895	1,730
<b>Teaching School</b>					
DfE / ESFA grants	-	1	-	1	42
Other income	-	1,104	-	1,104	1,360
	-	1,105	-	1,105	1,402
Funding for the Trust's educational operations	-	61,120	-	61,120	54,426
2022 total	-	54,426	-	54,426	

The Trust received no funding for catch-up premium in 2022/23. Costs incurred against carried forward amounts from the prior year totalled £14k, with no balance remaining to be spent in 2023/24.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 5 Other trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
Lettings and hire of facilities	336	-	-	336	350
Music tuition	-	7	-	7	10
	336	7	-	343	360
2022 Total	350	10	-	360	

### 6 Investment Income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
Interest from short-term deposits	20	-	-	20	3
Interest from cash in bank	33	-	-	33	3
Pension finance income	-	114	-	114	-
	53	114	-	167	6
2022 Total	6	-	-	6	

### 7 Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds	216	267	8	491	588
Educational operations					
Direct costs	39,607	-	2,987	42,594	41,392
Allocated support costs	6,221	9,757	5,337	21,315	17,942
SCITT					
Direct costs	741	40	451	1,232	1,394
Allocated support costs	236	-	12	248	215
	47,021	10,064	8,795	65,880	61,531

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 7 Expenditure (continued)

	2023 £000	2022 £000
Net income/(expenditure) for the period includes:		
Operating leases	166	164
Amortisation of intangible assets	3	5
Depreciation of tangible fixed assets	2,659	2,760
Auditors' remuneration	33	35
- payable to external auditors - statutory audit	3	3
- payable to external auditors - other services	8	12
- payable to internal auditors - internal audit	(36)	(840)
Profit/(loss) on disposal of fixed assets		

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000
Gifts made by the Trust	2,479	-
Unrecoverable debts	3,903	-
Fixed asset losses	35,820	Minibus £5,739 Outdoor shelter £30,081

### 8 Charitable Activities

	Total 2023 £000	Total 2022 £000
Direct costs - educational operations	42,594	41,392
Direct costs – teaching school	1,232	1,394
Support costs - educational operations	21,315	17,942
Support costs – teaching school	248	215
	65,389	60,943

### Analysis of support costs

	Teaching school £000	Educational operations £000	Total 2023 £000	Total 2022 £000
Support staff costs	236	6,221	6,457	5,682
Depreciation	-	2,662	2,662	2,765
Technology costs	-	7,184	7,184	3,760
Premises costs	-	2,573	2,573	2,319
Other support costs	12	2,276	2,288	3,239
Legal costs – other	-	227	227	210
Governance costs	-	172	172	182
<b>Total support costs</b>	248	21,315	21,563	18,157

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 9 Staff

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

<b>Headcount</b>	<b>2023 No.</b>	<b>2022 No.</b>
Teachers	462	455
Administration and support	807	760
Management	76	71
<b>Total</b>	<b>1,345</b>	<b>1,286</b>

<b>Full Time Equivalents</b>	<b>2023 No.</b>	<b>2022 No.</b>
Teachers	422	417
Administration and support	454	430
Management	73	69
<b>Total</b>	<b>949</b>	<b>916</b>

### Staff costs

Staff costs during the period were:

	<b>2023 £000</b>	<b>2022 £000</b>
Wages and salaries	34,676	31,586
Social security costs	3,416	3,151
Pension costs	8,145	10,423
Other staff related costs	65	60
	<b>46,302</b>	<b>45,220</b>
Agency staff costs	636	476
Staff restructuring costs	83	54
	<b>47,021</b>	<b>45,750</b>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	83	54
Other restructuring costs	-	-
	<b>83</b>	<b>54</b>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 9 Staff (continued)

#### Staff severance payments

The Trust paid 6 severance payments in the year, disclosed in the following bands:

0 - £25,000	4
£25,001 - £50,000	2
£50,001 - £100,000	-
£101,000 - £150,000	-
£150,000+	-

#### Special staff severance payments

Included within staff restructuring costs are special severance payments totalling £82,997 (2022: £54,022). Individually, the payments were £45,000, £30,000, £3,500, £2,182, £2,000 and £315.

#### Higher paid staff

The number of employees whose emoluments exceeded £60,000 (including taxable benefits but excluding employer pension contributions) in the year was 38 (2022: 33). The total emoluments of these employees were in the following ranges:

	2023 No.	2022 No.
£60,001 - £70,000	16	13
£70,001 - £80,000	9	11
£80,001 - £90,000	6	3
£90,001 - £100,000	3	4
£100,001 - £110,000	3	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<hr/>	<hr/>
	38	33

Of the above, 37 employees (2022: 32) participated in the Teachers' Pension Scheme. During the year ended 31 August 2023, employer's pension contributions for these staff amounted to £691,265 (2022: £570,014).

Of the above employees, 1 employee (2022: 1) participated in the Local Government Pension Scheme. During the year ended 31 August 2023, employer's pension contributions for these staff amounted to £19,972 (2022: £17,680).

#### Key management personnel

The key management personnel of the Trust 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 Trust was £1,250,166 (2022: £1,152,445).

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 10 Related Party Transactions – Trustee remuneration and expenses

The Chief Executive and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of the Chief Executive and teaching staff and not in respect of their services as Trustees.

The remuneration including other taxable benefits paid to the Chief Executive and staff trustees during the period comprised:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Mr I Jones – CEO and Trustee		
Remuneration	165-170	150-155
Employer pension contributions	35-40	35-40

Other Trustees did not receive any payments, other than reimbursement of out of pocket expenses, from the Trust in respect of their role as Trustees.

Total pensions paid on behalf of the highest remunerated trustee amounted to £39,782 (2022: £36,506).

During the year ended 31 August 2023, the following payments were made to Trustees:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Trustees' expenses</b>		
Travel & subsistence within the UK	467	447
Other expenses (claimed by reason of employment)	-	-
Total	<u>467</u>	<u>447</u>
<b>Number of Trustees claiming expenses</b>	1	1

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 11 Intangible Fixed Assets

	Computer Software £000	Development Costs £000	Total £000
<b>Cost or valuation</b>			
At 1 September 2022	71	-	71
Additions	-	-	-
Transfers	-	-	-
At 31 August 2023	71	-	71
<b>Accumulated amortisation and impairment provisions</b>			
At 1 September 2022	59	-	59
Charged in period	3	-	3
At 31 August 2023	62	-	62
<b>Net book values</b>			
At 31 August 2022	12	-	12
At 31 August 2023	9	-	9

### 12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Assets under Construction £000	Motor Vehicles £000
<b>Cost or valuation</b>				
At 1 September 2022	20,268	110,144	188	89
Additions	-	3,394	28	38
Transfers	-	-	(188)	-
Disposals	-	(34)	-	(25)
At 31 August 2023	20,268	113,504	28	102
<b>Accumulated depreciation and impairment provisions</b>				
At 1 September 2022	1,839	16,188	-	74
Charged in period	300	1,595	-	5
Transfers	-	-	-	-
Disposals	-	(4)	-	(19)
At 31 August 2023	2,139	17,779	-	60
<b>Net book values</b>				
At 31 August 2022	18,429	93,956	188	15
At 31 August 2023	18,129	95,725	28	42

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 12 Tangible Fixed Assets (continued)

	Computer Hardware £000	Furniture and Equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 September 2022	4,431	18,172	153,292
Additions	31	939	4,430
Transfers	75	113	-
Disposals	-	-	(59)
At 31 August 2023	4,537	19,224	157,663
<b>Accumulated depreciation and impairment provisions</b>			
At 1 September 2022	4,230	14,153	36,484
Charged in period	87	672	2,659
Transfers	-	-	-
Disposals	-	-	(23)
At 31 August 2023	4,317	14,825	39,120
<b>Net book values</b>			
At 31 August 2022	201	4,019	116,808
At 31 August 2023	220	4,399	118,543

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 13 Current Asset Investments

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Value at 1 September	2,997	2,997
Additions	2,997	2,997
Disposals	(2,997)	(2,997)
Value at 31 August	<u>2,997</u>	<u>2,997</u>

The Trust held investments of £2,997,000 relating to sterling deposits (exceeding 3 months maturity from the balance sheet date).

### 14 Stock

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Catering supplies	27	24
General books and stationery	2	2
	<u>29</u>	<u>26</u>

### 15 Debtors

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	581	278
Prepayments and accrued income	1,442	1,415
Other taxes - VAT	560	191
Other debtors - due under 1 year	3	1
	<u>2,586</u>	<u>1,885</u>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 16 Creditors: amounts falling due within one year

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	982	1,292
Accruals and deferred income	2,271	2,703
Other loans	2	2
Other creditors	1,347	1,035
Other taxation and social security	768	716
	<u>5,370</u>	<u>5,748</u>

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred income</b>		
Deferred income at 1 September	957	521
Resources deferred in the year	1,036	950
Amount released from previous year	(956)	(514)
Deferred income at 31 August	<u>1,037</u>	<u>957</u>

Deferred income at 31 August comprises:	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
ESFA grants re bursary and other grants applicable to future periods	312	275
Local Authority and other educational grants applicable to future periods	42	43
Income for trips rec'd in advance where visit date falls within future periods	622	544
Charitable funds raised to be donated	3	10
Portion of SGO Grant that falls outside the reporting period	-	42
CCF and DoE income that falls outside of reporting period	-	9
Other	58	34
	<u>1,037</u>	<u>957</u>

### 17 Creditors: amounts falling due greater than one year

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Loans	2	4
	<u>2</u>	<u>4</u>

Loans comprise:

- £4,570 from Lincolnshire County Council for solar panels at The Priory Pembroke Academy, transferred on conversion to the Trust. The loan was taken out for £17,581 on 1 December 2015 over 10 years at an interest rate of 0.75%, calculated on balance of loan outstanding at half yearly intervals.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2023 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	9,702	39,776	(38,784)	(2,497)	8,197
16 to 19 Grant Funding	-	4,589	(4,589)	-	-
Other DfE/ESFA grants	72	5,255	(5,271)	-	56
Catch-up premium	14	-	(14)	-	-
Other DfE/ESFA COVID-19 funding	85	635	(676)	-	44
Local Government grants	87	6,298	(5,840)	(509)	36
Other educational bodies	25	900	(871)	(15)	39
Other income	(344)	3,674	(3,655)	(69)	(394)
Pension reserve	1,454	114	(432)	(923)	213
	11,095	61,241	(60,132)	(4,013)	8,191
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	7,325	-	(466)	917	7,776
School Condition Allocation	942	1,643	(2,387)	(181)	17
Devolved Formula Capital	-	532	(135)	(276)	121
T-Level Capital Funding	-	505	(24)	(460)	21
Faraday Centre funding	347	-	(7)	-	340
Other educational bodies	802	-	(105)	593	1,290
School carry forwards	35,983	-	(525)	(30)	35,428
Priory Fundraising Trust	507	-	(6)	387	888
Sports England	123	-	(2)	-	121
Partnership for Schools	70,230	-	(1,516)	2,533	71,247
Football Foundation	190	-	(3)	-	187
Sale of property proceeds	1,313	-	(32)	(6)	1,275
	117,762	2,680	(5,208)	3,477	118,711
<b>Restricted endowment funds</b>					
Sponsorship	500	-	-	-	500
<b>Total restricted funds</b>	129,357	63,921	(65,340)	(536)	127,402
<b>Unrestricted general funds</b>					
General funds	2,090	901	(540)	(387)	2,064
<b>Total unrestricted funds</b>	2,090	901	(540)	(387)	2,064
<b>Total funds</b>	131,447	64,822	(65,880)	(923)	129,466

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2022 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	7,789	38,493	(36,272)	(308)	9,702
16 to 19 Grant Funding	-	4,222	(4,222)	-	-
Other DfE/ESFA grants	102	3,686	(3,706)	(10)	72
Catch-up premium	122	-	(108)	-	14
Other DfE/ESFA COVID-19 funding	-	437	(352)	-	85
Other COVID-19 funding	11	123	134	-	-
Local Government grants	148	4,024	(4,085)	-	87
Other educational bodies	78	652	(705)	-	25
Teaching Alliance	5	-	-	(5)	-
Other income	(235)	2,799	(2,802)	(106)	(344)
Pension reserve	(23,162)	-	(3,955)	28,571	1,454
	(15,142)	54,436	(56,341)	28,142	11,095
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	6,745	-	(852)	1,432	7,325
School Condition Allocation	1,410	1,608	(704)	(1,372)	942
Devolved Formula Capital	8	177	(125)	(60)	-
Faraday Centre funding	354	-	(7)	-	347
Other educational bodies	755	-	(137)	184	802
School carry forwards	36,710	-	(727)	-	35,983
Priory Fundraising Trust	512	-	(5)	-	507
Sports England	126	-	(3)	-	123
Partnership for Schools	71,650	-	(1,738)	318	70,230
Football Foundation	194	-	(4)	-	190
Sale of property proceeds	1,445	-	(132)	-	1,313
	119,909	1,785	(4,434)	502	117,762
<b>Restricted endowment funds</b>					
Sponsorship	500	-	-	-	500
<b>Total restricted funds</b>	105,267	56,221	(60,775)	28,644	129,357
<b>Unrestricted general funds</b>					
General funds	2,514	405	(756)	(73)	2,090
<b>Total unrestricted funds</b>	2,514	405	(756)	(73)	2,090
<b>Total funds</b>	107,781	56,626	(61,531)	28,571	131,447

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds (continued)

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

#### **Restricted General Funds**

##### General Annual Grant (GAG)

This will be expended on the provision of education and teaching activities.

##### 16 to 19 Grant Funding

This will be expended on the provision of Post-16 education and teaching activities.

##### Other DfE/ESFA grants

These are a variety of designated funds for the provision of education and teaching activities.

##### Catch-up premium

This funding is for specific activities to support pupil's education recovery following missed learning caused by COVID-19.

##### Other DfE/ESFA COVID-19 funding

These are a variety of designated funds provided by DfE (including ESFA) related to COVID-19, including Recovery Premium and the National Tutoring Programme.

##### Other COVID-19 funding

These relate to funds received to support COVID-19 mass testing and vaccinations.

##### Local Government grants

These funds are designated for the provision of various educational activities in accordance with the terms of the relevant Local Authority grant. This will largely relate to funding for Special Educational Needs.

##### Other educational bodies

These funds are designated for the provision of various designated education and teaching activities in accordance with the terms of the relevant educational body. This will include funding for Graduate Teachers and other educational income.

##### Teaching Alliance

These funds are designated for the activities of the Teaching Alliance.

##### Other income

This will be expended on the provision of education and teaching activities, including the cost of educational trips for students.

##### Pension reserve

In accordance with the latest ESFA Accounts Direction this reserve is required in respect of the Local Government Pension Scheme calculated in accordance with FRS102.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds (continued)

#### Restricted Fixed Assets Funds

##### DfE / ESFA capital grants

These funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held.

##### School Condition Allocation

These funds are designated for keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.

##### Devolved Formula Capital

These funds are allocated to spend on capital projects that meet individual academies priorities in order to help maintain and improve the condition of school buildings and grounds.

##### T-Level Capital funding

These funds relate to spend on capital development of facilities for the delivery of T Levels.

##### Faraday Centre funding

These funds are carried forward to cover the future depreciation charges that will be required on the Faraday Project acquired from Lincolnshire County Council grants in earlier years.

##### Other educational bodies

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from Other Educational Bodies grants in earlier years.

##### School carry forwards

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from the previous Schools Carry Forwards in earlier years.

##### Priory Fundraising Trust

These funds are carried forward to cover the future depreciation charges that will be required on the previously gifted assets from the Priory Fundraising Trust.

##### Sports England

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from Sports England in earlier years.

##### Partnership for Schools

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from the various new builds procured by the Lincolnshire County Council in the current and earlier years.

##### Football Foundation

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from Football Foundation in earlier years.

##### Sale of property proceeds

These funds are carried forward to cover the future depreciation charges that will be required on the fixed assets acquired from sale of property proceeds in earlier years.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds (continued)

#### Restricted Endowment Funds

##### Sponsorship

This is a permanent reserve that is held as sponsorship for the Trust. The income generated by the Endowment reserve is allocated to the General Restricted reserve which is used for the provision of education.

#### Unrestricted general funds

##### General funds

These funds have been generated through other trading activities and may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

#### Analysis of academies by cost

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (Excluding Dep'n) £000	Total 2023 £000	Total 2022 £000
The Priory Academy LSST	7,505	693	414	1,898	10,510	10,192
The Priory Lincoln Academy	4,640	610	418	1,614	7,282	6,303
The Priory Witham Academy	5,787	609	182	1,132	7,710	7,661
The Priory Ruskin Academy	6,786	635	388	1,794	9,603	9,106
The Priory Belvoir Academy	2,885	243	219	711	4,058	3,876
The Priory Pembroke	2,527	377	240	496	3,640	3,286
Ling Moor Primary Academy	1,563	158	95	299	2,115	2,091
Heighington Millfield	1,101	118	65	182	1,466	1,553
Huntingtower Academy	1,862	164	73	300	2,399	2,386
Waddington Redwood	1,211	101	75	221	1,608	1,581
Cherry Willingham	753	73	44	193	1,063	1,078
Willoughby Academy	2,375	214	62	363	3,014	2,948
Other	1,421	2,610	35	4,648	8,714	5,865
<b>Total</b>	<b>40,416</b>	<b>6,605</b>	<b>2,310</b>	<b>13,851</b>	<b>63,182</b>	<b>57,926</b>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 18 Funds (continued)

#### Analysis of academies by fund balance:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
The Priory Academy LSST	1,871	3,155
The Priory City of Lincoln Academy	(1,133)	(1,144)
The Priory Witham Academy	1,926	1,819
The Priory Ruskin Academy	1,527	2,332
The Priory Belvoir Academy	141	(77)
The Priory Pembroke Academy	794	785
Ling Moor Primary Academy	384	307
Heighington Millfield Primary Academy	(59)	(50)
Huntingtower Community Primary Academy	365	299
Waddington Redwood Primary Academy	242	224
Cherry Willingham Primary Academy	232	186
Willoughby Academy	36	109
Contingency	4,216	4,286
Total before fixed assets and pension reserve	10,542	12,231
Restricted fixed asset fund	118,711	117,762
Pension reserve	213	1,454
<b>Total</b>	<b>129,466</b>	<b>131,447</b>

#### Deficits:

The Priory City of Lincoln Academy: The academy's historic deficit is supported from the central contingency.

Heighington Millfield Primary Academy: The cumulative deficit was inherited from a predecessor Trust on transfer and is supported from the central contingency.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 19 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £000	Restricted General Funds Public £000	Restricted Endowment Funds Private £000	Restricted Fixed Asset Funds £000	Total £000
Intangible fixed assets	-	-	-	9	9
Tangible fixed assets	-	-	-	118,543	118,543
Current assets	2,064	13,350	500	159	16,073
Current liabilities	-	(5,372)	-	-	(5,372)
Pension scheme asset	-	213	-	-	213
<b>Total net assets</b>	<b>2,064</b>	<b>8,191</b>	<b>500</b>	<b>118,711</b>	<b>129,466</b>

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

	Unrestricted Funds £000	Restricted General Funds Public £000	Restricted Endowment Funds Private £000	Restricted Fixed Asset Funds £000	Total £000
Intangible fixed assets	-	-	-	12	12
Tangible fixed assets	-	-	-	116,808	116,808
Current assets	2,090	15,393	500	942	18,925
Current liabilities	-	(5,752)	-	-	(5,752)
Pension scheme asset	-	1,454	-	-	1,454
<b>Total net assets</b>	<b>2,090</b>	<b>11,095</b>	<b>500</b>	<b>117,762</b>	<b>131,447</b>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 20 Central Services

The Trust provided a wide range of services to its academies during the year, described further in The Priory Handbook and summarised under the following headings:

- Governance
- Safeguarding
- Professional Learning
- Finance
- Human Resources
- Information Technology
- Management Information Systems
- Data Compliance
- Communications
- Marketing
- Health & Safety
- School Condition and Capital Projects Management
- Estates & Facilities Services
- Welfare
- Wellbeing

The Trust's policy for apportioning the cost of the central services is based on an allocation method using appropriate drivers that represent the demand for the services at each academy.

The actual amounts contributed during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
The Priory Academy LSST	828	769
The Priory Witham Academy	574	537
The Priory City of Lincoln Academy	501	453
The Priory Ruskin Academy	720	635
The Priory Belvoir Academy	317	284
The Priory Pembroke Academy	266	231
Ling Moor Primary Academy	92	84
Heighington Millfield Primary Academy	62	53
Huntingtower Community Primary Academy	103	94
Waddington Redwood Primary Academy	61	54
Cherry Willingham Primary Academy	43	40
Willoughby Academy	94	77
Other	103	73
	<hr/> <b>3,764</b> <hr/>	<hr/> <b>3,384</b> <hr/>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 21 Related Party Transactions

#### Interests in transactions

Declarations of business interests have been received from all Members, Trustees, members of school committees, members of all Senior Management Teams and finance staff.

H Jones, partner of J Mackinder, a trustee, is employed by the Trust as a teacher. H Jones' appointment was made in open competition and J Mackinder was not involved in the decision-making process regarding appointment. H Jones is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

P Dixon, partner of S Dixon, a trustee, is employed by the Trust as a teaching assistant. P Dixon's appointment was made in open competition and S Dixon was not involved in the decision-making process regarding appointment. P Dixon is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

### 22 Trustees' and officers' insurance

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

### 23 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust: and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 24 Capital Commitments

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Contracted for, but not provided in the financial statements	110	1,755

The above capital commitments will be met by the carry forward reserves present as at the 31 August 2023.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 25 Commitments under operating leases

At 31 August 2023 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Amounts due:		
<b>Land and buildings</b>		
Within one year	12	11
Within two to five years	47	46
After five years	24	34
	<hr/> 83	<hr/> 91
<b>Other</b>		
Within one year	138	135
Within two to five years	149	153
After five years	-	-
	<hr/> 287	<hr/> 288
	<hr/> <hr/> 370	<hr/> <hr/> 379

### 26 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the reporting period	(1,058)	(4,905)
Adjusted for:		
Depreciation of tangible and intangible fixed assets	2,662	3,605
Repayment of borrowing	2	102
Capital grants from DfE Group	(2,680)	(1,785)
Interest receivable	(55)	(6)
Defined benefit pension scheme cost less contributions payable	432	3,588
Defined benefit pension scheme finance cost/(income)	(114)	367
Defined benefit pension scheme obligation inherited	-	-
Decrease/(increase) in stock	(3)	5
Decrease/(increase) in debtors	(701)	(433)
Increase/(decrease) in creditors	(380)	2,209
<b>Net cash inflow/(outflow) from operating activities</b>	<hr/> <hr/> (1,895)	<hr/> <hr/> 2,747

### 27 Cash flows from investing activities

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest received from investments	55	6
Cash transferred to investments	(2,997)	(2,997)
Cash transferred from investments	2,997	2,997
Purchase of tangible fixed assets	(4,430)	(1,934)
Disposal of tangible fixed assets	36	-
Capital grants from DfE Group	2,680	1,785
<b>Net cash inflow/(outflow) from investing activities</b>	<hr/> <hr/> (1,659)	<hr/> <hr/> (143)

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 28 Cash flows from financing activities

	2023 £000	2022 £000
Repayment of borrowing	(2)	(102)
<b>Net cash provided by (used in) financing activities</b>	<b>(2)</b>	<b>(102)</b>

### 29 Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	5,387	10,977
Notice deposits (less than 3 months)	5,074	3,040
<b>Total cash and cash equivalents</b>	<b>10,461</b>	<b>14,017</b>

### 30 Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	Non- cash changes £000	At 31 August 2023 £000
Cash	10,977	(5,590)	-	5,387
Cash equivalents	3,040	2,034	-	5,074
	14,017	(3,556)	-	10,461
Loans falling due within one year	(2)	2	(2)	(2)
Loans falling due after more than one year	(4)	-	2	(2)
<b>Total</b>	<b>14,011</b>	<b>(3,554)</b>	<b>-</b>	<b>10,457</b>

### 31 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.

### 32 Agency arrangements

The Trust distributes 16 to 19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £52,586 (2022: £54,250) and disbursed £49,326 (2022: £47,014) from the fund. The trust redeemed a 5% administration element in line with the ESFA regulations, of £3,471 (2022: £2,712). An amount of £71,926 (2022: £72,137) is included in deferred income relating to recycled funds that will be distributed to students in future years.

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations

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

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

Contributions amounting to £879,418 (2022: £765,945) were payable to the schemes at 31 August 2023 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 Regulations 2014. Membership is automatic for teachers in academy trusts. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £5,054,249 (2022: £4,701,213).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £3,341,864 (2022 £2,650,996), of which employer's contributions totalled £2,641,547 (2022 £2,065,343) and employees' contributions totalled £700,317 (2022 £585,653).

The agreed contribution rates for future years for employers vary across academies and according to gross salaries for employees.

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

#### Lincolnshire Pension Fund

(The Priory Academy LSST, The Priory City of Lincoln Academy, The Priory Ruskin Academy, The Priory Witham Academy, The Priory Pembroke Academy, Ling Moor Primary Academy, Heighington Millfield Primary Academy, Huntingtower Community Primary Academy, Waddington Redwood Primary Academy, Cherry Willingham Primary Academy and Willoughby Academy).

#### Principal actuarial assumptions

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	<b>% per annum</b>	<b>% per annum</b>
Pension Increase Rate	2.90%	2.95%
Salary Increase Rate	3.90%	3.25%
Discount Rate	5.30%	4.25%

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

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	<b>No. Years</b>	<b>No. Years</b>
Retiring today		
Males	19.5	21.2
Females	22.6	23.7
Retiring in 20 years		
Males	20.8	22.1
Females	24.0	25.1

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

The sensitivities regarding the principal assumptions used to measure the present value of scheme obligations are set out below:

<b>Change in assumptions at 31 August 2023</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Adjustment to discount rate	32,128	32,781	33,453
Adjustment to long term salary increase	32,813	32,781	32,749
Adjustment to pension increases and deferred revaluation	33,437	32,781	32,144
	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Adjustment to life expectancy assumptions	33,689	32,781	31,898

The Trust's share of the assets and liabilities of the scheme were:

	<b>Fair Value at 31 August 2023</b>	<b>Fair Value at 31 August 2022</b>
	<b>£000</b>	<b>£000</b>
Equities	24,502	27,047
Bonds	5,217	4,374
Property	2,947	4,687
Cash	1,355	871
Infrastructure	1,509	-
Absolute return fund	4,153	-
<b>Total assets</b>	<b>39,683</b>	<b>36,979</b>
<b>Present value of scheme liabilities</b>		
- Funded	(32,781)	(35,407)
- Unfunded	-	-
<b>Surplus/(Deficit) in the scheme</b>	<b>6,902</b>	<b>1,572</b>

The actual return on the scheme assets in the year was a gain of £1,046,000 (2022: gain of £72,000).

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employee contributions)	(2,880)	(5,359)
Past service costs	-	-
Losses / (gains) on curtailments and settlements	-	-
Interest income	1,619	595
Interest cost	(1,500)	(933)
Administration expenses	(39)	(24)
<b>Total amount recognised in the SOFA</b>	<b>(2,800)</b>	<b>(5,721)</b>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September	35,407	56,672
Conversion of academies	-	-
Transferred in on existing academies joining the Trust	-	-
Current service cost	2,880	5,359
Past service cost	-	-
Interest cost	1,500	933
Contributions by scheme participants	667	559
Actuarial (gains)/losses	(6,776)	(27,313)
Losses on Curtailments	-	-
Estimated benefits paid	(897)	(803)
Pension ceiling adjustment	6,902	-
At 31 August	<u>39,683</u>	<u>35,407</u>

<b>Changes in the fair value of Trust's share of scheme assets:</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September	36,979	35,229
Conversion of academies	-	-
Transferred in on existing academies joining the Trust	-	-
Expected return on scheme assets	1,619	595
Actuarial gains/(losses)	(1,145)	(523)
Contributions by employer	2,499	1,946
Contributions by scheme participants	667	559
Administration expenses	(39)	(24)
Benefits paid	(897)	(803)
At 31 August	<u>39,683</u>	<u>36,979</u>

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

#### Leicestershire County Council Pension Fund (The Priory Belvoir Academy)

Principal actuarial assumptions

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	<b>% per annum</b>	<b>% per annum</b>
Pension Increase Rate	2.95%	3.05%
Salary Increase Rate	3.45%	3.55%
Discount Rate	5.20%	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>At 31 August 2023</b>	<b>At 31 August 2022</b>
	<b>No. Years</b>	<b>No. Years</b>
Retiring today		
Males	20.5	21.5
Females	24.8	24.0
Retiring in 20 years		
Males	21.6	22.4
Females	25.8	25.7

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31 August 2023</b>	<b>Approximate % increase to Defined Benefit Obligation</b>	<b>Approximate monetary amount £000</b>
0.1% decrease in Real Discount Rate	2%	48
1 year increase in member life expectancy	4%	82
0.1% increase in the Salary Increase Rate	0%	3
0.1% increase in the Pension Increase Rate (CPI)	2%	46

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

The Trust's share of the assets and liabilities of the scheme were:

	<b>Fair Value at 31 August 2023 £000</b>	<b>Fair Value at 31 August 2022 £000</b>
Equities	1,283	1,280
Bonds	765	588
Property	158	189
Cash	45	42
Total assets	2,251	2,099
Present value of scheme liabilities		
- Funded	(2,038)	(2,217)
- Unfunded	-	-
Surplus/(Deficit) in the scheme	213	(118)

The actual return on the scheme assets in the year was a loss of £4,000 (2022: loss of £3,000).

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2023 £000</b>	<b>2022 £000</b>
Current service cost (net of employee contributions)	(155)	(270)
Past service costs	-	-
Losses / (gains) on curtailments and settlements	-	-
Interest income	92	34
Interest cost	(97)	(63)
Total amount recognised in the SOFA	(160)	(299)

# The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2023

## Notes to the Financial Statements (continued)

### 33 Pension and similar obligations (continued)

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September	2,217	3,705
Conversion of academies	-	-
Transferred in on existing academies joining the Trust	-	-
Current service cost	155	270
Past service cost	-	-
Interest cost	97	63
Contributions by scheme participants	33	27
Actuarial (gains)/losses	(434)	(1,818)
Losses on Curtailments	-	-
Estimated benefits paid	(30)	(30)
At 31 August	<u>2,038</u>	<u>2,217</u>
<b>Changes in the fair value of Trust's share of scheme assets:</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September	2,099	1,986
Conversion of academies	-	-
Transferred in on existing academies joining the Trust	-	-
Expected return on scheme assets	92	34
Actuarial gains/(losses)	(86)	(37)
Contributions by employer	143	119
Contributions by scheme participants	33	27
Benefits paid	(30)	(30)
At 31 August	<u>2,251</u>	<u>2,099</u>