

Company registration number 07703800 (England and Wales)

**TESTWOOD SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

# TESTWOOD SCHOOL

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# TESTWOOD SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

D Bushrod  
G Young  
H Garland  
K Williams  
N Whitcher

### Trustees

Ms D Bushrod  
H Garland (Resigned 7 December 2023)  
V Ford  
Ms G Young  
N Whitcher (Vice Chairperson) (Resigned 3 July 2024)  
J Munro (Resigned 21 March 2024)  
T Sillence  
K Williams (Chairperson)  
A Cottle (Resigned 3 July 2024)  
T Tomley (Resigned 15 October 2024)  
T Webber (Headteacher & Accounting officer) (Appointed 1 September 2023)  
K Willoughby  
Mr J King (Appointed 2 September 2024)  
Mr A Marshall (Appointed 2 September 2024)  
Ms V Richman (Appointed 14 June 2024)

### Senior management team

- Headteacher from 1 September 2023	T Webber
- Deputy Headteacher	R Magee
- Deputy Headteacher	P Ward
- Assistant Headteacher	N Gilbert
- Assistant Headteacher	J Housham
- Assistant Headteacher	D Murphy
- Director of Finance	J D Barker

### Company secretary

J D Barker

### Company registration number

07703800 (England and Wales)

### Principal and registered office

Testwood Lane  
Totton  
Southampton  
Hampshire  
SO40 3ZW

### Independent auditor

Moore (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

# TESTWOOD SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Bankers

Lloyds Bank Plc  
PO Box 1000  
Andover  
BX1 1LT

# TESTWOOD SCHOOL

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2024

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area of Totton, Southampton. It has a pupil capacity of 1215 and had a roll of 853 in the school census on 5 October 2024.

#### **Structure, governance and management**

##### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Testwood School are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Testwood School.

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

##### Members' liability

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

##### Trustees' indemnities

Since the incorporation of the Charitable Company on 13 July 2011 the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties.

The school has taken out appropriate indemnity insurance to protect the governors' interests.

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

Recruitment of trustees would be done by advertising the post and seeking nominations. If there are more nominations than posts a ballot would be held. Candidates will meet with the chair of the trustees, the chair of the trustees and the Headteacher to discuss the work and role of a trustee, the expectations and workload. Each candidate would be asked to submit their application. This and ballot papers will be circulated to all eligible voters. Candidates will be invited to the count and the winner(s) announced. Existing trustees may also nominate a person for consideration.

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

New trustees will be given an induction programme, which makes clear the rules, demands and expectations of the role. They attend training provided by Hampshire Governor Services and will shadow an existing trustee for at least their first year in office. This would often be the chair of the committee they are joining.

# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Organisational structure

The structure consists of three levels: the Trustees, Senior Management team and Middle Manager. The aim of the management structure is to dissolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy and strategic direction, adopting an annual improvement plan and budget, monitoring the academy by the use of budgets, learning walks, visits and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Management Team are, the Headteacher also known as the accounting officer, one Deputy Headteacher, three Assistant Headteachers, one also known as the SENDCo and the Director of Finance.

Middle Managers are responsible for the achievement, behaviour quality of teaching and learning in their area and for their own leadership and management. Middle Managers are responsible for either a curriculum area or a cohort of students.

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

All performance, pay and remuneration is carried out as set in the academy's published pay policy. Key management personnel including, Headteacher, Senior Management Team and academy staff undergo a robust and rigorous annual pay review. The performance management year begins in October with objectives set, reviewed mid cycle in March and completed the following October. All objectives must be measurable and linked in most cases to the academy's improvement plan, The Headteacher scrutinises the reviews and judgements and presents their pay recommendations to the trustee's staffing and staff performance panel. The trustees act as independent verifiers and base their decision upon the anonymised Headteacher's pay recommendations report.

The Headteacher's performance cycle is as other senior staff, however the objectives set are in consultation with the Headteacher's review panel and external verifier. The Headteacher's objectives encompass strategic development for the whole academy and are agreed at the review panel meeting. The Headteacher is subject to a mid-year review held in March and a final review is undertaken the following October/November.

Any member of managerial staff at risk of not meeting their objectives will be supported by the Headteacher and if necessary receive external support.

If it is identified the Headteacher is at risk of not achieving their objectives, further support will be secured through the external advisor network.

Exceptional performance may be rewarded in accordance with the academy's published pay policy.

If it is identified the Headteacher is at risk at not achieving their targets, further support will be secured through the external advisor network.

Exceptional performance maybe rewarded in accordance to the academy's published pay policy.

# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	126
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	-
Total pay bill	5,253,733
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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### Related parties and other connected charities and organisations

The Trust is not related or connected to any charities and organisations.

### **Objectives and activities**

#### Objects and aims

The principle object and activity of the charitable company is the operation of Testwood School to provide the education of students of different abilities between the ages of 11 and 16.

#### Objectives, strategies and activities

During 2023-24 Testwood worked hard to achieve the following objectives:

- Improve student attainment
- Develop an ambitious and engaging curriculum for all students so that they achieve highly
- Improve the quality of teaching
- Improve student behaviour in lessons and around the site
- Improve the consistency and effectiveness with which we address and reduce bullying
- Improve student attendance
- Develop a new vision and values for the school with all stakeholders
- Improve the effectiveness of monitoring processes so that standards are consistent
- Improve the consistency of practice in all subjects
- Improve the consistency of leadership at all levels
- Improve the site and facilities to improve the aims of the school

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

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

# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2024*

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### **Strategic report**

#### **Achievements and performance**

The levels of attainment achieved by Year 11 in 2024 were far below those achieved in previous years. Students in Year 11 also made much less progress in their learning than previous cohorts, as shown in their exam results.

The experience of this cohort was significantly impacted by the Covid-19 pandemic. They had only been at Testwood for 6 months when the school was closed. The next 18 months were very disrupted with long spells of school closure and the normal routines of school severely impacted when students were in school. Although we worked hard to try and close the learning gaps that arose due to this interruption to their school experience with this cohort, the social and emotional impact of the pandemic was far more profound. This was most clearly demonstrated in their low levels of school attendance and in their passive approach overall.

In Year 11 the attendance of this cohort was only 80%, despite much greater work, focus and initiatives than any previous cohort. In Year 10 their attendance was 92%. In Year 9 their attendance was 93%. This was a very steep decline in attendance at school, much greater than the national decline.

#### Key performance indicators

In 2024 the unvalidated Progress 8 score was -1.01, significantly lower than both 2023 (-0.39) and 2022 (-0.41). This has placed us in the Well Below Average category for the first time.

The unvalidated Attainment 8 score is 34.72, significantly below 2023's 42.33.

The percentage of students achieving 'the Basics' (English and Maths) at grade 5 or above was 22%, down from 36% in 2023.

Whole-school attendance was 88.2% in 2023-24, down from 90.2% in 2022-23.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. The academy trust has revenue reserves at the year end of £725,041 and a strong cash balance of £0.95m.

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.



# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Financial review

The Academy Trust has reported a revenue deficit in year of £233,696 (2023: Surplus £28,525) and the year-end value of the reserves has decreased from £958,737 to £725,041. This is due to increasing the size of the Senior Team by an additional Deputy Headteacher to implement rapid improvement and an increase of teaching staff to deliver the curriculum to the higher number of students who joined year 7 at the beginning of the academic year. In addition to increasing teaching staff, a number of additional support staff joined the pastoral team in response of the planned focus on school attendance and safeguarding. During the academic year in response to SEND provision a number of additional teaching assistants were employed. However, lagged government funding and the requirement to partially fund the teacher's pay award, meet to cost of funding alternative provision, upgrade the Wi-Fi, continue to provide free breakfast to its most vulnerable students, combined with the general increase in costs for academic resources and food has impacted the Trust's revenue position and reserves. Following a SRMA deployment this year a number of reconditions will be implemented to improve efficiencies. The number on roll will drop slightly in 24/25 and remain consistent for 2025/2026.

The school continues to strategically plan to reduce costs and improve efficiency despite external influences and with the assistance of the School Resource Management Advisor's report and the implementation of measures advised to follow in the report, the trustees feel it is appropriate to adopt the going concern basis of accounting when preparing the financial statements.

The majority of the Academy's income is obtained from the Education & Skills Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2024 and associated expenditure as shown as restricted funds in the statement activities.

The financial statement details the main incoming revenue from educational grants totalling £6,007,153 (2023: £5,459,645). Additionally, income from activities for generating funds and other income was £443,051 (2023: £361,577).

During the year ended 31 August 2024, total expenditure was covered by recurrent grant funding from the ESFA together with other incoming resources and reserves

The main revenue expenditure was on staffing costs totalling £5,358,846 (2023 £4,749,783), excluding the FRS102 pension service costs. Further significant expenditure included curriculum costs of £566,960 (2023 £361,441) premises and facilities management £639,348 (2023: £255,101)

Expenditure was targeted to support the key objectives of the Academy Trust.

At 31 August 2024, the balances in the Trust's revenue funds were:

Restricted revenue fund	£232,201
Restricted capital fund	£12,311,487
Unrestricted funds	£492,840
Pension deficit	£(61,000)

The financial summary of the year's activities is set out on page 22 of the financial statements attached to this report.

# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### Reserves policy

The Balance Sheet shows total funds carried forward at the year end of £12,975,528 (2023: £13,431,282). This figure includes:

- restricted general funds surplus of £232,201 (2023: surplus £521,886)
- unrestricted general funds surplus of £492,840 (2023: £436,851)
- a defined benefit pension scheme liability of £61,000 (2023: £115,000) and
- a fixed asset reserve of £12,311,487 (2023: £12,587,545) which is only realisable through the disposal of assets or as security for a loan.

The Academy Trust aims to hold reserves in the General Fund to ensure expenditure commitments can be met, and education is not disrupted, in the event of a delay in receipt of government or other funding and to manage the consequences of reduced grant income due to falling pupil numbers. These funds are restricted and must be used in accordance with the Academy's Funding Agreement with the ESFA.

At the year end the Academy held a restricted general reserve surplus of £232,201 (2023: £521,886). Reserves will be carried forward to finance the school in the future delivery of the Academy's prime objectives and support the growth of the school. This includes a restricted fund of £200,341 (2023: £195,391) generated from ATP restricted lettings income for use on the replacement and maintenance of the 3G astro turf football pitch.

In addition to the restricted funds, the Academy Trust has (unrestricted) reserves of £492,840 (2023: £436,851).

The pension fund deficit is included within restricted funds. The governors have no control over this fund and Hampshire County Council manage the fund and set the contribution rates, see note 19 for future contribution rates.

#### Investment policy

All bank accounts held by the Academy Trust are instant access accounts. The Academy Trust currently has no plans to invest any of its cash balances.

At 31 August 2024, Testwood School is holding ring-fenced funds of £200,341 (2023: £195,391) to enable the resurface and the redevelopment of its 3G artificial turf pitch. These are held within the schools cash balance at the year end.

#### Principal risks and uncertainties

The need to review the current staffing structure, when faced with increased staffing requirement in the provision for additional areas including special educational needs, pastoral support and attendance monitoring, became financially challenging during 2023/24. The additional costs incurred in providing alternative education provision is also, without adequate financial support from the Local Authority a growing concern for the Trust.

Student enrolment is challenging, predicted to rise again for September 2025 entry, risks declining as the student population in primary education locally is predicted to drop-off in numbers.

Unconfirmed levels of the future funding from government in the trust's funding to cover challenging rises in costs, such as the increase of students requiring special education needs, teachers' salaries, the increased employer's teacher pension contributions rate, unfunded support staff salary pay awards, are principle risks facing the Trust.

#### **Fundraising**

The academy trust did not enter into any fundraising activities during 2023-2024.

#### **Plans for future periods**

The redevelopment of the ATP started August 2024. Additional funding for the redevelopment has been received from The Football Foundation's Lionesses Futures Fund, NFDC CIL, NFDC Community Grant and a Partnership Football Club.

Having reviewed the Trust's 5 Year Estate Management Plan, Trustees will submit 2 CIF applications in the autumn of 2024 for the critical replacement of a number of roofs and the replacement of an aged, now considered a non-compliant fire alarm system and emergency lighting system.

# TESTWOOD SCHOOL

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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### **Funds held as custodian trustee on behalf of others**

Trustees hold a school fund bank account which holds funds for students. This is kept in a separate bank account.

### **Auditor**

Insofar as the trustees are aware:

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

Moore (South) LLP were reappointed as auditor of the charitable company.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 03 December 2024 and signed on its behalf by:



K Williams  
Chairperson

# TESTWOOD SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Testwood School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of trustees' responsibilities. The full board of trustees has formally met 4 times during the year and the finance panel met a further 3 times during the year and updated the full board through published reports, recommendations and minutes from their panel meetings, thus maintaining effective oversight of the academy trust's financial position. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Ms D Bushrod	4	4
H Garland (Resigned 7 December 2023)	1	1
V Ford	4	4
Ms G Young	0	4
N Whitcher (Vice Chairperson) (Resigned 3 July 2024)	4	4
J Munro (Resigned 21 March 2024)	3	3
T Sillence	3	4
K Williams (Chairperson)	4	4
A Cottle (Resigned 3 July 2024)	3	4
T Tomley (Resigned 15 October 2024)	1	4
T Webber (Headteacher & Accounting officer) (Appointed 1 September 2023)	4	4
K Willoughby	4	4
Mr J King (Appointed 2 September 2024)	0	0
Mr A Marshall (Appointed 2 September 2024)	0	0
Ms V Richman (Appointed 14 June 2024)	1	1

### Conflicts of interest

The trust retains a register of interests of its members, trustees and senior leaders. The register is checked by the Headteacher and the Director of Finance should the need arise in its day to day management to avoid conflict of interest.

# TESTWOOD SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### Governance reviews

The Testwood School Single Academy Trust performed an annual self-assessment for the school year 2023-2024.

The Testwood School Trustees continued to focus on supporting the school in their continued efforts to address the remaining effects of Covid, especially around attendance and students' progress. Trustees have maintained their schedule of Link Visits with curriculum leaders, focusing on Safeguarding, attendance and preparedness for moving to a two-year KS4 from three years.

As the SLT (Senior Leadership Team) enters its second year it will continue to implement and build upon the areas outlined in the SIP (School Improvement Plan). The SEF (Self Evaluation Form) has been presented to the Trustees and continues to be progressed. The Internal Scrutiny annual report has been completed and updated with a comprehensive risk register tracking all applicable areas for the school.

During August 2024 the Chair and a member of the Board met with the SRMA (School Resource Management Advisor). The SRMA discussed with the Chair and a member of the Board the importance of regular oversight of the school's finances through benchmarking and the use of ICFP (integrated Curriculum and Financial Planning). The SRMA's report will be shared with the Buildings & Finance Panel's first meeting of the academic year in November 2024 and reported to the full board in December 2024.

A self-evaluation of the Board of Trustees was performed following the resignation of several trustees. A successful recruitment drive has allowed the board to strengthen areas around SEND, Finance and Education. The appointment of four new trustees during 2023-2024 will be undertaken during the next academic year. A WGBT course around Holding Leaders to Account is planned for October 2024 with all Trustees to support them delivering their role of Trustees.

The board is of a sensible size and comprises a good mix of new and long serving trustees and a diverse range of skills, experience and aptitudes. Trustees understand the strategic nature of their role and demonstrate the judgement and confidence to effectively hold the executive leaders to account.

The Buildings & Finance panel is a sub-committee of the main board of trustees. Its purpose is to monitor and make strategic financial decisions and report to the main board, the Academy's financial health and position.

Trustees	Meetings attended	Out of possible
Ms D Bushrod	3	3
V Ford	3	3
N Whitcher (Vice Chairperson) (Resigned 3 July 2024)	3	3
T Sillence	2	3
K Williams (Chairperson)	3	3
A Cottle (Resigned 3 July 2024)	2	3
T Webber (Headteacher & Accounting officer) (Appointed 1 September 2023)	3	3
K Willoughby	3	3

### Review of value for money

As accounting officer, the Headteacher 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

# TESTWOOD SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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

- Redesigning the structure from a 1-week, 25 lesson timetable, to a 2-week, 50 lesson timetable. This has the potential to unlock staff deployment efficiencies in 24-25.
- Engaged the services of a School Resource Management Advisor to advise the school in improving and implement cost-saving measures and operational efficiencies.
- Reviewed and updated the school's 5 year estate's management plan.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of the 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 Testwood School for the period 01 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

#### **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 board of trustees
- regular reviews by the finance and general purposes committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks.

# TESTWOOD SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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The board of trustees has decided not to appoint an auditor for this purpose. However, the trustees have appointed Nick Whitcher, a trustee to carry out a programme of internal checks.

This option has been chosen because the internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the check carried out in the current period included:

- Leadership / Key staff
- Staffing
- Management Information
- Cyber Security
- Payroll
- Delegation of authority
- Buildings / Estate.

On an annual basis the reviewer reports to the board of trustees, prepares a summary report to the board outlining the areas reviewed, key findings, recommendations and conclusions to help the board consider actions and assess year on year progress.

Internal scrutiny of the Academy's systems and controls have been termly reported at buildings and finance panel meetings and annually reported to the board of trustees. Checks made, found internal controls secure and effective.

The planned review of 2023/24 has been completed and reported to trustees.

The reviewer will agree with the trustees at the buildings & finance panel on 13 November 2024 the 2024-2025 programme of internal review and take to the full board of trustees on 3 December 2024.

#### Review of effectiveness

As accounting officer, the headteacher 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 reviewer
- the work of the Director of Finance within the academy trust who has responsibility for the development and maintenance of the internal control framework
- the work of the external auditor

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

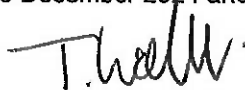
#### Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the Board of Trustees on 03 December 2024 and signed on its behalf by:



K Williams  
Chairperson



T Webber  
Headteacher & Accounting officer

# TESTWOOD SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

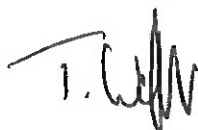
***FOR THE YEAR ENDED 31 AUGUST 2024***

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As accounting officer of Testwood School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, including for estates safety and management, 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 2023, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust's Board of Trustees 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 Academy Trust Handbook 2023.

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



T Webber  
Accounting Officer

03 December 2024



# TESTWOOD SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2024**

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 03 December 2024 and signed on its behalf by:



**K Williams**  
**Chairperson**

# TESTWOOD SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESTWOOD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2024

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### Opinion

We have audited the accounts of Testwood School for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024.

### 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 accounts' 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 accounts 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report and directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report and directors' report have been prepared in accordance with applicable legal requirements.

# TESTWOOD SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESTWOOD SCHOOL (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2024*

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Academy Trust.

# TESTWOOD SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESTWOOD SCHOOL (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Charity SORP, Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the Academy Trust complies with these requirements by discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work;
- agreed a sample of income from source documentation to the accounting records to ensure that income is complete and recognised in the correct accounting period and
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

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.

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.

# TESTWOOD SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESTWOOD SCHOOL (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2024**

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### 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.

  
Robert MacDonald (Senior Statutory Auditor)  
for and on behalf of Moore (South) LLP

5 December 2024

Chartered Accountants  
Statutory Auditor

33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

# TESTWOOD SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TESTWOOD SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

*FOR THE YEAR ENDED 31 AUGUST 2024*

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In accordance with the terms of our engagement letter dated 05 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Testwood School during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Testwood School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Testwood School 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 the Testwood School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Testwood School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Testwood School's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academy Trust Handbook, extant from 1 September 2023, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions

# TESTWOOD SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TESTWOOD SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2024*

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore (South) LLP

### Reporting Accountant

Moore (South) LLP

Dated: 05 December 2024

# TESTWOOD SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2024 £	Total 2023 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	35	75,290	75,325	41,727
Charitable activities:						
- Funding for educational operations	4	-	6,007,153	-	6,007,153	5,459,645
Other trading activities	5	187,728	255,323	-	443,051	361,577
Investments	6	148	-	-	148	150
<b>Total</b>		<b>187,876</b>	<b>6,262,511</b>	<b>75,290</b>	<b>6,525,677</b>	<b>5,863,099</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	131,887	6,615,565	300,979	7,048,431	6,129,401
<b>Total</b>	<b>7</b>	<b>131,887</b>	<b>6,615,565</b>	<b>300,979</b>	<b>7,048,431</b>	<b>6,129,401</b>
<b>Net income/(expenditure)</b>		<b>55,989</b>	<b>(353,054)</b>	<b>(225,689)</b>	<b>(522,754)</b>	<b>(266,302)</b>
Transfers between funds	18	-	50,369	(50,369)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	20	-	67,000	-	67,000	279,000
<b>Net movement in funds</b>		<b>55,989</b>	<b>(235,685)</b>	<b>(276,058)</b>	<b>(455,754)</b>	<b>12,698</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		436,851	406,886	12,587,545	13,431,282	13,418,584
Total funds carried forward		492,840	171,201	12,311,487	12,975,528	13,431,282



# TESTWOOD SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information		Unrestricted funds	Restricted funds:		Total 2023
Year ended 31 August 2023			General	Fixed asset	
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	19,572	22,155	41,727
Charitable activities:					
- Funding for educational operations	4	-	5,459,645	-	5,459,645
Other trading activities	5	123,315	238,262	-	361,577
Investments	6	150	-	-	150
<b>Total</b>		<b>123,465</b>	<b>5,717,479</b>	<b>22,155</b>	<b>5,863,099</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	56,109	5,786,532	286,760	6,129,401
<b>Total</b>	<b>7</b>	<b>56,109</b>	<b>5,786,532</b>	<b>286,760</b>	<b>6,129,401</b>
<b>Net income/(expenditure)</b>		<b>67,356</b>	<b>(69,053)</b>	<b>(264,605)</b>	<b>(266,302)</b>
Transfers between funds	18	-	(78,778)	78,778	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	279,000	-	279,000
<b>Net movement in funds</b>		<b>67,356</b>	<b>131,169</b>	<b>(185,827)</b>	<b>12,698</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		369,495	275,717	12,773,372	13,418,584
Total funds carried forward		436,851	406,886	12,587,545	13,431,282

# TESTWOOD SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		17,382		19,313
Tangible assets	13		12,286,600		12,568,901
			<u>12,303,982</u>		<u>12,588,214</u>
<b>Current assets</b>					
Debtors	14	229,668		188,706	
Cash at bank and in hand		947,914		1,069,039	
			<u>1,177,582</u>	<u>1,257,745</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(429,010)		(280,089)	
<b>Net current assets</b>			<u>748,572</u>		<u>977,656</u>
<b>Total assets less current liabilities</b>			<u>13,052,554</u>		<u>13,565,870</u>
Creditors: amounts falling due after more than one year	16		(16,026)		(19,588)
<b>Net assets excluding pension liability</b>			<u>13,036,528</u>		<u>13,546,282</u>
Defined benefit pension scheme liability	20		(61,000)		(115,000)
<b>Total net assets</b>			<u><u>12,975,528</u></u>		<u><u>13,431,282</u></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			12,311,487		12,587,545
- Restricted income funds			232,201		521,886
- Pension reserve			(61,000)		(115,000)
<b>Total restricted funds</b>			<u>12,482,688</u>		<u>12,994,431</u>
<b>Unrestricted income funds</b>	18		492,840		436,851
<b>Total funds</b>			<u><u>12,975,528</u></u>		<u><u>13,431,282</u></u>

The accounts on pages 22 to 44 were approved by the Trustees and authorised for issue on 03 December 2024 and are signed on their behalf by:



K Williams  
Chairperson

Company registration number 07703800 (England and Wales)

# TESTWOOD SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	21		(117,467)		43,629
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		148		150	
Capital grants from DfE Group		16,503		22,155	
Purchase of intangible fixed assets		-		(19,313)	
Purchase of tangible fixed assets		(16,747)		(136,819)	
<b>Net cash used in investing activities</b>			(96)		(133,827)
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(3,562)		23,149	
<b>Net cash (used in)/provided by financing activities</b>			(3,562)		23,149
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(121,125)		(67,049)
Cash and cash equivalents at beginning of the year			1,069,039		1,136,088
<b>Cash and cash equivalents at end of the year</b>			<u>947,914</u>		<u>1,069,039</u>

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies

Testwood School is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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.

##### 1.1 Basis of preparation

The accounts 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 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the academy trust. They 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.

The Academy Trust has reported a revenue deficit in year of £233,696(2023: surplus £28,525) and the year end value of the reserves has decreased from £958,737to £725,041. This is due to the tightened budgets and an increase of number on roll. It is anticipated the number on roll will remain similar for 2024/25.

The strategic measures implemented to reduce costs together with an anticipated revenue increase, the trustees feel it is appropriate to adopt the going concern basis of accounting when preparing the financial statements.

##### 1.3 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Donations

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

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 1 Accounting policies

(Continued)

#### 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.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### 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.

#### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

- Purchased computer software 10 year useful life

#### 1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold land and buildings	Land is not depreciated, buildings are depreciated 2% Straight Line
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	10% Straight Line

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 1 Accounting policies

(Continued)

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

#### 1.7 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.

#### 1.8 Leased assets

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

#### 1.9 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. 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.

#### 1.10 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.

#### 1.11 Pensions 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 1 Accounting policies

(Continued)

The LGPS is a funded multi-employer 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 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 Trustees.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The Academy 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to Note 13 for further detail of this estimation.

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	16,503	16,503	22,155
Other donations	-	58,822	58,822	19,572
	-	75,325	75,325	41,727

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

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	5,086,344	5,086,344	4,680,949
Other DfE/ESFA grants:				
- Pupil premium	-	257,105	257,105	252,156
- Others	-	424,743	424,743	332,634
	-	5,768,192	5,768,192	5,265,739
<b>Other government grants</b>				
Local authority grants	-	195,100	195,100	168,556
Other government grants	-	43,861	43,861	25,350
	-	238,961	238,961	193,906
<b>Total funding</b>	-	6,007,153	6,007,153	5,459,645

ESFA/DFE Covid funding has been included in other ESFA/DFE grants inline with the Academies Model Accounts, as a result the comparative of £101,781 has been reclassified into ESFA/DFE Other grants as well.

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	40,775	41,282	82,057	80,050
Catering income	-	152,696	152,696	139,206
Trips and Activities	132,168	-	132,168	64,239
Other income	14,785	61,345	76,130	78,082
	187,728	255,323	443,051	361,577



# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

<b>6</b>	<b>Investment income</b>					
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>	
		£	£	2024	2023	£
	Other investment income	148	-	148	150	£
<b>7</b>	<b>Expenditure</b>					
		<b>Staff costs</b>	<b>Non-pay expenditure</b>		<b>Total</b>	<b>Total</b>
		£	<b>Premises</b>	<b>Other</b>	2024	2023
			£	£	£	£
	Academy's educational operations					
	- Direct costs	4,442,684	-	714,590	5,157,274	4,425,610
	- Allocated support costs	901,689	680,979	308,489	1,891,157	1,703,791
		5,344,373	680,979	1,023,079	7,048,431	6,129,401
	<b>Net income/(expenditure) for the year includes:</b>			<b>2024</b>	<b>2023</b>	
				£	£	
	Operating lease rentals			42,403	42,403	
	Depreciation of tangible fixed assets			299,048	286,760	
	Amortisation of intangible fixed assets			1,931	-	
	Fees payable to auditor for:					
	- Audit			9,200	8,800	
	- Other services			4,125	5,267	
	Net interest on defined benefit pension liability			6,000	14,000	
<b>8</b>	<b>Charitable activities</b>					
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>	
		£	£	2024	2023	£
	<b>Direct costs</b>					
	Educational operations	131,887	5,025,387	5,157,274	4,425,610	
	<b>Support costs</b>					
	Educational operations	-	1,891,157	1,891,157	1,703,791	
		131,887	6,916,544	7,048,431	6,129,401	
	<b>Analysis of costs</b>			<b>2024</b>	<b>2023</b>	
				£	£	
	<b>Direct costs</b>					
	Teaching and educational support staff costs			4,444,743	3,931,591	
	Staff development			30,565	17,557	
	Technology costs			115,006	110,149	
	Educational supplies and services			291,597	184,964	
	Examination fees			93,348	66,328	

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

<b>8</b>	<b>Charitable activities</b>	<b>(Continued)</b>	
	Educational consultancy	7,785	8,166
	Other direct costs	174,230	106,855
		<u>5,157,274</u>	<u>4,425,610</u>
	<b>Support costs</b>		
	Support staff costs	914,103	895,635
	Depreciation and amortisation	300,979	286,760
	Recruitment and support	9,385	20,732
	Maintenance of premises and equipment	197,341	91,159
	Cleaning	16,552	14,004
	Energy costs	109,570	118,575
	Rent, rates and other occupancy costs	37,585	18,810
	Insurance	18,952	16,800
	Security and transport	13,081	12,553
	Catering	143,573	129,499
	Finance costs	6,000	14,000
	Legal costs	100	538
	Other support costs	108,594	70,659
	Governance costs	15,342	14,067
		<u>1,891,157</u>	<u>1,703,791</u>
<b>9</b>	<b>Staff</b>		
	<b>Staff costs and employee benefits</b>		
	Staff costs during the year were:		
		<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	4,014,056	3,510,610
	Social security costs	369,729	309,014
	Pension costs	876,948	826,834
		<u>5,260,733</u>	<u>4,646,458</u>
	Staff costs - employees		
	Agency staff costs	83,640	168,206
		<u>5,344,373</u>	<u>4,814,664</u>
	Staff development and other staff costs	45,038	30,119
		<u>5,389,411</u>	<u>4,844,783</u>

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 9 Staff

(Continued)

#### Staff numbers

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

	2024 Number	2023 Number
Teachers	55	52
Administration and support	43	33
Management	7	6
Site Team	3	3
Cleaners	12	12
Catering & other staff	7	7
	<u>127</u>	<u>113</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2024 Number	2023 Number
Teachers	47	46
Administration and support	29	22
Management	7	6
Site Team	3	3
Cleaners	7	7
Catering & other staff	4	4
	<u>97</u>	<u>88</u>

#### Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	3	1
£90,001 - £100,000	1	1
	<u>6</u>	<u>5</u>

#### 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 employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £662,011 (2023: £577,531).

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 10 Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees. During the year, no expenses were reimbursed to trustees (2023: £Nil).

The value of Trustees' remuneration was as follows:

T Webber (Headteacher and trustee):

Remuneration £90,001 - £95,000 (2023: £95,001 - £100,000)

Employer's pension contributions £20,001 - £25,000 (2023: £20,001 - £25,000)

Other related party transactions involving the Trustees are set out within the related parties note.

### 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 Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

### 12 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2023 and at 31 August 2024	19,313
<b>Amortisation</b>	
At 1 September 2023	-
Charge for year	1,931
At 31 August 2024	1,931
<b>Carrying amount</b>	
At 31 August 2024	17,382
At 31 August 2023	19,313

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 13 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2023	14,897,126	149,036	234,762	15,280,924
Additions	-	9,153	7,594	16,747
At 31 August 2024	14,897,126	158,189	242,356	15,297,671
<b>Depreciation</b>				
At 1 September 2023	2,503,352	85,246	123,425	2,712,023
Charge for the year	252,655	29,471	16,922	299,048
At 31 August 2024	2,756,007	114,717	140,347	3,011,071
<b>Net book value</b>				
At 31 August 2024	12,141,119	43,472	102,009	12,286,600
At 31 August 2023	12,393,774	63,790	111,337	12,568,901

The land and buildings were valued on depreciation replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 August 2013. The land is valued at £2,264,523 and the buildings at £9,369,592. The Academy has not obtained a separate valuation. The Academy did not consider it an effective use of public funds to obtain an additional valuation.

### 14 Debtors

	2024 £	2023 £
Trade debtors	5,413	8,081
VAT recoverable	51,890	34,703
Prepayments and accrued income	172,365	145,922
	229,668	188,706

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

	2024 £	2023 £
Government loans	3,561	3,561
Trade creditors	144,096	70,737
Other creditors	193,076	170,597
Accruals and deferred income	88,277	35,194
	429,010	280,089

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 16 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Government loans	16,026	19,588
	<u>16,026</u>	<u>19,588</u>
<b>Analysis of loans</b>	<b>2024 £</b>	<b>2023 £</b>
Wholly repayable within five years	19,587	23,149
Less: included in current liabilities	(3,561)	(3,561)
	<u>16,026</u>	<u>19,588</u>
Amounts included above	16,026	19,588
	<u>16,026</u>	<u>19,588</u>
<b>Loan maturity</b>		
Debt due in one year or less	3,561	3,561
Due in more than one year but not more than two years	3,561	3,561
Due in more than two years but not more than five years	10,682	10,683
Due in more than five years	1,783	5,344
	<u>19,587</u>	<u>23,149</u>
	<u>19,587</u>	<u>23,149</u>

### 17 Deferred income

	2024 £	2023 £
Deferred income is included within:		
Creditors due within one year	19,667	2,298
	<u>19,667</u>	<u>2,298</u>
Deferred income at 1 September 2023	2,298	25,073
Released from previous years	(2,298)	(25,073)
Resources deferred in the year	19,667	2,298
	<u>19,667</u>	<u>2,298</u>
Deferred income at 31 August 2024	19,667	2,298
	<u>19,667</u>	<u>2,298</u>

Deferred income refers to income received in the year to 31 August 2024 which actually relates to the year ending 31 August 2025. The above deferred income figure relates to the following;

School Trips	£5,783
School games organising funding	£13,884
Total	<u>£19,667</u>

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 18 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	304,190	5,086,344	(5,373,584)	(8,418)	8,532
Pupil premium	-	257,105	(257,105)	-	-
Other DfE/ESFA grants	-	424,743	(424,743)	-	-
Other government grants	19,711	238,961	(258,672)	-	-
Other restricted funds	197,985	255,358	(288,461)	58,787	223,669
Pension reserve	(115,000)	-	(13,000)	67,000	(61,000)
	<u>406,886</u>	<u>6,262,511</u>	<u>(6,615,565)</u>	<u>117,369</u>	<u>171,201</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	12,587,545	16,503	(300,979)	8,418	12,311,487
Private sector capital sponsorship	-	58,787	-	(58,787)	-
	<u>12,587,545</u>	<u>75,290</u>	<u>(300,979)</u>	<u>(50,369)</u>	<u>12,311,487</u>
<b>Total restricted funds</b>	<u>12,994,431</u>	<u>6,337,801</u>	<u>(6,916,544)</u>	<u>67,000</u>	<u>12,482,688</u>
<b>Unrestricted funds</b>					
General funds	<u>436,851</u>	<u>187,876</u>	<u>(131,887)</u>	<u>-</u>	<u>492,840</u>
<b>Total funds</b>	<u>13,431,282</u>	<u>6,525,677</u>	<u>(7,048,431)</u>	<u>67,000</u>	<u>12,975,528</u>

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

The fixed asset fund was created with the donation of the schools land and buildings to the academy. Additional assets are added to the fund which is also written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the academy, and other related DfE grants and other authority grants.

The restricted fund carried forward balance includes £200,341 (2023: £195,391) ATP restricted lettings income for use on the AstroTurf football pitch.

Unrestricted funds are general donations and fund raising activities of the academy and are used to support the provision of education within the academy.

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 2024.

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 18 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	365,360	4,680,949	(4,663,341)	(78,778)	304,190
Pupil premium	-	252,156	(252,156)	-	-
Other Coronavirus funding	6,110	-	(6,110)	-	-
Other DfE/ESFA grants	-	332,634	(332,634)	-	-
Other government grants	20,619	193,906	(194,814)	-	19,711
Other restricted funds	168,628	257,834	(228,477)	-	197,985
Pension reserve	(285,000)	-	(109,000)	279,000	(115,000)
	<u>275,717</u>	<u>5,717,479</u>	<u>(5,786,532)</u>	<u>200,222</u>	<u>406,886</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	12,773,372	22,155	(286,760)	78,778	12,587,545
	<u>12,773,372</u>	<u>22,155</u>	<u>(286,760)</u>	<u>78,778</u>	<u>12,587,545</u>
<b>Total restricted funds</b>	<u>13,049,089</u>	<u>5,739,634</u>	<u>(6,073,292)</u>	<u>279,000</u>	<u>12,994,431</u>
<b>Unrestricted funds</b>					
General funds	369,495	123,465	(56,109)	-	436,851
	<u>369,495</u>	<u>123,465</u>	<u>(56,109)</u>	<u>-</u>	<u>436,851</u>
<b>Total funds</b>	<u>13,418,584</u>	<u>5,863,099</u>	<u>(6,129,401)</u>	<u>279,000</u>	<u>13,431,282</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2024 are represented by:</b>				
Intangible fixed assets	-	-	17,382	17,382
Tangible fixed assets	-	-	12,286,600	12,286,600
Current assets	498,623	651,867	27,092	1,177,582
Current liabilities	(5,783)	(419,666)	(3,561)	(429,010)
Non-current liabilities	-	-	(16,026)	(16,026)
Pension scheme liability	-	(61,000)	-	(61,000)
	<u>492,840</u>	<u>171,201</u>	<u>12,311,487</u>	<u>12,975,528</u>



# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 19 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
<b>Fund balances at 31 August 2023 are represented by:</b>				
Intangible fixed assets	-	-	19,313	19,313
Tangible fixed assets	-	-	12,568,901	12,568,901
Current assets	439,149	796,116	22,480	1,257,745
Current liabilities	(2,298)	(274,230)	(3,561)	(280,089)
Non-current liabilities	-	-	(19,588)	(19,588)
Pension scheme liability	-	(115,000)	-	(115,000)
<b>Total net assets</b>	<b>436,851</b>	<b>406,886</b>	<b>12,587,545</b>	<b>13,431,282</b>

#### 20 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 Hampshire Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

There were £106,662 (2023: £86,322) of outstanding contributions at the end of the financial year.

##### Teachers' Pension Scheme

###### Introduction

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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 20 Pension and similar obligations

(Continued)

Key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

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

The pension costs paid to the TPS in the period amounted to £661,205 (2023: £523,853).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 contributions are as noted below. The agreed contribution rates for future years are set out below for employers and 5.5-12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £212,000 (2023: £165,000).

The level of employer contributions have been set as follows to assist in reducing the pension deficit:

Period (1 April - 31 March)	Employer Primary Contribution Rate
2022/23	17.9%
2023/24	17.9%
2024/25	17.9%

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

Total contributions made	2024 £	2023 £
Employer's contributions	212,000	170,000
Employees' contributions	65,000	56,000
Total contributions	277,000	226,000

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2024 %	2023 %
Rate of increase in salaries	3.65	4.05
Rate of increase for pensions in payment/inflation	2.65	3.05
Discount rate for scheme liabilities	4.95	5.25
Inflation assumption (CPI)	2.65	3.05

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

	2024 Years	2023 Years
Retiring today		
- Males	22.0	22.1
- Females	24.7	24.7
Retiring in 20 years		
- Males	22.5	22.6
- Females	25.6	25.7

#### Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024 £'000	2023 £'000
Discount rate - 0.1%	64	63
Mortality assumption + 1 year	152	148
Pension increase rate + 0.1%	65	64

#### Defined benefit pension scheme net liability

	2024 £	2023 £
Scheme assets	3,747,000	3,594,000
Scheme obligations	(3,808,000)	(3,709,000)
Net liability	(61,000)	(115,000)

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Pension and similar obligations	(Continued)	
<b>The Academy Trust's share of the assets in the scheme</b>		
	<b>2024</b>	<b>2023</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	2,060,850	2,120,460
Bonds	1,386,390	1,150,080
Cash	37,470	107,820
Property	262,290	215,640
Total market value of assets	<u>3,747,000</u>	<u>3,594,000</u>
The actual return on scheme assets was £301,000 (2023: £(244,000)).		
<b>Amount recognised in the statement of financial activities</b>		
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Current service cost	7,000	95,000
Interest income	(185,000)	(156,000)
Interest cost	191,000	170,000
Total amount recognised	<u>13,000</u>	<u>109,000</u>
<b>Changes in the present value of defined benefit obligations</b>		
		<b>2024</b>
		<b>£</b>
At 1 September 2023		3,709,000
Current service cost		219,000
Interest cost		191,000
Employee contributions		65,000
Actuarial loss/(gain)		49,000
Benefits paid		(425,000)
At 31 August 2024		<u>3,808,000</u>
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>		
		<b>2024</b>
		<b>£</b>
At 1 September 2023		3,594,000
Interest income		185,000
Actuarial (gain)/loss		116,000
Employer contributions		212,000
Employee contributions		65,000
Benefits paid		(425,000)
At 31 August 2024		<u>3,747,000</u>

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

21 Reconciliation of net expenditure to net cash flow from operating activities	Notes	2024 £	2023 £
Net expenditure for the reporting period (as per the statement of financial activities)		(522,754)	(266,302)
Adjusted for:			
Capital grants from DfE and other capital income		(75,290)	(22,155)
Investment income receivable	6	(148)	(150)
Defined benefit pension costs less contributions payable	20	7,000	95,000
Defined benefit pension scheme finance cost	20	6,000	14,000
Depreciation of tangible fixed assets		299,048	286,760
Amortisation of intangible fixed assets	12	1,931	-
Decrease/(increase) in debtors		17,825	(77,151)
Increase in creditors		148,921	13,627
<b>Net cash (used in)/provided by operating activities</b>		<b>(117,467)</b>	<b>43,629</b>
22 Analysis of changes in net funds	1 September 2023 £	Cash flows £	31 August 2024 £
Cash	1,069,039	(121,125)	947,914
Loans falling due within one year	(3,561)	-	(3,561)
Loans falling due after more than one year	(19,588)	3,562	(16,026)
	<u>1,045,890</u>	<u>(117,563)</u>	<u>928,327</u>
23 Long-term commitments			
<b>Operating leases</b>			
At 31 August 2024 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:			
		2024 £	2023 £
Amounts due within one year		41,931	42,403
Amounts due in two and five years		31,239	73,286
		<u>73,170</u>	<u>115,689</u>

# TESTWOOD SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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### 24 Capital commitments

	2024	2023
	£	£
Expenditure contracted for but not provided in the accounts	613,640	-

### 25 Related party transactions

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

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

### 26 Members' liability

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