



(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31st August 2024

Company Registration Number 06462935 (England and Wales)

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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Reference and Administrative Details

Members	H D Gee D Harry R Partington P Houten
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Trustees	a	H D Gee (Chair)
	b	S Richardson (Vice-Chair)
	a	I Jones
	b	F Knowles (resigned 1 st October 2024)
	b	J Mackinder
	b	L Tyreman
	b	C Allen
	b	S Dixon

Key	a	Trustee appointed by Members
	b	Trustee appointed by Sponsor

Chief Executive/Accounting Officer	I Jones
Chief Financial Officer/Company Secretary	D Carchedi
Clerk to the Trustees	M Mammatt

Executive Leadership Team:

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

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Financial Statements for the Year Ended 31 August 2024

Reference and Administrative Details (continued)

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

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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 2023 to 31 August 2024. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates thirteen academies; five secondary, six primary (one of which joined during the reporting period), one all-through and one special all-through, with a combined roll of 8,556 in the school census on 3 October 2024.

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 2024

Trustees' Report (continued)

Organisational Structure

As at 31st August 2024, 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), six primary academies (Ling Moor Primary Academy, Heighington Millfield Primary Academy, Huntingtower Community Primary Academy, Waddington Redwood Primary Academy, Cherry Willingham Primary Academy and St Johns 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	10.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1% - 50%	7
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£15,227.62
Total pay bill	£43.2m
% spent on facility time	0.035%

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 2024

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

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 organisational developments. The content of the *Priory Star* is varied and has, this year, included extensive articles around Equality, Diversity and Inclusion, the nine protected characteristics and Wellbeing.

The HR and Finance departments continue to advance the development of the Trust's software system, enabling employee "self-service" access to personal pay, holiday, absence, and performance management records. This has been further developed this year to include access to online overtime claims.

HR Business partners conduct scheduled drop-in sessions at each academy, offering opportunities for employees to discuss various topics, including return to work, pensions, and their wellbeing. Sites also conduct their own wellbeing-related activities, such as staff wellbeing days and awareness initiatives.

The Strategic Wellbeing Group has devised, consulted on and distributed a Trust Wellbeing Strategy which helps guide 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 our academies and central teams, 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 mental health first aid training, men's mental health, sleep, nutrition, self-reflection, resilience, and stress management is provided to the champion. The champions have input into which areas of development they need for them to carry out their role.

Employee wellbeing is primarily assessed through an annual staff survey, which evaluates aspects such as a sense of belonging, overall wellbeing, and areas for organisational improvement. Feedback from these surveys is actioned in line with the "You Said, We Did" approach. Last year, the Trust used an internal survey to gather feedback from staff, highlighting areas such as cover for absent colleagues, communication, wellbeing, and workload, resulting in actions now underway in response to these concerns.

The Equality, Diversity and Inclusion Strategic Group has devised, consulted on, and distributed an EDI Strategy. The Trust recognises the importance of Equality, Diversity, and Inclusion (EDI) within the organisation. The Trust's Director of Wellbeing, supported by an Equality and Diversity Champion, is responsible for the development and implementation of EDI initiatives across the Trust. The role of the champion continues to grow, assisting sites with understanding EDI and identifying future training needs.

The main developments relating to EDI and Wellbeing this year were Wellbeing on a Page, EDI on a Page and a Trust Wellbeing Charter. The "on-a-page" elements are guidance for staff as to where they can find additional support for all areas of Wellbeing and EDI. The Wellbeing Charter, which is being devised using the DfE's own Wellbeing Charter, states: "The education staff wellbeing charter is a declaration of support for, and a set of commitments to, the wellbeing and mental health of everyone working in education".

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.

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Trustees' Report (continued)

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 continuing collaboration with the Lincoln City Foundation on delivering a Sports BTEC, 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. 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.

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.

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Financial Statements for the Year Ended 31 August 2024

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	0.14	44.21	59	38
Lincoln	-0.66	34.19	47	25
LSST	0.15	54.80	80	60
Pembroke	0.02	41.23	58	42
Ruskin	0.22	41.27	51	25
Witham	-0.52	34.52	42	24

Primary	Reading Exp	Writing Exp	Maths Exp	R, Wr, M Exp	GPS Exp
Cherry	73	73	73	55	79
Heighington	83	79	81	66	85
Huntingtower	71	55	71	50	81
Ling Moor	80	88	92	75	88
Redwood	57	55	43	33	52
Witham	68	65	70	54	68
St Johns	76	63	76	55	80

School Centred Initial Teacher Training

The Trust's School Centred Initial Teacher Training provision (SCITT) was successful in its bid for reaccreditation for September 2024 and is working with stakeholders across the region to support its trainees.

Post-16 Offer

The Trust has developed a suite of A Level, T Level, and Apprenticeships that can be accessed by all students across the Trust.

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 2024

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 and resilience 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.

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. Each academic year, Trustees sign documents such as a Code of Conduct, Declaration of Eligibility to Serve and Declaration of Business Interests, affirming their commitment to probity and integrity.

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.

In response to the increasing risks caused by climate change and other external pressures, the Trust's Business Continuity Planning was scrutinised, yielding a moderate assurance rating, underscoring the Trust's ongoing focus on preparedness and resilience. With the sector experiencing difficulties with recruitment and retention of staff, an assessment of the Absence Management processes received a rating of substantial assurance, reflecting the Trust's robust management in this area. The Quality Assurance Framework, essential to maintaining high standards across the Trust, also received substantial assurance, affirming the strength of controls in place.

A comprehensive review of Safeguarding also secured substantial assurance, demonstrating the Trust's dedication to maintaining a safe environment for its students. Additionally, as part of the Trust's commitment to the risks around cybersecurity, an audit of Remote Access and Connectivity was completed, reinforcing the confidence in the Trust's controls to protect against cyber risks.

These positive outcomes across high-priority areas highlight the Trust's effective internal controls and commitment to continuous improvement.

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 2024

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 2024 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 £73.3m and expenditure amounted to £70.8m which resulted in a net inflow of funds of £2.5m.

Total funds at 31 August 2024 are in surplus by £130.3m, made up of a surplus of £128.0m restricted funds and £2.3m unrestricted funds. The restricted funds comprise £119.6m restricted fixed asset fund, £7.9m restricted operating funds and £0.5m endowment fund. Of the £119.6m within the restricted fixed asset fund, £0.1m relates to unspent capital grants and £119.5m 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 in line with the levels set within this policy, with a suggested level of 5% of GAG income. 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 contingency reserve 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 policy levels. The contingency reserve should be no less than 2.5% of GAG. When calculating the level of available contingency reserve, this figure is offset by the value of cumulative deficits held at any academy. The combined level of all Trust reserves should be no greater than 20% of total income.

On 31st August 2024, the contingency reserve (minus individual academy deficits) was £3.0m (2022: £3.0m) which represents 6% of GAG income and within the minimum target level. The Trust overall held Restricted General Funds of £7.9m (2022: £8.0m) and Unrestricted General Funds of £2.3m (2022: £2.1m), which is 14% of total income and within the maximum target 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 2024

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 within the education sector. 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 significant pressures on the Local Authorities' High Needs block. Funding in this area has not kept pace with the growth in expenditure, resulting in the potential requirement to transfer funding from the core schools budget to support the growth in SEND. Compounded by uncertainties over inflation, future pay awards, pension contribution increases and high energy costs, educational budgets are expected to continue 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.

During the academic year, the Trust managed the restoration and reoccupation of buildings at two of its Primary Academies following significant flooding in October 2023. The financial impact was mitigated by insurance coverage and additional funding has been secured for flood defences to reduce the risk of future incidents. The Trust efficiently reallocated building space across its other Academies during this period, ensuring minimal disruption to students' education as the recovery projects were completed.

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 2024

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

During the academic year, the Trust has been analysing the performance of the project completed in 2023 to install 12 air source heat pumps (ASHPs), 2 air handling units and an additional 14 solar arrays.

Despite the installation of the ASHPs and St Johns Academy joining the Trust, the annual electricity consumption had increased by only 57,774 kWh to 3,121,759 kWh. A significant achievement, brought about by the additional 14 solar arrays installed and the reductions in consumption as a result of the implementation of this project.

The annual solar generation was up 336,020 kWh from 878,480 kWh to 1,214,500 kWh equivalent to 40% of the Trust's annual electricity consumption.

During the year there was a reduction of 13% in gas consumption, down from 7,710,967 kWh to 6,705,742 kWh as a result of the move to ASHPs, together with the installation of better heating controls and behaviours around energy usage.

The project is in line with the Trust's Heat Decarbonisation Plan, where the aim is to be 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 carbon neutral and in some instances carbon positive.

During the year, the Trust changed its waste collector in an effort to further reduce its carbon footprint. This has resulted in a significant positive impact from the Trust's waste, with 35% recycled, 12% green waste and the remainder repurposed for creating energy.

As a result of the above, the Trust's net carbon energy density has again dropped:

UK Greenhouse gas emissions and energy use data for the period	kg of CO ₂ e	
	2023/24	2022/23
Scope 1		
Gas Consumption	1,225,893	1,410,602
Own Transport (minibuses and vans)	8,963	9,520
Scope 2		
Purchased Electricity	645,062	634,472
Scope 3		
Business Travel (employee owned vehicles)	22,250	21,977
Contracted bus service to LSST Academy	3,813	3,772
Total Gross Emissions	1,905,981	2,080,343
Renewable energy exported to grid	(102,071)	(65,059)
Energy savings due to processing of Trust waste	(115,445)	(28,000)
Total Net Emissions	1,688,465	1,987,284
Overall net carbon intensity (total net emissions kg CO ₂ e/pupil)	197	245

The format of the table follows the guidance as given in the latest 2023/24 Academies Direction on Energy and Carbon reporting and uses the 2024 conversion factors as updated by the Department for Business, Energy and Industrial Strategy (BEIS). It should be noted that the conversion factor for both gas and electricity this year has remained broadly the same as last year.

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 2024

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 16 December 2024 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 2024

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 five 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)	5	5
S Richardson	5	5
I Jones	5	5
F Knowles	5	5
J Mackinder	4	5
S Dixon	4	5
L Tyreman	5	5
C Allen	4	5

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	4	5
I Jones	4	5
C Allen	3	5

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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. During the academic year, the Trust's Quality Assurance Framework was reviewed by the Trust's internal auditors, Mazars, who deemed the system of controls to be Substantial. In further recognition of the Trust's commitment to strong oversight and management of risk, the effectiveness of the Trust's Business Continuity Plans were also scrutinised during the year with no significant issues raised.

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 2024

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 2023-24 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 2023-24, 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. During 2023, 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 2024

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 2023 to 31 August 2024 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 2024

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 2023 to 31 August 2024 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 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.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 16 December 2024 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 2024

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 2023, 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 2023.

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
16 December 2024

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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 2023 to 2024
- 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 16 December 2024 and signed on its behalf by:



H Gee
Chairman

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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 2024 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 2024 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 2024 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 2023 to 2024 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 2024

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 2024

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 2024

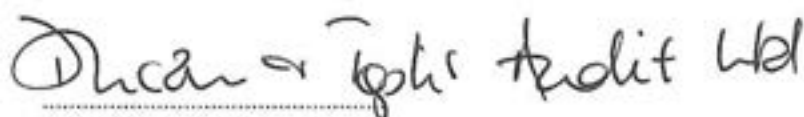
Independent Auditor's Report on the Financial Statements to the Members of The Priory Federation of Academies (continued)

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. 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: 16.12.24

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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 2023 to 2024, 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 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 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 2024

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

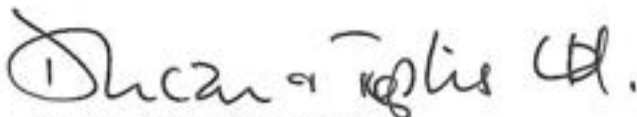
The work undertaken to draw our conclusion includes:

- An assessment of the risk of material irregularity and impropriety of the Trust's activities;
- Testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence and additional verification work where considered necessary;
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and;
- Consideration of evidence obtained through the work detailed above and any work completed as part of our audit of the financial statements deemed relevant to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued March 2024, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2023 to 31 August 2024 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: 16.12.24.

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Statement of Financial Activities for the year ended 31 August 2024 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Endowment Funds £000	Restricted Fixed Asset Funds £000	Total 2024 £000	Total 2023 £000
Income and endowments from:							
Donations and capital grants	3	51	-	-	1,979	2,030	3,192
Transfer of existing academy	3	79	166	-	3,481	3,726	-
Charitable activities:							
Funding for the Trust's educational operations	4	-	65,386	-	-	65,386	60,015
SCITT	4	-	1,169	-	-	1,169	1,105
Other trading activities	5	411	8	-	-	419	343
Investments	6	145	468	-	-	613	167
Total		686	67,197	-	5,460	73,343	64,822
Expenditure on:							
Raising funds	7	394	8	-	-	402	491
Charitable activities:							
Trust's educational operations	7	43	64,153	-	4,532	68,728	63,909
SCITT	7	-	1,692	-	-	1,692	1,480
Total		437	65,853	-	4,532	70,822	65,880
Net income/(expenditure)		249	1,344	-	928	2,521	(1,058)
Transfers between funds	18	(8)	64	-	(56)	-	-
Other recognised gains/(losses)							
Actuarial (losses)/gains on defined benefit pension schemes	33	-	(1,652)	-	-	(1,652)	(923)
Net movement in funds		241	(244)	-	872	869	(1,981)
Reconciliation of funds							
Total funds brought forward		2,064	8,191	500	118,711	129,466	131,447
Total funds carried forward		2,305	7,947	500	119,583	130,335	129,466

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Balance Sheet as at 31 August 2024

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		6		9
Tangible assets	12		119,495		118,543
Current assets					
Investments	13	6,165		2,997	
Stock	14	26		29	
Debtors	15	2,732		2,586	
Cash at bank and in hand	29	7,064		10,461	
		15,987		16,073	
Liabilities					
Creditors - amounts falling due within one year	16	(5,152)		(5,370)	
Net current assets			-		10,703
Total assets less current liabilities			130,336		129,255
Creditors: Amounts falling due after more than one year	17		(1)		(2)
Net assets excluding pension asset/(liability)			130,335		129,253
Defined benefit pension scheme asset/(liability)	33		-		213
Total net assets			130,335		129,466
Funds of the Academy Trust:					
Restricted funds					
Restricted fixed asset funds	18	119,583		118,711	
Restricted general funds	18	7,947		7,978	
Endowment funds	18	500		500	
Pension reserve	18	-		213	
Total restricted funds			128,030		127,402
Unrestricted income funds	18		2,305		2,064
Total funds			130,335		129,466

Company Registration Number 06462935 (England and Wales)

The financial statements on pages 27 to 65 were approved by the Trustees and authorised for issue on 16 December 2024 and signed on their behalf by:



H Gee
Chair of Trustees

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Statement of Cash Flows for the year ended 31 August 2024

		2024 £000	2023 £000
	Note		
Cash flows from operating activities			
Net cash provided by (used in) operations	26	(2,087)	(1,895)
Cash flows from investing activities	27	(1,309)	(1,659)
Cash flows from financing activities	28	(1)	(2)
Change in cash and cash equivalents in the reporting period	30	(3,397)	(3,556)
Cash and cash equivalents at 1 September 2023		10,461	14,017
Cash and cash equivalents at 31 August 2024		7,064	10,461

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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 2023 to 2024 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 2024

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 of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net 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 for the transfer of an existing academy into the Trust within donations and capital grant income to the net assets acquired

- **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 2024

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 2024

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 2024

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 2024

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 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

Agency Arrangements

The Trust acts as an agent in distributing 16-19 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 2024

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 2024 £000	Total 2023 £000
Interest received on endowment funds	3	-	-	3	2
Donations received	48	-	-	48	510
Capital grants	-	-	1,979	1,979	2,680
Transfers of existing academies	79	166	3,481	3,726	-
	130	166	5,460	5,756	3,192
2023 total	512	-	2,680	3,192	

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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 2024 £000	Total 2023 £000
DfE / ESFA grants					
General Annual Grant (GAG)	-	43,465	-	43,465	39,776
16 to 19 Grant Funding	-	4,597	-	4,597	4,589
Pupil Premium	-	2,691	-	2,691	2,391
Rates Relief	-	298	-	298	252
16 to 19 Bursary	-	22	-	22	26
Other grants	-	3,414	-	3,414	2,585
Catch-up premium	-	-	-	-	-
Recovery premium	-	515	-	515	482
Tuition funding	-	93	-	93	153
Other COVID-19 funding	-	-	-	-	-
	-	55,095	-	55,095	50,254
Other Government grants					
Special educational needs	-	4,111	-	4,111	3,299
Other grants	-	1,501	-	1,501	2,999
Coronavirus Job Retention Scheme grant	-	-	-	-	-
Other COVID-19 funding	-	-	-	-	-
	-	5,612	-	5,612	6,298
Other educational bodies					
Other educational income	-	257	-	257	568
	-	257	-	257	568
Other income					
Minibus income	-	3	-	3	-
Nursery income	-	11	-	11	19
Staff on secondment	-	150	-	150	46
Trip income	-	968	-	968	813
Catering income	-	1,114	-	1,114	1,052
Sundry income	-	2,176	-	2,176	965
	-	4,422	-	4,422	2,895
SCITT					
DfE / ESFA grants	-	53	-	53	1
Other income	-	1,116	-	1,116	1,104
	-	1,169	-	1,169	1,105
Funding for the Trust's educational operations	-	66,555	-	66,555	61,120
2023 total	-	61,120	-	61,120	

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

5 Other trading activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2024 £000	Total 2023 £000
Lettings and hire of facilities	411	-	-	411	336
Music tuition	-	8	-	8	7
	411	8	-	419	343
2023 Total	336	7	-	343	

6 Investment Income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2024 £000	Total 2023 £000
Interest from short-term deposits	113	-	-	113	20
Interest from cash in bank	32	-	-	32	33
Pension finance income	-	468	-	468	114
	145	468	-	613	167
2023 Total	53	114	-	167	

7 Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2024 £000	Total 2023 £000
Expenditure on raising funds	181	204	17	402	491
Educational operations					
Direct costs	43,225	-	3,700	46,925	42,594
Allocated support costs	7,058	8,671	6,074	21,803	21,315
SCITT					
Direct costs	959	47	385	1,391	1,232
Allocated support costs	286	-	15	301	248
	51,709	8,922	10,191	70,822	65,880

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

7 Expenditure (continued)

	2024 £000	2023 £000
Net income/(expenditure) for the period includes:		
Operating leases	184	166
Amortisation of intangible assets	3	3
Depreciation of tangible fixed assets	2,797	2,659
Auditors' remuneration		
- payable to external auditors - statutory audit	35	33
- payable to external auditors - other services	4	3
- payable to internal auditors - internal audit	35	8
Profit/(loss) on disposal of fixed assets	(194)	(36)

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000
Gifts made by the Trust	2,874	-
Unrecoverable debts	2,628	-
Fixed asset losses	193,631	-

8 Charitable Activities

	Total 2024 £000	Total 2023 £000
Direct costs - educational operations	46,925	42,594
Direct costs – SCITT	1,391	1,232
Support costs - educational operations	21,803	21,315
Support costs – SCITT	301	248
	<u>70,420</u>	<u>65,389</u>

Analysis of support costs

	SCITT £000	Educational operations £000	Total 2024 £000	Total 2023 £000
Support staff costs	286	7,058	7,344	6,457
Depreciation	-	2,800	2,800	2,662
Technology costs	-	5,556	5,556	7,184
Premises costs	-	3,115	3,115	2,573
Other support costs	15	2,833	2,848	2,288
Legal costs – other	-	244	244	227
Governance costs	-	197	197	172
Total support costs	<u>301</u>	<u>21,803</u>	<u>22,104</u>	<u>21,563</u>

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

9 Staff

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

Headcount	2024 No.	2023 No.
Teachers	470	462
Administration and support	847	807
Management	85	76
Total	1,402	1,345

Full Time Equivalents	2024 No.	2023 No.
Teachers	427	422
Administration and support	472	454
Management	82	73
Total	981	949

Staff costs and employee benefits

Staff costs during the period were:

	2024 £000	2023 £000
Wages and salaries	38,494	34,676
Social security costs	3,837	3,416
Pension costs	8,370	8,145
Other employee benefits	120	65
	50,821	46,302
Agency staff costs	723	636
Staff restructuring costs	165	83
	51,709	47,021

Staff restructuring costs comprise:

Redundancy payments	15	-
Severance payments	150	83
Other restructuring costs	-	-
	165	83

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

9 Staff (continued)

Staff severance payments

The Trust paid 8 severance payments in the year, disclosed in the following bands:

0 - £25,000	6
£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 £150,371 (2023: £82,997). Individually, the payments were £49,950, £27,000, £20,000, £15,000, £15,000, £13,000, £6,000 and £4,421.

Higher paid staff

The number of employees whose emoluments exceeded £60,000 (including taxable benefits but excluding employer pension contributions) in the year was 58 (2023: 38). The total emoluments of these employees were in the following ranges:

	2024 No.	2023 No.
£60,001 - £70,000	26	16
£70,001 - £80,000	17	9
£80,001 - £90,000	6	6
£90,001 - £100,000	4	3
£100,001 - £110,000	2	3
£110,001 - £120,000	2	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
	<hr/> 58	<hr/> 38

Of the above, 55 employees (2023: 37) participated in the Teachers' Pension Scheme. During the year ended 31 August 2024, employer's pension contributions for these staff amounted to £1,081,143 (2023: £691,265).

Of the above employees, 2 employee (2023: 1) participated in the Local Government Pension Scheme. During the year ended 31 August 2024, employer's pension contributions for these staff amounted to £38,439 (2023: £19,972).

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 £1,347,946 (2023: £1,250,166).

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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:

	2024 £000	2023 £000
Mr I Jones – CEO and Trustee		
Remuneration	175-180	165-170
Employer pension contributions	45-50	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 £46,096 (2023: £39,782).

During the year ended 31 August 2024, the following payments were made to Trustees:

	2024 £	2023 £
Trustees' expenses		
Travel & subsistence within the UK	510	467
Other expenses (claimed by reason of employment)	-	-
Total	510	467
Number of Trustees claiming expenses	1	1

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

11 Intangible Fixed Assets

	Computer Software £000	Development Costs £000	Total £000
Cost or valuation			
At 1 September 2023	71	-	71
Additions	-	-	-
Transfers	-	-	-
At 31 August 2024	71	-	71
Accumulated amortisation and impairment provisions			
At 1 September 2023	62	-	62
Charged in period	3	-	3
At 31 August 2024	65	-	65
Net book values			
At 31 August 2023	9	-	9
At 31 August 2024	6	-	6

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Assets under Construction £000	Motor Vehicles £000
Cost or valuation				
At 1 September 2023	20,268	113,504	28	102
Additions	-	-	3	27
Transfers	-	(113)	(28)	-
Disposals	-	(74)	-	-
Transfer of existing academy	-	3,633	-	-
At 31 August 2024	20,268	116,950	3	129
Accumulated depreciation and impairment provisions				
At 1 September 2023	2,139	17,779	-	60
Charged in period	294	1,659	-	11
Transfers	-	(4)	-	-
Disposals	-	(6)	-	-
Transfer of existing academy	-	650	-	-
At 31 August 2024	2,433	20,078	-	71
Net book values				
At 31 August 2023	18,129	95,725	28	42
At 31 August 2024	17,835	96,872	3	58

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

12 Tangible Fixed Assets (continued)

	Computer Hardware £000	Furniture and Equipment £000	Total £000
Cost or valuation			
At 1 September 2023	4,537	19,224	157,663
Additions	3	429	462
Transfers	-	141	-
Disposals	(4,291)	(113)	(4,478)
Transfer of existing academy	266	837	4,736
At 31 August 2024	515	20,518	158,383
Accumulated depreciation and impairment provisions			
At 1 September 2023	4,317	14,825	39,120
Charged in period	67	766	2,797
Transfers	-	4	-
Disposals	(4,205)	(73)	(4,284)
Transfer of existing academy	227	378	1,255
At 31 August 2024	406	15,900	38,888
Net book values			
At 31 August 2023	220	4,399	118,543
At 31 August 2024	109	4,618	119,495

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

13 Current Asset Investments

	2024 £000	2023 £000
Value at 1 September	2,997	2,997
Additions	6,165	2,997
Disposals	(2,997)	(2,997)
Value at 31 August	6,165	2,997

The Trust held investments of £6,165,000 relating to sterling deposits (exceeding 3 months maturity from the balance sheet date).

14 Stock

	2024 £000	2023 £000
Catering supplies	24	27
General books and stationery	2	2
	26	29

15 Debtors

	2024 £000	2023 £000
Trade debtors	375	581
Prepayments and accrued income	1,937	1,442
Other taxes - VAT	419	560
Other debtors - due under 1 year	1	3
	2,732	2,586

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

16 Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	891	982
Accruals and deferred income	2,009	2,271
Other loans	2	2
Other creditors	1,417	1,347
Other taxation and social security	833	768
	<u>5,152</u>	<u>5,370</u>

Deferred income	2024 £000	2023 £000
Deferred income at 1 September	1,037	957
Resources deferred in the year	1,128	1,036
Amount released from previous year	(1,012)	(956)
Deferred income at 31 August	<u>1,153</u>	<u>1,037</u>

Deferred income at 31 August comprises:	2024 £000	2023 £000
ESFA grants re bursary and other grants applicable to future periods	388	312
Local Authority and other educational grants applicable to future periods	48	42
Income for trips rec'd in advance where visit date falls within future periods	659	622
Charitable funds raised to be donated	2	3
Portion of SGO Grant that falls outside the reporting period	28	-
CCF and DoE income that falls outside of reporting period	5	-
Other	23	58
	<u>1,153</u>	<u>1,037</u>

17 Creditors: amounts falling due greater than one year

	2024 £000	2023 £000
Loans	<u>1</u>	<u>2</u>
	<u>1</u>	<u>2</u>

Loans comprise:

- £2,742 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 2024

Notes to the Financial Statements (continued)

18 Funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2024 £000
Restricted general funds					
General Annual Grant (GAG)	8,197	43,631	(43,485)	147	8,490
16 to 19 Grant Funding	-	4,597	(4,597)	-	-
Other DfE/ESFA grants	56	6,478	(6,499)	(4)	31
Other DfE/ESFA COVID-19 funding	44	608	(652)	-	-
Local Government grants	36	5,612	(5,569)	(55)	24
Other educational bodies	39	545	(561)	-	23
Other income	(394)	5,258	(5,461)	(24)	(621)
Pension reserve	213	468	971	(1,652)	-
	8,191	67,197	(65,853)	(1,588)	7,947
Restricted fixed asset funds					
DfE/ESFA capital grants	7,776	3,481	(590)	164	10,831
School Condition Allocation	17	1,649	(1,452)	(168)	46
Devolved Formula Capital	121	191	(170)	(139)	3
T-Level Capital Funding	21	139	(110)	(17)	33
Faraday Centre funding	340	-	(7)	-	333
Other educational bodies	1,290	-	(148)	87	1,229
School carry forwards	35,428	-	(512)	-	34,916
Priory Fundraising Trust	888	-	(12)	-	876
Sports England	121	-	(3)	-	118
Partnership for Schools	71,247	-	(1,494)	17	69,770
Football Foundation	187	-	(4)	-	183
Sale of property proceeds	1,275	-	(30)	-	1,245
	118,711	5,460	(4,532)	(56)	119,583
Restricted endowment funds					
Sponsorship	500	-	-	-	500
Total restricted funds	127,402	72,657	(70,385)	(1,644)	128,030
Unrestricted general funds					
General funds	2,064	686	(437)	(8)	2,305
Total unrestricted funds	2,064	686	(437)	(8)	2,305
Total funds	129,466	73,343	(70,822)	(1,652)	130,335

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

18 Funds (continued)

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

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
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
Restricted fixed asset funds					
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
Restricted endowment funds					
Sponsorship	500	-	-	-	500
Total restricted funds	129,357	63,921	(65,340)	(536)	127,402
Unrestricted general funds					
General funds	2,090	901	(540)	(387)	2,064
Total unrestricted funds	2,090	901	(540)	(387)	2,064
Total funds	131,447	64,822	(65,880)	(923)	129,466

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

18 Funds (continued)

The specific purposes for which the funds are to be 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 2024

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 2024

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 2024 £000	Total 2023 £000
The Priory Academy LSST	7,917	796	508	2,037	11,258	10,510
The Priory Lincoln Academy	4,801	718	501	1,294	7,314	7,282
The Priory Witham Academy	6,164	695	189	1,275	8,323	7,710
The Priory Ruskin Academy	7,218	703	514	1,553	9,988	9,603
The Priory Belvoir Academy	3,111	243	295	777	4,426	4,058
The Priory Pembroke	2,992	462	216	598	4,268	3,640
Ling Moor Primary Academy	1,696	168	96	313	2,273	2,115
Heighington Millfield	980	133	207	823	2,143	1,466
Huntingtower Academy	2,010	190	82	376	2,658	2,399
Waddington Redwood	1,319	110	109	516	2,054	1,608
Cherry Willingham	766	76	38	201	1,081	1,063
Willoughby Academy	2,492	206	50	343	3,091	3,014
St Johns Primary Academy	1,075	122	61	181	1,439	-
Other	1,686	2,860	91	2,875	7,512	8,714
Total	44,227	7,482	2,957	13,162	67,828	63,182

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

18 Funds (continued)

Analysis of academies by fund balance:

	2024 £000	2023 £000
The Priory Academy LSST	1,788	1,871
The Priory City of Lincoln Academy	(1,042)	(1,133)
The Priory Witham Academy	1,582	1,926
The Priory Ruskin Academy	1,582	1,527
The Priory Belvoir Academy	354	141
The Priory Pembroke Academy	735	794
Ling Moor Primary Academy	421	384
Heighington Millfield Primary Academy	(29)	(59)
Huntingtower Community Primary Academy	300	365
Waddington Redwood Primary Academy	290	242
Cherry Willingham Primary Academy	366	232
Willoughby Academy	135	36
St Johns Primary Academy	245	-
Contingency	4,025	4,216
Total before fixed assets and pension reserve	10,752	10,542
Restricted fixed asset fund	119,583	118,711
Pension reserve	-	213
Total	130,335	129,466

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 2024

Notes to the Financial Statements (continued)

19 Analysis of net assets between funds

Fund balances at 31 August 2024 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	-	-	-	6	6
Tangible fixed assets	-	-	-	119,495	119,495
Current assets	2,305	13,100	500	82	15,987
Current liabilities	-	(5,153)	-	-	(5,153)
Pension scheme asset	-	-	-	-	-
Total net assets	2,305	7,947	500	119,583	130,335

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	-	-	-	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
Total net assets	2,064	8,191	500	118,711	129,466

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

20 Central Services

The Trust provided a wide range of shared 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 & Procurement Services
- Welfare
- Wellbeing

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

The actual amounts contributed during the year were as follows:

	2024 £000	2023 £000
The Priory Academy LSST	865	828
The Priory Witham Academy	609	574
The Priory City of Lincoln Academy	551	501
The Priory Ruskin Academy	756	720
The Priory Belvoir Academy	344	317
The Priory Pembroke Academy	317	266
Ling Moor Primary Academy	97	92
Heighington Millfield Primary Academy	59	62
Huntingtower Community Primary Academy	112	103
Waddington Redwood Primary Academy	65	61
Cherry Willingham Primary Academy	52	43
Willoughby Academy	106	94
St Johns Primary Academy	44	-
Other	99	103
	<hr/> 4,076	<hr/> 3,764

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

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:

- the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust: and
- 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

	2024 £000	2023 £000
Contracted for, but not provided in the financial statements	-	110

The above capital commitments will be met by the carry forward reserves present as at the 31 August 2024.

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

25 Commitments under operating leases

At 31 August 2024 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £000	2023 £000
Amounts due:		
Land and buildings		
Within one year	35	12
Within two to five years	121	47
After five years	15	24
	<hr/> 171	<hr/> 83
Other		
Within one year	89	138
Within two to five years	73	149
After five years	-	-
	<hr/> 162	<hr/> 287
	<hr/> 333	<hr/> 370

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

	2024 £000	2023 £000
Net income/(expenditure) for the reporting period	2,521	(1,058)
Adjusted for:		
Depreciation of tangible and intangible fixed assets	2,800	2,662
Repayment of borrowing	1	2
Capital grants from DfE Group and other capital income	(5,460)	(2,680)
Interest receivable	(148)	(55)
Defined benefit pension scheme cost less contributions payable	(971)	432
Defined benefit pension scheme finance cost/(income)	(468)	(114)
Defined benefit pension scheme obligation inherited	-	-
Decrease/(increase) in stock	3	(3)
Decrease/(increase) in debtors	(146)	(701)
Increase/(decrease) in creditors	(219)	(380)
Net cash inflow/(outflow) from operating activities	<hr/> (2,087)	<hr/> (1,895)

27 Cash flows from investing activities

	2024 £000	2023 £000
Interest received from investments	148	55
Cash transferred to investments	(6,165)	(2,997)
Cash transferred from investments	2,997	2,997
Purchase of tangible fixed assets	(462)	(4,430)
Disposal of tangible fixed assets	194	36
Capital grants from DfE Group	1,979	2,680
Net cash inflow/(outflow) from investing activities	<hr/> (1,309)	<hr/> (1,659)

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

28 Cash flows from financing activities

	2024 £000	2023 £000
Repayment of borrowing	(1)	(2)
Net cash provided by (used in) financing activities	(1)	(2)

29 Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand and at bank	5,958	5,387
Notice deposits (less than 3 months)	1,106	5,074
Total cash and cash equivalents	7,064	10,461

30 Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	Non- cash changes £000	At 31 August 2024 £000
Cash	5,387	571	-	5,958
Cash equivalents	5,074	(3,968)	-	1,106
	10,461	(3,397)	-	7,064
Loans falling due within one year	(2)	1	(1)	(2)
Loans falling due after more than one year	(2)	-	1	(1)
Total	10,457	(3,396)	-	7,061

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 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024 the Trust received £69,045 (2023: £52,586) and disbursed £66,590 (2023: £49,326) from the fund. The trust redeemed a 5% administration element in line with the ESFA regulations, of £3,461 (2023: £3,471). As at 31 August 2024, the cumulative unspent 16-19 bursary fund is £70,920 (2023: £71,926), of which £nil (2023: £1,938) relates to undistributed funding that is repayable to ESFA.

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

33 Transfer of existing academies into the Trust

St Johns Primary Academy at 1 January 2024	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	2,983	-	2,983
Computer equipment	39	-	39
Furniture and equipment	459	-	459
Current assets			
Stock	-	-	-
Debtors due in less than one year	96	-	96
Cash in bank and in hand	296	-	296
Liabilities			
Creditors due in less than one year	(147)	-	(147)
Pensions			
Pension scheme deficit	-	-	-
Net assets / (liabilities)	3,726	-	3,726

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £1,076,503 (2023: £879,418) were payable to the schemes at 31 August 2024 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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

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

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

The employer's pension costs paid to TPS in the period amounted to £6,081,555 (2023: £5,054,249).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above, the information available on the scheme.

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 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 2024 was £4,105,393 (2023 £3,341,864), of which employer's contributions totalled £3,310,299 (2023 £2,641,547) and employees' contributions totalled £795,095 (2023 £700,317).

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, Willoughby Academy and St Johns Primary Academy).

Principal actuarial assumptions

	At 31 August 2024 % per annum	At 31 August 2023 % per annum
Pension Increase Rate	2.75%	2.90%
RPI inflation	3.05%	3.20%
Salary Increase Rate	3.75%	3.90%
Discount Rate	5.10%	5.30%

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

	At 31 August 2024 No. Years	At 31 August 2023 No. Years
Retiring today		
Males	19.5	19.5
Females	22.7	22.6
Retiring in 20 years		
Males	20.7	20.8
Females	24.1	24.0

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 Pension and similar obligations (continued)

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

Change in assumptions at 31 August 2024	£000 0.1%	£000 0.0%	£000 -0.1%
Adjustment to discount rate	38,316	39,099	39,905
Adjustment to long term salary increase	39,133	39,099	39,065
Adjustment to pension increases and deferred revaluation	39,889	39,099	38,331
	+1 Year	None	-1 Year
Adjustment to life expectancy assumptions	40,177	39,099	38,050

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

	Fair Value at 31 August 2024 £000	Fair Value at 31 August 2023 £000
Equities	27,193	24,502
Bonds	6,892	5,217
Property	3,520	2,947
Cash	1,652	1,355
Infrastructure	2,089	1,509
Absolute return fund	8,255	4,153
Total assets	49,601	39,683
Present value of scheme liabilities		
- Funded	(39,099)	(32,781)
- Unfunded	-	-
Surplus/(Deficit) in the scheme	10,502	6,902

The actual return on the scheme assets in the year was a gain of £4,511,000 (2023: gain of £1,046,000).

Amounts recognised in the Statement of Financial Activities	2024 £000	2023 £000
Current service cost (net of employee contributions)	(2,223)	(2,880)
Past service costs	-	-
Losses / (gains) on curtailments and settlements	-	-
Interest income	2,265	1,619
Interest cost	(1,809)	(1,500)
Administration expenses	(12)	(39)
Total amount recognised in the SOFA	(1,779)	(2,800)

The Priory Federation of Academies

Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:	2024 £000	2023 £000
At 1 September	39,683	35,407
Current service cost	2,223	2,880
Past service cost	-	-
Interest cost	1,809	1,500
Contributions by scheme participants	760	667
Actuarial (gains)/losses	215	(6,776)
Liabilities assumed / (extinguished) on settlements	2,190	-
Losses on Curtailments	-	-
Estimated benefits paid	(690)	(897)
Pension ceiling adjustment	3,411	6,902
At 31 August	49,601	39,683

Without the asset ceiling adjustment, there would be a net pension scheme asset of £10,313,000. In the opinion of the Trustees, this asset cannot be realistically recovered from the pension scheme, either by direct payment or future pension service contributions, hence an adjustment has been made to remove the pension scheme net surplus.

Changes in the fair value of Trust's share of scheme assets:	2024 £000	2023 £000
At 1 September	39,683	36,979
Expected return on scheme assets	2,265	1,619
Actuarial gains/(losses)	2,246	(1,145)
Contributions by employer	3,159	2,499
Contributions by scheme participants	760	667
Administration expenses	(12)	(39)
Settlement prices received / (paid)	2,190	-
Benefits paid	(690)	(897)
At 31 August	49,601	39,683

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Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 Pension and similar obligations (continued)

Leicestershire County Council Pension Fund
(The Priory Belvoir Academy)

Principal actuarial assumptions

	At 31 August 2024 % per annum	At 31 August 2023 % per annum
Pension Increase Rate	2.65%	2.95%
Salary Increase Rate	3.15%	3.45%
Discount Rate	5.00%	5.20%

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

	At 31 August 2024 No. Years	At 31 August 2023 No. Years
Retiring today		
Males	20.4	20.5
Females	24.8	24.8
Retiring in 20 years		
Males	21.5	21.6
Females	25.7	25.8

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

Change in assumptions at 31 August 2024	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	53
1 year increase in member life expectancy	4%	91
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate (CPI)	2%	53

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Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 Pension and similar obligations (continued)

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

	Fair Value at 31 August 2024 £000	Fair Value at 31 August 2023 £000
Equities	1,390	1,283
Bonds	909	765
Property	160	158
Cash	214	45
Total assets	2,673	2,251
Present value of scheme liabilities		
- Funded	(2,267)	(2,038)
- Unfunded	-	-
Surplus/(Deficit) in the scheme	406	213

The actual return on the scheme assets in the year was a gain of £270,000 (2023: loss of £4,000).

Amounts recognised in the Statement of Financial Activities	2024 £000	2023 £000
Current service cost (net of employee contributions)	(104)	(155)
Past service costs	-	-
Losses / (gains) on curtailments and settlements	-	-
Interest income	121	92
Interest cost	(109)	(97)
Total amount recognised in the SOFA	(92)	(160)

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Financial Statements for the Year Ended 31 August 2024

Notes to the Financial Statements (continued)

34 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:	2024 £000	2023 £000
At 1 September	2,038	2,217
Current service cost	104	155
Past service cost	-	-
Interest cost	109	97
Contributions by scheme participants	35	33
Actuarial (gains)/losses	15	(434)
Losses on Curtailments	-	-
Estimated benefits paid	(34)	(30)
Pension ceiling adjustment	406	-
At 31 August	2,673	2,038

Without the asset ceiling adjustment, there would be a net pension scheme asset of £406,000. In the opinion of the Trustees, this asset cannot be realistically recovered from the pension scheme, either by direct payment or future pension service contributions, hence an adjustment has been made to remove the pension scheme net surplus.

Changes in the fair value of Trust's share of scheme assets:	2024 £000	2023 £000
At 1 September	2,251	2,099
Expected return on scheme assets	121	92
Actuarial gains/(losses)	149	(86)
Contributions by employer	151	143
Contributions by scheme participants	35	33
Benefits paid	(34)	(30)
At 31 August	2,673	2,251