Registration number: 08333424

Big Creative Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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Big Creative Academy

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Big Creative Academy

Reference and Administrative Details

Members	Big Creative Training Alexis Michaelides Ian Morton Mark Jolly John Stone, Chair of Governors
Governors	Sacha Corcoran MBE, Principal John Stone, Chair of Governors Dev Daworaz (resigned 31 October 2022) Alexis Michaelides (resigned 16 September 2022) James Salmon Amani Simpson Adam Taylor Sarah Gregory (appointed 11 July 2022) Tracy Ward, Parent Governor (appointed 10 July 2022) Lee Chalkley, Staff governor (appointed 11 July 2022) Sherilee Charles (appointed 1 November 2022)
Company Secretary	Mark Shaw, Clerk to Governors
Senior Management Team	Sacha Corcoran, Principal / Accounting officer Cyrus Armstrong-James, Vice Principal / Director of Curriculum Muna Whitaker, Academy Business Manager Victoria Spence, Director of Careers & Partnerships,Research, Marketing Milly Azordegan, Director of Learner Services
Principal and Registered Office	38 Clifton Avenue London E17 6HL
Company Registration Number	08333424
Auditors	Beever and Struthers Chartered Accountants and Statutory Auditors 15 Bunhill Row London EC1Y 8LP

Big Creative Academy

Reference and Administrative Details (continued)

Bankers	Lloyds Bank Threadneedle Street PO Box 1000 BX21 1LT
Solicitors	Hilary Cooper Law 90 Long Acre Covent Garden London WC2E 9RA

Big Creative Academy

Governors' Report for the Year Ended 31 August 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Big Creative Academy Trust operates an academy for students aged 16-19. Students come from all 32 London boroughs and neighbouring counties. The Academy Trust moved into the newly constructed Clifton Avenue Campus in January 2021. The Academy has recruited 476 students in this academic year, as per the 1 November 2021 R04 census date.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08333424.

The governors act as the trustees for the charitable activities of Big Creative Academy and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Big Creative Academy.

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

Members' liability

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

Governors' indemnities

The academy trust through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy has its insurance with the Department of Education through a Risk Protection Arrangement.

Method of recruitment and appointment or election of Governors

The Academy Trust advertises and recruit new Governors with skills and abilities that compliments that of the existing members. An interview process is undertaken at which the prospective Governor's interests and suitability is assessed against the best practice guidelines set out by the department for Education.

The Academy Principal is automatically designated a Governor upon appointment at the academy and the Principal is no longer the only member of the Board that is employed by the Academy Trust, because trustees decided to appoint a staff governor during this academic year.

The term of office for all Governors are four years' subject to remaining eligible to be a particular Governor. Governor can be re-appointed or re-elected for a further four-year term up to a maximum of 8 years and then a further year provided their appointment is approved by Trustees.

Policies and procedures adopted for the induction and training of Governors

Governors are referred to the Clerk to ensure full briefing in the strategic development of the Academy, finances, and key performance indicators of the senior management team. New Governors are issued with detailed information about the academy and training advice.

New Governors are issued information packs which includes the Charity's Memorandum & Articles of Association, recent audited and management accounts, the strategic plan, minutes of recent Board meetings, complete list of the members of the Governing Body and its sub-committees and the Charity Commission's information on Responsibilities of Trustees.

Organisational structure

The Governing Body is responsible for the strategic direction of the Academy and holds the Principal to account in implementing the strategic plan. Annual budgets are approved by the Governing Body. All operational matters are delegated to the Principal and senior management team. The Governors of the charity take very seriously the management of any potential conflicts of interest and are alive to the need to inspire confidence in those dealing with the charity that business is conducted in an open and scrupulously fair manner. To this end the charity has put in place Articles of Association and through the policies and practical working arrangements they have adopted. These arrangements are such that the risk of a conflict is low, but the charity understands that it is important to address any perceived issues, which may cause concern so that maximum confidence can be assured.

The Academy has taken advice from their legal advisers on all aspects of their governance arrangements to ensure compliance with company and charity law legislation and the Academies Act 2010.

The Governors bring a range of skills and many years of high-level experience to the Governing Body and are therefore well placed to make informed decisions, challenge where appropriate and ensure proper controls are in place for procurement and contracting requirements and expectations of an outstanding 16-19 Academy.

The Governing Body met four times in 2021-22, meetings took place in person at the academy with some remote access been made available to governors who required such access. Governors approved terms of reference for sub-committees and reviewed and approved the Academy's main policies and strategic objectives. Certain responsibilities are delegated to the two sub-committees for specific areas in accordance with the Articles of Association. These sub-committees have focused on finance and general purposes and the learner experience. The day-to-day management and operation of the Academy is delegated to the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Finance and General Purposes Committee considers the remuneration of all staff including the Principal and Accounting Officer in accordance with the Trust Pay Policy. The committee makes recommendations to the Board of Governors. In 2019-20, governors conducted an exercise to consider executive pay benchmarked against the sector.

Connected organisations, including related party relationships

The sponsor for the Academy Trust is Big Creative Training Limited. The Academy is a progression route for students at Big Creative Training who want to pursue Level 3 courses. The organisations sit under the umbrella trademark of Big Creative Education.

The Academy has a close relationship with Big Creative Training, a company limited by guarantee. A Governor and a member of the Academy Trust, Alexis Michaelides is the sole director of Big Creative Training Ltd. In July 2021 the Academy's shared service contract with Big Creative Training Limited ended.

This was done to ensure compliance with the related party regulations and bring the academy's working practices in line with guidance from the ESFA and that contained within section 5.35 to 5.44 of the Academy Trust Handbook 2021.

Objectives and activities

Objects and aims

Big Creative Academy is an educational organisation specialising in teaching vocational curricula in the creative arts. The students are between 16 and 19 years old. In addition to the vocational courses, all students pursue a programme in Wellbeing in addition to a specific focus on gaining industry experience and future employability skills.

Big Creative Academy's objects are to advance outstanding education in the London Borough of Waltham Forest by establishing, maintaining, developing, managing, and continuously evolving a 16 to 19 Academy offering a curriculum appropriate to the needs of its students. The mission of Big Creative Academy is to develop talent, transform lives, create careers, with a vision to establishing a school regarded by young people, parents, the education community, and employers as one of the leading post 16 institutions for exceptional teaching, learning and skills development for the creative industries within the UK.

Big Creative Academy is driven by the involvement of high profile and cutting-edge employers influencing and shaping the curriculum and the learner experience. The Academy works with employers to design programmes that produce young people with skills that are needed in today's workplace. Employers give talks, set projects, host visits, provide work experience and are at the heart of the academy's learner experience, which aims to provide young people with the ability to acquire the aspiration, contacts, networks and knowledge to enter the creative industries and develop their aspirations within their chosen sector of employment.

Objectives, strategies and activities

The Academy was judged Grade 'Good' by Ofsted in April 2017 and is building on this achievement to move to Grade 1 'Outstanding'.

The main areas for development from the annual self-assessment report for the academic year 2021-22 were for the Academy to provide:
• Improve the consistency in the learner experience and journey in some curriculum areas, this includes improving the challenging of learners and quality of the pastoral support and timely interventions.
• Improve classroom experimentation, by increasing the diversity of classroom activities, providing more experience through play, exploration and failure and encourage active learning .
• Develop the careers service, embedding the Gatsby standards and working towards a careers education kite mark and providing work experience.
• Develop a clear intent for all of the courses, curriculum areas and the wider Academy.

Post covid the Academy adapted its practices and progressively reinstated classroom learning, whilst retaining a small percentage of online learning which will continue to be made available for all future learners. Members of staff now provide tutor focused classroom lessons to learners in addition to a comprehensive learning timetable. Learner attendance and participation has been continuously monitored throughout the academic year, and safeguarding remained robust and effective and student wellbeing resources were both increased and improved to ensure best outcomes for the learners who attend the academy. A curriculum review was held by external consultants to support the middle leaders and leadership team in identifying key areas for further development and a coaching programme was implemented for the senior team to support them in their leadership roles.

The Academy achieved its aim of providing good value for money through a robust procurement process, and increased and improved monitoring of spend and a clear set of financial policies and procedures to ensure staff remain accountable for any expenditure they may process. The Academy's long term aims and objectives continue to be met including remaining financially viable over the long term.

Public benefit

Big Creative Academy in 2021-22 has delivered vocational courses with University of the Arts, London (UAL) awarding body. 92.5% of students undertook Level 3 applied general qualifications, with 7.5% taking smaller Level 3 Award qualifications. The curriculum areas served are Music, Fashion, Media, Music, Sports and Performing Arts.

During the year, there were 476 students enrolled with, 452 remaining until the end of the academic year, that is a 96.1% retention, a small decline on the previous year.

The Achievement rate in vocational courses at 88.2% which was a decline on the previous years percentage (92% in 2020/21). The global achievement rate for 2021-22 is 88.7% (-1.5% on 2019-20) against a global benchmark of 82.6% the academy is 6% above.

Trustees have had due regard to the public benefit of the Academy in carrying out their core functions of overseeing implementation of the strategic vision, ensuring best value for money and holding the Principal to account.

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

Strategic Report

Achievements and performance

The Academy recruited students for all curriculum areas. All staff were recruited and in place, all having been employed based on their industry experience and qualified teacher status. The Academy's performance was closely monitored through termly governance meetings, reports, all noting strong leadership and high expectations. At the start of the academic year all teaching and learning areas within the academy quickly and efficiently returned to classroom learning. There has continued to be a stronger strategic priority in improving English and Maths which has produced much better results for some learners, this however remains a priority. There was a drop in predicted achievement for vocational qualifications which was evident in all areas and early indicators from similar providers noted concerns across the sector regarding achievement, attendance, resilience, behaviour and application of learners post COVID, however all vocational results remain at or above benchmarks . The Academy's Wellbeing programme continues to measure the impact on learners and continues to be recognised as best practice. Added value outcomes for learners, demonstrating the distance travelled from entry qualifications to outgoing qualifications, continue to be significantly higher than equivalent schools and the majority of learners going onto higher education are the first generation to do so. The safeguarding of learners at Big Creative Academy is paramount and both learners and parents report feeling safe at the Academy.

Key performance indicators

Performance highlights include:

- Strong recruitment of learners above the ESFA target
- Academy finances are healthy and remain in surplus.
- Learners maintaining good achievement rates – overall achievement rates are higher than provider type benchmarks and higher than national vocational benchmarks
- Good positive progression for students with 93% going into higher education, employment and apprenticeships
- Reflective leadership and governing body, adaptable to the needs of the organization
- Resilient staff team demonstrating good outcomes despite an increase in young people with behavioral and safeguarding concerns.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy 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.

Strategic Report

Financial review

The Academy's financial position at the year ended 31 August 2022 was an increase in funds of £1,199,902 (2021: £12,195,064) The Academy received capital grants to the amount of £408,894. The annual depreciation charge was £282,972 (2021: £185,337). The Academy cash position at the end of the year remained healthy at £1,330,047 (2021: £440,235).

Big Creative Academy produced an annual budget that was approved by the Governing Body. The Board received monthly management accounts and the Finance and General Purposes Committee monitored the financial affairs of the Academy. The Committee received monthly rolling cash flow forecasts and Financial Forecast.

Over 97% of Academy Trust income is from the Department for Education/Education and Skills Funding Agency. The rest was from donations and room hire income.

The Academy Trust has continued to improve its financial auditing procedures including producing a comprehensive set of Finance policies and procedures that have been approved by the Finance and General Purposes Committee.

The Academy the principal source of funding is the General Annual Grant (GAG) from the Education and Skills Funding Agency. The Academy has expended the GAG to achieve key objectives of the Academy Trust as outlined in the Governors Report.

To ensure the Academy remains a viable going concern it was able to secure funding based on 476 learners for 2021/22. The Academy has also improved its cash flow and reserves and the way it seeks to recoup ECHP costs from local borough authorities on behalf of its learners has been revised and improved.

At the year end the academy's total reserves were £13,961,353 (2021: £12,761,451), including unrestricted funds of a deficit £11,341 (2021: £Nil). Restricted funds includes fixed asset funds of £12,808,776 (2021: £12,761,451), less the LGPS pensions scheme deficit of nil (2021: £289,000).

The Academy has a deficit of nil (2021: £289,000) in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. There is no requirement for the academy trust to settle this obligation immediately and there is no indication that it will crystallise in the foreseeable future.

Strategic Report

Reserves policy

This policy establishes a framework within which decisions will be made regarding the level of reserves held by the Academy and the purposes for which they will be maintained and used.

There are several constraints placed upon academies in terms of financial management, one being the inability to borrow funds (Section 5.33 and 5.34 of the Academy Trust Handbook 2021). Therefore, it is prudent to consider how the Academy will manage its cash, liquid assets and debt.

The Academy will maintain an adequate level of uncommitted reserves to provide a working balance to cushion the impact of uneven cash flow and provide a contingency to cushion the impact of unexpected events. To mitigate any risk, the Academy will work on a figure to equate to one month's expenditure. At 31 August 2022 this is calculated at approximately £240,000.

The uncommitted reserves balance will be continually reviewed and a projection on future balances will be made at key points during the financial year.

Investment policy

The Academy aims to invest surplus cash funds to optimise returns whilst ensuring the investments are such that there is no risk to the loss of these cash funds.

A rolling 12-month cash flow forecast is prepared and monitored to ensure that there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment. The Principal is satisfied that the cash flow predictions are robust and the investment of surplus funds will not compromise the viability and sustainability of the activities of the Academy. Should reserves be invested this would be with no-risk accounts with the bank.

Re-investment is automatically undertaken for the capital sum and interest unless funds are identified as being required for immediate use. In the financial year the Academy ensured it had sufficient cash to meet payroll and creditor commitments by choosing not to invest funds.

Strategic Report

Principal risks and uncertainties

Throughout the 2021/22 academic year the main risks moved from those associated with the pandemic to the adequate recruitment and retention of skilled employees and teaching staff at the academy, which the governing body recognizes is linked to the management and recruitment of future learners to ensure the future budget.
This has been managed effectively throughout the academic year and the Academy has increased its recruitment of learners throughout the 2021/22 academic year, exceeding its ESFA target number of 400 this year with 477 students enrolled.

The academy was able to adjust and revert to classroom learning post pandemic and thereby maintain the delivery of its courses and increase student recruitment activities throughout the academic year. Thereby ensuring both the student retention and achievement was maximised and the start of the new academic year was positive.

The academic has continued to improve its online technology to ensure all courses can be delivered, assessed, and accessed remotely, safeguarding the academy against future lock downs, enforced closures or staff who may be required to work remotely.

All relevant processes, risk assessments and health and safety protocols have been reinstated and the academy continues to operate effectively with very positive student outcomes.

The other principal risks to which the Academy is exposed are the competitive nature of the sector and the continued development of new post 16 providers. This means the Academy has to ensure its marketing strategy and admission process continues to be robust and does not leave it exposed when meeting the annual target for student recruitment as agreed with the ESFA. Academy performance is measured by achievement rates, retention rates and outcomes for learners. It is imperative achievement rate targets compete with national benchmarks to ensure Ofsted and stakeholders' expectations are met.

Strategic Report

The changing nature of the education policy landscape exposes the Academy to risk, for example in the government skills white paper the academy will now be expected to either form or join a multi-academy trust by 2030, and governors have been fully briefed on how the transition from a single academy trust to a multi-academy trust can be best achieved including taking up legal advice; to facilitate and inform their strategic decision making. Alignment with local skills priorities will also be a priority with local skills plans being written 2022 by employers, the Academy curriculum offer must reflect this to demonstrate an economic benefit.

The Academy's new building has helped enhance learners experience of the creative learning environment, however as identified during the 2020/21 academic year the canteen area remains unable to accommodate all learners and for this reason the governing body approved funding for the canteen to be extended. The design was completed at the start of the 2022/23 academic year. The governing body further explored the development and improvement of student wellbeing by increasing its capacity in terms of mental health and social care provision for learners. Governors reviewed the developed of a new T level programme which aims to be implemented in the 2023/24 academic year.

The governing body acknowledge the decision to finance the development of improved canteen facilities and create a new base for a T level education programme; come with associated financial and educational risks. And the academy has attempted to mitigate these risks through utilizing the academies financial reserves and the placement of CIF funding bids which were successfully received by the DfE and gained approved ESFA funding.

Throughout the academic year the academy continued to improve its internal financial and auditing systems and procedures.

A Marketing and PR Strategy has been developed and monthly meetings are held to ensure the Academy meets its estimated student number target. In continuing to provide a good experience for learners, the Academy has a robust performance review process with Curriculum Managers and Course Leads in weekly one to one meetings and termly business reviews and a full quality cycle that reflects the learner journey and the agreed KPI's for courses and staff performance.

Risk management

The Governing body monitors, identify and review the risks to which the Academy is exposed on a regular basis and ensures appropriate controls are in place to provide reasonable assurance against fraud and error.

Fundraising

The academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the governors.

Strategic Report

Plans for future periods

At its new site, the Academy will grow to host at least 400 students on further education courses and will be looking to develop higher education courses, T levels and review its curriculum offer once the skills plan is released. Its key aims, and objectives are:

- To be recognised as a leading education provider for creative courses
- To promote wellbeing to students, staff and the community
- To bring industry into the classroom
- To develop students' skills to provide opportunities to progress to higher education or employment, in turn improving their life chances and social mobility.

The current regeneration of Walthamstow and Blackhorse Lane development where the site is situated also ensures the Academy's future plans can benefit the wider community and bring more creative start-ups to the area, benefiting the local economy and raising aspirations.

Governors' Report for the Year Ended 31 August 2022 (continued)

Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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 governors' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 29Nov22 and signed on its behalf by:

.....
John Stone
Member and governor

Big Creative Academy

Governance Statement

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Big Creative Academy 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 Governing Body has delegated the day-to-day responsibility to Sacha Corcoran MBE, Principal, 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 Big Creative Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
John Stone, Chair of Governors	4	4
Sacha Corcoran MBE, Principal	4	4
Lee Chalkley, Staff governor (appointed 11 July 2022)	3	4
Dev Daworaz (resigned 31 October 2022)	1	4
Alexis Michaelides	4	4
James Salmon	4	4
Amani Simpson	3	4
Adam Taylor	4	4
Sarah Gregory (appointed 11 July 2022)	1	1
Tracy Ward, Parent Governor (appointed 10 July 2022)	1	1

Governors ordinarily have four full board meetings per year, three Learner Experience Committee meetings and four Finance and General Purposes Committee meetings. In addition to these meetings, management accounts are provided to the full board every month, and the Learner Experience Committee receives a formal report every term. Link governors for safeguarding and careers have meetings every two months, and the Principal and Clerk meet with the Chair of Governors every month. A staff associate has also been appointed linking into the staff team. As a small trust, governors find frequency of formal meetings adequate to maintain oversight of the Academy and fulfil their core functions.

For the academic year 2021-22, the governing board met formally four times.

Annual Governance Reviews 2021-22

The governing body annually performs a self-assessment review of its skills and competencies in line with the National Governance Association annual skills audit for governors of a single academy trust.

This academic year the skills audit for the 2021-22 academic year indicates that the majority of governors score well across all areas of competencies and that none of the areas is rated below 60% overall.

External Review of Governance 2021-22

The academy trust handbook recommends that governing bodies commission an independent review of governance to independently assess and advise; on how the governing body may improve its strategic leadership of the academy.

As part of its commitment to continuous improvement the governing body commissioned an independent reviewer during the 2021-22 academic year who was sourced and recommended by the National Governance Association.

The review found the following:

• An abiding strength of the academy was its clarity of vision, ethos and strategic direction during its development since it opened in 2014. The self-assessment identified this as a key strength, but noted that in order to maintain this area of strength there was a priority for further attention to be paid to the reviewing and updating of the board's vision.
• The importance of the Big Creative brand and the partnership, support and encouragement from the sponsor is apparent and the challenge for both sponsor and governing board is how to enable the next driving force for further development which supports the sponsor's vision and sits comfortably within the Big Creative Academy brand.
• Trustees are appropriately skilled and knowledgeable in the creative arts as well as education, however this strength is qualified by the small size of the board which leads to unsustainable workloads for individuals.
• The delivery of a balanced budget and a confident five-year financial forecast, as well as the completion of a major investment in the new building, demonstrates a good level of competence in this area, and recent staff changes have created the opportunity for staff and trustees to establish a new settlement in the way the financial governance is taken forward.

The review went on to make several recommendations as to how certain areas of governance might be further improved and these will be used to implement future improvement within the governing body over this and future academic years.

It is anticipated that the next external review of governance will be commissioned in 2026.

Declarations of Pecuniary and Business Interests

The governance professional ensures all governors declare any conflicts of interest within the declarations area of the Governor Hub. These are used to create the declarations of interest document which is regularly reviewed each academic year and is published on the governance area of the academy website.

The scheme of delegation for governance functions comprises a Learner Experience Committee overseeing the quality of teaching and learning and Finance and General Purposes Committee to ensure the Academy is financially viable and represents value for money. The Finance and General Purposes Committee also includes risk and audit functions. The Governing Body reviews its composition and terms of reference on an annual basis to ensure it is fulfilling its core functions.

The **Finance and General Purposes Committee** is a sub-committee of the main Governing Body. Its purpose is:
- To review and note monthly financial management reports, which monitor the Academy's actual financial performance compared with the budget
- To consider strategic in-year changes with a financial implication, including specific reference to the Academy's general annual grant driven by student recruitment
- To make decisions on material budgetary virements within the committee's delegated powers and authorise as necessary and report to the full Governing Body
- To note key/ material spending in excess of (on cumulative basis) £20,000 in line with the Academy Trust Handbook 2021
- To note all related party transactions reported to the EFSA, and approve those in excess of (on cumulative basis) £20,000 in line with the Academy Trust Handbook 2022
- To monitor the use of any targeted funding (e.g. student bursary)
- To make decisions on recommendations from other committees that represent a significant departure from the planned budget or may have an impact on planning future budgets and report to the full Governing Body
- To note and require updates to the Academy Trust Handbook 2021
- To consider work of other assurance providers relating to fraud or other investigation that has a financial implication
- To approve the appointment or termination of the internal auditors, including review and approve the role and mandate of internal audit and monitor and review the effectiveness of its work(s)
- To review and approve the annual accounts for Big Creative Academy on behalf of the Governing Body and advise the Governing body on matters of internal control and other issues included in the management letters and related management responses

The Finance and General Purposes Committee also acts as an Audit Committee as per the Academies Trust Handbook. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Sacha Corcoran MBE	4	4
Dev Daworaz (resigned 31 October 2022)	3	4
James Salmon	4	4
Adam Taylor	0	1
John Stone	1	1

The **Learner Experience Committee** is a sub-committee of the main Governing Body. Its purpose is to to track and monitor fulfilment of the Academy vision through:

- Monitoring the effectiveness of the Academy's approach in: meeting the requirements of study programmes, preparing learners for life in modern Britain and develops learners' awareness of their own 'wellbeing', progression to higher levels of education and sustainable employment
- Reviewing how effectively the Academy meets the needs of its stakeholders including, but not limited to, employers, industry, the community and learners in development of the curriculum offer
- Challenging the approach to quality improvement through reviewing the outcomes of the quality cycle, reviewing the impact of improvement strategies on raising the quality of teaching, learning and assessment and ensuring that sufficient progress is being made by all learner cohorts in achieving their potential
- Monitoring the effectiveness of the Academy's approach in meeting the requirements of study programmes, preparing learners for life in modern Britain and developing learners' awareness of their own 'wellbeing', progression to higher levels of education and sustainable employment
- Monitoring the Academy's responsiveness to all stakeholders including involving and keeping employers and parents and carers informed of learners' progress .

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Sacha Corcoran MBE	3	3
John Stone	3	3
Alexis Michaelides	2	3
Amani Simpson	3	3
Lee Chalkley (appointed 11 July 2022)	3	3

Review of value for money

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

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

The Academy under its financial policy and regulations has clear procurement and tendering processes that ensure best value for both large items that require board sign off and at a local budget level with middle managers. All managers are required to obtain 3 quotes when purchasing items and this is reviewed by the finance team, before a purchase order is drawn up and approval to order is given. The trust handbook details the processes and internal controls in place and the thresholds at which board approval is required and quotes must be shared. Purchases are also reviewed by the CAO as part of the monthly accounts that are received and with other budget holders. The CAO is also responsible for authorising any payments online so is able to have further scrutiny at the point of payment approval.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Big Creative Academy for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body and strengthened wherever possible.

The Risk and Control Framework

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

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

In compliance with the Accounting Direction which required that the internal and external auditors should be different company's the academy employed;

- Academy Advisory as internal auditors
- Beever and Struthers as the external auditors.

Governance Statement (continued)

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems.

The internal audit undertaken in 2021-22 reviewed the key financial systems included conducting a review of Payroll, Purchases, Income, Debit cards and other finance areas.

This included review of transactions to identify high-risk and potentially ineligible expenditure. Analysis of data from QuickBooks to establish how the finance system is being used (for instance, is the ordering system being utilised for the majority of transactions or are invoices posted directly to the accounting system; are journal entries being used for routine transactions etc). Reviewed management accounts to ensure we understand budgetary performance and establish if any additional risk areas can be identified.

The internal auditor reports to the Board of Trustees, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit schedule has been delivered and a plan is also on place for 2022/23, areas of scrutiny are agreed by the Finance and General Purposes Committee and subsequent internal audit reports have been shared with board members and management responses discussed and agreed. The Chair of the FGP committee has also been in regular contact with the internal auditors where matters have arsine that require further conversation.

On a quarterly basis, the auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of Effectiveness

As Accounting Officer, Sacha Corcoran MBE, Principal 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-assesment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 29 Nov 22 and signed on its behalf by:

.....
John Stone
Member and governor

.....
Sacha Corcoran MBE, Principal
and Accounting Officer

Big Creative Academy

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Big Creative Academy I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governing Body and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Governing Body and ESFA

- **Financial issues**

  Further to the irregularity reported in the 2021 financial statements in both the Statement of Regularity, Propriety and Compliance and the Independent Reporting Accountant's Assurance Report on Regularity, a full review has been conducted and the total balance was found to be £258,043. This has been disclosed and reported to the board of trustees, Action Fraud and to the police. A full report was sent to the EFSA and the Academy is awaiting the outcome of a police investigation into allegations of fraud by a member of staff who is no longer employed by the Academy.

.....

Sacha Corcoran MBE, Principal
and Accounting Officer

Big Creative Academy

Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 Governors 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 on 29Nov22 and signed on its behalf by:

.....
John Stone
Member and governor

Big Creative Academy

Independent Auditor's Report on the Financial Statements to the Members of Big Creative Academy

Opinion

We have audited the financial statements of Big Creative Academy "the academy trust" for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including 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 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's Report on the Financial Statements to the Members of Big Creative Academy (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 Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

We have nothing to report in respect of the following matters where 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 Governors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities [set out on page 21], the Governors 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 Governors 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 Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report on the Financial Statements to the Members of Big Creative Academy (continued)

Auditor Responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud

To assist with identifying and assessing risks associated with material misstatements, including fraud and non compliance of laws and regulations, we carried out the following procedures;

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy trust through discussion with governors and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2021 to 2022 and Academies Trust Handbook 2021, both issued by the Education and Skills Funding Agency
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances on non-compliance throughout the audit.

We assessed the susceptability of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptability to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report on the Financial Statements to the Members of Big Creative Academy (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy 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 academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

.....

Elizabeth Hatchman (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

15 Bunhill Row
London
EC1Y 8LP

Date: 15 December 2022

Big Creative Academy

Independent Reporting Accountant's Assurance Report on Regularity to Big Creative Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Big Creative Academy during the period 1 September 2021 to 31 August 2022 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 Big Creative Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Big Creative Academy and the 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 Big Creative Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Big Creative Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 4 August 2014 as updated with a Deed of Variation dated 22 October 2020 and the Academies Trust Handbook extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Independent Reporting Accountant's Assurance Report on Regularity to Big Creative Academy and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Beever and Struthers

.....

Elizabeth Hatchman Reporting Accountant
For and on behalf of Beever and Struthers, Chartered Accountants

15 Bunhill Row
London
EC1Y 8LP

Date: 15 December 2022

Big Creative Academy

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	(As restated) 2020/21 Total £
Income and endowments from:						
Donations and capital grants	3	2,550	-	18,894	21,444	12,456,670
Other trading activities	5	28,841	-	390,000	418,841	17,411
Charitable activities:						
Funding for the Academy trust's educational operations	4	-	3,234,586	-	3,234,586	2,551,404
Exceptional item	6	-	258,043	-	258,043	-
Total		31,391	3,492,629	408,894	3,932,914	15,025,485
Expenditure on:						
Charitable activities:						
Academy trust educational operations	8	42,732	2,799,308	282,972	3,125,012	2,784,421
Total		42,732	2,799,308	282,972	3,125,012	2,784,421
Net (expenditure)/income		(11,341)	693,321	125,922	807,902	12,241,064
Transfers between funds		-	(33,070)	33,070	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	23	-	392,000	-	392,000	(46,000)
Net movement in (deficit)/funds		(11,341)	1,052,251	158,992	1,199,902	12,195,064
Reconciliation of funds						
Total funds brought forward at 1 September 2021		-	111,667	12,649,784	12,761,451	566,387
Total (deficit)/funds carried forward at 31 August 2022		(11,341)	1,163,918	12,808,776	13,961,353	12,761,451

Big Creative Academy

(Registration number: 08333424)
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	12,714,127	12,649,784
Current assets			
Debtors	13	354,591	105,242
Cash at bank and in hand		1,330,047	440,235
		1,684,638	545,477
Liabilities			
Creditors: Amounts falling due within one year	14	(437,412)	(144,810)
Net current assets		1,247,226	400,667
Total assets less current liabilities		13,961,353	13,050,451
Net assets excluding pension liability		13,961,353	13,050,451
Defined benefit pension scheme liability	23	-	(289,000)
Total net assets including pension liability		13,961,353	12,761,451
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,163,918	400,667
Restricted fixed asset fund		12,808,776	12,649,784
Restricted pension fund		-	(289,000)
		13,972,694	12,761,451
Unrestricted funds			
Unrestricted general fund		(11,341)	-
Total funds		13,961,353	12,761,451

The financial statements on pages 28 to 54 were approved by the Governors, and authorised for issue on 29/03/22, and signed on their behalf by:

John Stone
Member and governor

Big Creative Academy

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	(As restated) 2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	1,218,233	12,405,206
Cash flows from investing activities	19	(328,421)	(12,316,497)
Change in cash and cash equivalents in the year		889,812	88,709
Cash and cash equivalents at 1 September		440,235	351,526
Cash and cash equivalents at 31 August	20	1,330,047	440,235

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 academy 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The governors 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 governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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 academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy 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 academy trust has provided the goods or services.

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'.

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 appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Donated fixed assets

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 appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy 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.

All resources expended are inclusive of irrecoverable VAT.

1 Accounting policies (continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

Asset class	Depreciation method and rate
Structure	125 years straight line
Windows	40 years straight line
Roof	40 years straight line
Electrical	15 years straight line
Building improvements	10 years straight line
Furniture & Equipment	10 years straight line
Computer equipment	5 years straight line

1 Accounting policies (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 academy 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 academy 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.

Leased assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 17. Prepayments are not financial instruments

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

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

Taxation

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

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

1 Accounting policies (continued)

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

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

In accordance with FRS102 Section 28, defined benefit pension scheme assets are only recognised when their occurence results in reduction in the future contribution rate after agreement with the scheme actuary.

Fund accounting
Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 and Skills Funding Agency/Department for Education.

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.

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The academy 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31/08/2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The academy 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 0% 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 24.

2 Restatement of prior year

At 31 August 2021 the financial statements have been restated for the following disclosures:

- capital income has been split into ESFA capital income and Theatre funding in line with the agreement.
- Note 4 was reclassified in line with the latest Academies Accounts Direction 21/22
- Operating leases were amended
- Average employee numbers have been added
- additional related party disclosures.

There is no impact on the funds with the reclassification.

3 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2021/22 Total £	(As restated) 2020/21 Total £
Capital grants	-	11,394	11,394	106,552
WMBL Theatre Funding	-	7,500	7,500	142,500
Other donations	2,550	-	2,550	500
Donated fixed assets	-	-	-	12,207,118
	2,550	18,894	21,444	12,456,670

4 Funding for the Academy Trust's educational operations

	Restricted funds £	2021/22 Total £	(As restated) 2020/21 Total £
DfE/ESFA revenue grants			
General Annual Grant	2,880,740	2,880,740	2,178,732
Teachers Pension Grant	56,056	56,056	71,723
Other	166,295	166,295	152,184
DfE Group STA	9,990	9,990	8,921
	3,113,081	3,113,081	2,411,560
Other government grants			
Other income from the academy's educational operations	-	-	26,929
Local Authority	121,505	121,505	112,915
	121,505	121,505	139,844
Total grants	3,234,586	3,234,586	2,551,404

5 Other trading activities

	Unrestricted funds £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	5,576	-	5,576	3,301
Catering income	22,786	-	22,786	5,189
Lease premium	-	390,000	390,000	-
Other sales	479	-	479	8,921
	28,841	390,000	418,841	17,411

6 Other charitable activities

	Restricted funds £	2021/22 Total £
Exceptional item	258,043	258,043

In the 20/21 financial year, a fraud was identified by the Academy and reported to the ESFA. The Academy have been notified in financial year 21/22 that £253,043 will be recovered. Further details are included within the Statement of Regularity, Propriety and Compliance on page 20.

7 Expenditure

	Non Pay Expenditure				
	Staff costs £	Premises £	Other costs £	2021/22 Total £	As restated 2020/21 Total £
Academy's educational operations					
Direct costs	1,617,789	-	199,597	1,817,386	1,306,972
Allocated support costs	551,149	434,966	321,511	1,307,626	1,477,449
	2,168,938	434,966	521,108	3,125,012	2,784,421

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	8,880	8,816
Depreciation	282,972	185,337
Fees payable to auditor - audit	9,990	8,275
- other services	4,854	3,470
(Gain)/loss on disposal of fixed assets	-	(187,547)

8 Charitable activities

	2021/22 £	(As restated) 2020/21 £
Direct costs - educational operations	1,817,386	1,306,972
Support costs - educational operations	1,307,626	1,477,449
	3,125,012	2,784,421

	Educational operations £	2021/22 Total £	2020/21 Total £
Analysis of support costs			
Support staff costs	551,149	551,149	643,909
Depreciation	282,972	282,972	372,884
Technology costs	48,230	48,230	137,469
Premises costs	151,994	151,994	253,925
Legal costs - other	40,064	40,064	-
Other support costs	220,575	220,575	56,017
Governance costs	12,642	12,642	13,245
Total support costs	1,307,626	1,307,626	1,477,449

9 Staff

Staff costs

	2021/22 £	(As restated) 2020/21 £
Staff costs during the year were:		
Wages and salaries	1,564,716	1,380,625
Social security costs	155,867	131,000
Pension costs	400,555	70,735
	2,121,138	1,582,360
Supply staff costs	32,800	4,350
Staff restructuring costs	15,000	-
	2,168,938	1,586,710

	2022 £
Staff restructuring costs comprise:	
Severance payments	15,000

Non statutory/non-contractual staff severance payments
Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,000 (2021: £Nil). Individually, the payments were:

Non-statutory payments £15,000

Staff numbers

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

	2021/22 No	2020/21 No
Teachers	22	18
Administration and support	25	17
Management	5	5
	52	40

9 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2022 No	2021 No
£60,001 - £70,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £430,547 (2021: £411,495).

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Sacha Corcoran MBE (Principal and Governor):

Remuneration: £110,000 - £115,000 (2021 - £100,000 - £105,000)
Employer's pension contributions: £30,000 - £35,000 (2021 - £25,000 - £30,000)

Lee Chalkley (Staff trustee, appointed 11 July 2022):

Remuneration: £5,000 - £10,000 (2021 - £Nil)
Employer's pension contributions: £Nil (2021 - £Nil)

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil (2021 - £Nil) were reimbursed or paid directly to 0 trustees (2021 - 0).

Other related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

The academy 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 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.

12 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2021	12,207,118	321,261	53,166	358,639	12,940,184
Additions	-	-	211,402	135,913	347,315
At 31 August 2022	12,207,118	321.261	264,568	494,552	13,287,499
Depreciation					
At 1 September 2021	81,500	128,504	8,668	71,728	290,400
Charge for the year	173,801	32,126	5,317	71,728	282,972
At 31 August 2022	255,301	160,630	13,985	143,456	573,372
Net book value					
At 31 August 2022	11,951,817	160,631	250,583	351,096	12,714,127
At 31 August 2021	12,125,618	192,757	44,498	286,911	12,649,784

13 Debtors

	2022 £	2021 £
Trade debtors	659	24,245
VAT recoverable	93,915	18,216
Other debtors	258,043	-
Prepayments	1,974	16,662
Accrued grant and other income	-	46,119
	354,591	105,242

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	224,521	62,844
Other taxation and social security	39,636	31,488
Other creditors	49,854	8,317
Accruals	33,089	17,829
Pension scheme creditor	90,312	24,332
	437,412	144,810

15 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant	400,667	2,880,740	(2,084,419)	(33,070)	1,163,918
Other DfE/EFA grants	-	166,295	(166,295)	-	-
Teachers Pension Grant	-	56,056	(56,056)	-	-
DfE Group STA	-	9,990	(9,990)	-	-
Local authority grants	-	121,505	(121,505)	-	-
Other	-	258,043	(258,043)	-	-
	400,667	3,492,629	(2,696,308)	(33,070)	1,163,918
Restricted fixed asset funds					
DfE Donated	11,983,118	-	(173,801)	-	11,809,317
DfE Group capital grants	192,758	11,394	(32,126)	-	172,026
Private sector capital sponsorship (WMBL Theatre Funding)	142,500	7,500	-	-	150,000
Capital expenditure from GAG	331,408	-	(77,045)	33,070	287,433
Lease premium	-	390,000	-	-	390,000
	12,649,784	408,894	(282,972)	33,070	12,808,776
Restricted pension funds					
Pension Reserve	(289,000)	-	(103,000)	392,000	-
Total restricted funds	12,761,451	3,901,523	(3,082,280)	392,000	13,972,694

15 Funds (continued)

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
Unrestricted funds					
Unrestricted general funds	-	31,391	(42,732)	-	(11,341)
Total funds	12,761,451	3,932,914	(3,125,012)	392,000	13,961,353

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	(As restated) Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant	235,912	2,178,732	(1,986,865)	(27,112)	400,667
Other DfE/EFA grants	-	372,672	(372,672)	-	-
	235,912	2,551,404	(2,359,537)	(27,112)	400,667
Restricted fixed asset funds					
DfE Donated	-	12,064,618	(81,500)	-	11,983,118
DfE Group capital grants	457,119	27,023	(291,384)	-	192,758
Private sector capital sponsorship (WMBL Theatre Funding)	-	142,500	-	-	142,500
Capital expenditure from GAG	-	222,029	-	109,379	331,408
	457,119	12,456,170	(372,884)	109,379	12,649,784
Restricted pension funds					
Pension Reserve	(191,000)	-	(52,000)	(46,000)	(289,000)
Total restricted funds	502,031	15,007,574	(2,784,421)	36,267	12,761,451
Unrestricted funds					
Unrestricted general funds	64,356	17,911	-	(82,267)	-
Total funds	566,387	15,025,485	(2,784,421)	(46,000)	12,761,451

15 Funds (continued)

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

The ESFA capital grant represents the net book value of capitalised fixed asset funds.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Authority (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

Other Dfe/ESFA grants represent grants for bursaries, Academy free meals and rates relief.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

At the beginning of any Academy Financial Year, the Academy Trust may hold unspent GAG from previous Academy Financial Years amounting to such percentage (if any) as for the time being specified in the Academies Trust Handbook or otherwise as the Secretary of State may specify by notice in writing to the Acadmey Trust prior to the beginning of that Academy Financial Year of the total GAG payable for the Academy in the Academy Financial Year just ended or such higher amount as may from time to time be agreed. The Academy Trust shall use such carried forward amounts for such purpose, or subject to such restriction on its use, as for the time being specified in the Academies Trust Handbook or otherwise as the Secretary of State may specify by notice in writing to the Academy Trust.

The Academy Trust is carrying a deficit of £11k on unrestricted funds. Overall the Academy Trust is carry a net surplus of £1,152,577 on restricted general funds (excluding pension reserves) plus the unrestricted deficit

16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	33,501	-	12,680,626	12,714,127
Current assets	-	1,556,489	128,150	1,684,639
Current liabilities	(44,842)	(392,571)	-	(437,413)
Total net assets	(11,341)	1,163,918	12,808,776	13,961,353

16 Analysis of net assets between funds (continued)

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

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	12,649,784	12,649,784
Current assets	545,477	-	545,477
Current liabilities	(144,810)	-	(144,810)
Pension scheme liability	(289,000)	-	(289,000)
Total net assets	111,667	12,649,784	12,761,451

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	(As restated) 2021 £
Amounts due within one year	8,256	8,880
Amounts due between one and five years	-	8,256
	8,256	17,136

17 Long-term commitments, including operating leases (continued)

Other contractual commitments

At 31 August 2022 the total of the academy trust's future minimum payments under other contractual commitments was::

	2022 £
Amounts due within one year	769,074

The academy is committed to spent £690,118 (2021: £Nil) in relation to the T Level capital funding which was approved by DfE in September 2022.
The remaining amount of £78,956 (2021: £Nil) will be spent on the canteen extension from the unrestricted reserves which started during the year.

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2021/22 £	(As restated) 2020/21 £
Net income	807,902	12,241,064
Depreciation	282,972	185,337
Capital grants from DfE and other capital income	(18,894)	(249,052)
Defined benefit pension scheme cost less contributions payable	100,000	48,000
Defined benefit pension scheme finance cost	3,000	4,000
Increase in debtors	(249,349)	(13,050)
Increase in creditors	292,602	1,360
Loss on disposal of tangible fixed assets	-	187,547
Net cash provided by Operating Activities	1,218,233	12,405,206

19 Cash flows from investing activities

	2021/22 £	(As restated) 2020/21 £
Purchase of tangible fixed assets	(347,315)	(12,565,549)
Capital funding received from sponsors and others	18,894	249,052
Net cash used in investing activities	(328,421)	(12,316,497)

20 Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	1,330,047	440,235
Total cash and cash equivalents	1,330,047	440,235

21 Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash	440,235	889,812	1,330,047
Total	440,235	889,812	1,330,047

22 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.

23 Pension and similar obligations

The academy 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 the London Borough of Waltham Forest Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £52,925 (2021 - £24,332) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

23 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £110,812 (2021: £96,321).
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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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 2022 was £222,000 (2021 - £160,000), of which employer's contributions totalled £180,000 (2021 - £131,000) and employees' contributions totalled £42,000 (2021 - £29,000). The agreed contribution rates for future years are 28.1 per cent for employers and 11.8 per cent 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.

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.20	4.20
Rate of increase for pensions in payment/inflation	2.80	2.80
Discount rate for scheme liabilities	4.20	1.70
Inflation assumptions (CPI)	2.70	2.70

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

	2022	2021
Retiring today		
Males retiring today	22.60	22.70
Females retiring today	25.10	25.20
Retiring in 20 years		
Males retiring in 20 years	24.10	24.40
Females retiring in 20 years	27.00	27.10

The academy trust's share of the assets in the scheme were:

	2022 £	2021 £
Equities	271,000	187,000
Other bonds	74,000	-
Property	49,000	22,000
Cash and other liquid assets	14,000	9,000
Other	33,000	19,000
Total market value of assets	441,000	237,000

The actual return on scheme assets was £29,000 (2021 - £3,000).

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	276,000	179,000
Interest income	3,000	4,000
Admin expenses	4,000	-
Total amount recognized in the SOFA	283,000	183,000

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

	2021/22	2020/21
	£	£
At start of period	526,000	251,000
Current service cost	276,000	179,000
Interest cost	9,000	4,000
Employee contributions	42,000	29,000
Actuarial (gain)/loss	(431,000)	63,000
Benefits paid	16,000	-
At 31 August	438,000	526,000

23 Pension and similar obligations (continued)

Changes in the fair value of academy's share of scheme assets:

	2021/22 £	2020/21 £
At start of period	237,000	60,000
Interest income	6,000	-
Actuarial gain/(loss)	(36,000)	17,000
Employer contributions	180,000	131,000
Employee contributions	42,000	29,000
Benefits paid	16,000	-
Effect of non-routine settlements	(4,000)	-
At 31 August	441,000	237,000

Considering the impact of "asset ceiling" and that the pension scheme surplus cannot be recovered, the balance of the net defined pension scheme asset (£3,000) has been written off to the statement of financial activities. The net asset/liability is therefore Nil. This treatment is in accordance with FRS102 section 28. The actuarial gain is recognised in the year is reduced by the value of the net pension asset of £3,000 from £395,000 to £392,000.

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

24 Related party transactions (continued)

A Michaelides is a director of Big Creative Training and member and trustee of Big Creative Academy. During the 21/22 financial year, Big Creative Academy granted a 50 year lease on a building to Big Creative Training Limited. The amount ESFA has received from this lease is £390k premium and £65k in annual rent. Big Creative and ESFA has an agreement that the premium will be capital grant and the annual rent will be GAG income.

A Taylor is a partnership member of William Morris Big Local. William Morris Big Local granted Big Creative Academy £150k for a new theatre during the financial year 20/21. £142.5k of this income was recognised in 20/21 with the remaining £7.5k recognised in 21/22 on completion. As part of this grant agreement, William Morris Big Local have use of an office for 5 years at the Academy campus and use of facilities free of charge (if security are at the academy, otherwise they have to pay to cover the security costs).

Big Creative Academy operates an open recruitment for all positions and seeks to appoint the best candidate for each position. The following employees are related parties via family connections to either the trustees or key management personnel. The trustees are satisfied that all salaries are either at or below market rate for similar roles in the area.
S Wynter - Spouse of S Corcoran - gross pay £24,459 (2021: £23,476) and ER pension contributions £6,873 (2021: £6,604)

In the prior year the following related party transactions took place:
A Michaelides is a director of Big Creative Training and member and trustee of Big Creative Academy. Big Creative Academy procured services from Big Creative Training for the sum of £165,265 (2020: £169,677). These were for services provided to Big Creative Academy by Big Creative Training in respect of Management Information System, Marketing and Student Recruitment. This arrangement ended in July 2021 to ensure compliance with the related party regulations and in line with guidance received from the ESFA.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £46,044 and disbursed £39,871 from the fund. An amount of £6,173 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £25,344 received, £25,344 disbursed and £Nil included in other creditors.

26 Statement of Financial Activities for the year ended 31 August 2021

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Donations and capital grants	3	500	-	12,456,170	12,456,670
Other trading activities	5	17,411	-	-	17,411
Charitable activities:					
Funding for the Academy trust's educational operations	4	-	2,551,404	-	2,551,404
Total		17,911	2,551,404	12,456,170	15,025,485
Expenditure on:					
Charitable activities:					
Academy trust educational operations	8	-	2,411,537	372,884	2,784,421
Net income		17,911	139,867	12,083,286	12,241,064
Transfers between funds		(82,267)	(27,112)	109,379	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(46,000)	-	(46,000)
Net movement in (deficit)/funds		(64,356)	66,755	12,192,665	12,195,064
Reconciliation of funds					
Total funds brought forward at 1 September 2020		64,356	44,912	457,119	566,387
Total funds carried forward at 31 August 2021		-	111,667	12,649,784	12,761,451