

# **Talent Education Trust**

## **Annual Report and Financial Statements**

**Year ended 31 August 2022**



(A Company Limited by Guarantee)  
Company Registration Number: 10036154 (England and Wales)

# Talent Education Trust

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## Talent Education Trust

### Reference and Administrative Details

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<b>Members</b>	Gonçalo Caetano Alves Carlos Abrunhosa Emily Kathrin Fitch Mark Andrew Hunt
<b>Trustees</b>	Carlos Brito Regina Duarte (Chair) Rachel Martin Nuno Paralta Andrade Ana Silva Charles Skinner (resigned 23 March 2022) Bernard Stilwell Christopher Toye Pedro Xavier Catia Verguete (appointed 19 June 2022)
<b>Senior Leadership Team</b>	Marta Correia, Principal and Accounting Officer Mike Giddings, Consultant Chief Financial Officer
<b>Company Name</b>	Talent Education Trust
<b>Principal and Registered Office</b>	C/O MLG Education Services LTD Unit 7 Home Farm Courtyard Meriden Road Coventry United Kingdom CV7 7SH
<b>Company Registration Number</b>	10036154
<b>Independent Auditor</b>	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 <sup>th</sup> Floor Two Chamberlain Square Birmingham B3 3AX
<b>Bankers</b>	Lloyds Bank Plc 39 Threadneedle Street London EC2R 8AU
<b>Solicitors</b>	Michelmores LLP Woodwater House Pynes Hill Exeter EX2 5WR

# Talent Education Trust

## Trustees' Report

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Talent Education Trust (TET) is a single academy trust which brings together highly experienced practitioners in both the state and independent sectors to establish and oversee outstanding primary provision. TET was established in 2015 to oversee the development of a nurturing language immersive primary school for families who had expressed significant interest in the social, cultural, and cognitive benefits of bilingual education.

The Talent Education Trust continues to be supported by the Camões Institute, the Portuguese Embassy in London, and the Portuguese Ministry of Education. As with all free schools, APSoL is state-funded and run on a not-for-profit basis.

The Trustees present their annual report together with the Financial Statements and Auditors' Report of Talent Education Trust '(the Academy Trust)' for the period 1st September 2021 to 31st August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report, including a Strategic Report, under Company Law.

### 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 Talent Education Trust Limited are also the Directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as Talent Education Trust Limited.

Details of Trustees who served throughout the year are included in the Reference and Administrative Details on page 3.

#### Members' Liability

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

#### Trustees' Indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local Academy Boards from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides unlimited cover.

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

Trustees are appointed by advertising through Academy Ambassadors, by virtue of their position on the Local Advisory Board as Chair and as a member of the Finance Committee, through local adverts and professional contacts.

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

Trustees bring a variety of experience from a number of different backgrounds in not just education, but also industry and commerce. Where necessary, additional training will be provided on charity, educational, legal, safeguarding and financial matters. All Trustees are routinely involved with meetings, reports, plans and other information as necessary, to enable them to carry out their roles. Assistance and advice is always available from Academy Trust staff or professional advisors

# Talent Education Trust

## Trustees' Report (continued)

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### Organisational Structure

The organisational structure consists of a Trust Board. The Trust Board take responsibility for all finance matters the monitoring of teaching, learning and safeguarding in their school. Full details can be found in the scheme of delegation on the Trust website.

The Principal is responsible for the performance of the Trust, including teaching, learning and safeguarding.

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

The Principal's pay is set by the Board of Trustees, using the guidance from the DfE and benchmarking information available for similar settings.

### Related Parties and other Connected Charities and Organisations

The Academy Trust was established as a standalone company and does not have any external sponsors.

## Objectives and Activities

### Objectives and Aims

Our mission at Talent Education Trust is to establish an excellent school for inquisitive pupils where they will learn in both English and Portuguese languages. We will work hand-in-hand with the Lusophone community in London to establish a school that reflects the values and culture of English and Portuguese-speaking communities and cultures around the world.

Talent Education Trust delivers a broad and balanced curriculum that offers pupils the opportunity to communicate fluently in two languages while also acquiring the skills necessary to cooperate, learn, and interact with each other and the world. We believe that all students can make better than expected progress and attain high standards if they learn in a high-quality bilingual environment with outstanding teaching and enrichment available in all subject areas. Our approach to bilingual teaching will include a strong multicultural dimension, including the history and geography of both England and Portugal, and the countries where these languages are spoken.

**Talent Education Trust** has been established on the following core principles:

- 1. Excellent curriculum** Our curriculum will be broad and balanced and will meet the needs of all pupils, leading to high standards of academic achievement and personal development. Fun and engagement will be key elements of all our learning experiences. Further, we expect that Talent Education Trust will be judged by Ofsted as 'Good' or better in its first Ofsted review.
- 2. Bilingualism** Students will have Portuguese lessons each day and will have at least two supplementary subjects taught in Portuguese: history and geography. We seek to advance the number of bilingual speakers in London and globally and to instil utmost respect for multiculturalism in a city where the number of newcomers is rising.
- 3. Child-centred curriculum** We will support all of our pupils to participate fully in learning and success by meeting the needs of each individual to maximise their later-life outcomes as bilingual adults.
- 4. Excellent teaching** Our fully qualified teachers have been selected for their commitment to child-centred, academic excellence and will encourage and support pupils at every opportunity, in order to meet the high levels of achievement that we have committed to in both English and Portuguese.
- 5. Strong community links** Community engagement is one of our priorities, and this is demonstrated by our efforts in the pre-opening stage. We strive to become a centre of community for Lusophone speakers in London which welcomes all families, including those who do not speak Portuguese.
- 6. State-of-the-art facilities** The school facilities have been designed to promote the collaborative spirit and foster friendships among pupils. We will take full advantage of and maintain the excellent school site on which Talent Education Trust is built to ensure that it remains functional and beautiful.

## Talent Education Trust Trustees' Report (continued)

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7. **Homework** We will ensure that all work sent home with students is purposeful and gives children the opportunity to share their learning experiences with their parents and carers.
8. **Parent-friendly approach** We understand that our students come from working families and we will be offering wraparound care at school. From Monday to Friday throughout term time, Breakfast Club will begin at 7:45am until school begins. After-School Club will run from the end of school until 6:00pm.
9. **After-School Club** We see after-school activities as co-curricular activities. They will complement what pupils are learning throughout the school day and will broaden their in-class learning experience, help them to achieve a higher level of thinking, and engage in activities which will help them to develop personally and socially.
10. **Lusophone influence** Community groups in the Lusophone community such as the Camões Institute have offered us unique access to supplementary materials beyond the normal range of resources, such as additional Portuguese teachers and musical instruments. These will be used throughout the curriculum and during enrichment times to supplement pupils' learning and language skills.

The strategies for achieving these objectives and criteria to assess progress towards objectives were:

### Quality of Education

Progress on curriculum:

School leadership have designed and implemented a curriculum across all subjects. The priorities for leadership are now to review and refine practices ensuring that consistency across the school is achieved as the school continues to grow. The talk for writing is an area of strength and this same approach is used in Portuguese language teaching.

Quality of teaching and delivery:

There are currently 2 teacher job-sharing in Year 1 (Mathieson will continue at APSOL on a full-time basis from September, sharing leadership of various curriculum areas particularly, English, phonics, art and DT). Teaching in year 1 is consistent and pupil outcomes and targets have been achieved. Both teachers understand and plan for individual children's needs.

School improvement plan priorities 2022-23:

- Ensuring that subject leaders (Head and Assistant Head as well as EYs lead) have full clarity about how the school is preparing EYs children for the year 1 curriculum in every subject.
- ECT starting in Sept 2022 – ensure that she is fully supported by EYs teacher and Y2 teacher who is the Assistant head.
- Reviewing and refining the curriculum, ensuring that everyone is clear on the APSOL approach as the school grows and why we use certain pedagogical approaches.
- Define assessment opportunities for each area of the curriculum and how children secure knowledge and skills in each area.

### Public Benefit

In setting the objectives and planning activities the Trustees have given careful consideration to ensuring compliance with the Charity Commission's general guidance on public benefit. The activities undertaken to further the Academy Trust's public benefit are:

- To provide bilingual education to all children attending, independent of their needs or language competency on entry.

# Talent Education Trust

## Trustees' Report (continued)

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### Strategic Report

#### Achievements and Performance

##### Reception GLD

	Reception 2021 results	End-of-year June 2022 GLD
All pupils (18)	76%+	78% (target 80%) – 14/18 children
FSM/PPG (0)	57% (4/7)	0
Non-FSM/PPG	80% (16/20)	78%
Boys (6)	81% (9/11)	83% boys achieved GLD
Girls (12)	75% (12/16)	75% (9 girls achieved GLD)
SEN support (3)	0%	0% SEN achieved GLD

\*3 children on SEND register. All making good progress but could not achieve GLD due to all areas and individual needs.

##### Analysis: 18 children summer 2022

- Boys outperformed girls across all areas – 83% of boys achieved GLD in comparison to 75% of girls (3 girls have SEN/ being monitored for SEND).
- 4 children on SEN support (22%) – these children are achieving well in reading, writing and maths and are well prepared for Year1 curriculum, however, due to their own individual needs, could not achieve GLD overall. One child has a neurological condition which affects fine/gross motor skills, one child has ASD and therefore cannot communicate verbally according to ELG expectations, 2 children are being monitored by the SENCO due to existing needs and barriers to learning.

The school's strong emphasis this year on developing communication and language as ensured that 88.9% of the children are communicating confidently and meeting early learning goals

# Talent Education Trust

## Trustees' Report (continued)

### Areas of learning in EYFS:

<b>EYFS Areas of learning</b>	<b>Communication &amp; language</b>	<b>Personal social and Emotional development</b>	<b>Physical development</b>	<b>Literacy</b>	<b>Mathematics</b>	<b>Understanding the world</b>	<b>Expressive arts and design</b>
<b>Expected</b>	88.89%	88.89%	94.44%	88.89%	94.44%	100%	100%
	16	16	17	16	17	18	18
<b>Emerging</b>	11.11%	11.11%	5.56%	11.11%	5.56%	0%	0%
	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>
<p><b>The children that didn't achieve the ELG in a particular area of learning, will continue to:</b></p> <ul style="list-style-type: none"> <li>- Receive support for their individual needs according to their IEPs – SENCO</li> <li>- Receive additional catch up intervention to close the gap particularly around literacy and maths</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- Continue to review C&amp;L opportunities across the environment and put a stronger emphasis on PSED supporting children with self-regulation, managing self and building relationships.</li> <li>- SENCO to support in the early identification of needs and implement strategies that support those with special educational needs to achieve ELGs.</li> </ul>							



# Talent Education Trust

## Trustees' Report (continued)

### Year 1 Data – EOY 2022

#### Summer Data:

<b>Year 1</b>	<b>End of Year</b>		<b>Reading</b>	<b>Writing</b>	<b>Maths</b>	<b>Science</b>
<b>All pupils (22)</b>	EXPECTED +		86%	77%	82%	82%
	EXCEEDING		45%	40%	45%	41%
<b>Boys (7)</b>	EXPECTED +		100% (7)	86% (6/7)	86% (6/7)	100% (7)
	EXCEEDING		57% (4)	29% (3)	57% (4)	57% (4)
<b>Girls (15)</b>	EXPECTED +		87% (13/15)	80% (12/15)	87% (13/15)	73% (11)
	EXCEEDING		40% (6/15)	33% (5/15)	33% (5/15)	33% (5)
<b>FSM (9)</b>	EXPECTED+		67% (6)	67% (6)	77% (7)	67% (6)
<b>Non FSM/PP (17)</b>	EXPECTED +		100%	85%	92%	95%
<b>SEND (0)</b>	-		-	-	-	-

#### Analysis:

- Year 1 met their targets set at the beginning of the academic year. The greater depth targets have been surpassed as there has been a greater focus on level of challenge across the curriculum.
- 40% of this cohort is pupil premium. 3 PP children need more support to achieve the expected standard.
- Immediate priorities: continue emphasis on writing resilience and grammatical application. Additional support for 3 PP children (these children are all girls) who are not achieving the expected standard across the curriculum.
- 3 out-of-year group children (older) – 2 are exceeding year group expectations. 1 is PP and being monitored for learning difficulties.

# Talent Education Trust

## Trustees' Report (continued)

### Year 1 Phonics Screening 2022

Year 1 Phonics Screening Check June 2022		Wa (met standard)	Wt (did not meet standard)	A (absent)	D (Did not take the phonics screening check)
All pupils (22)	National	82%	16%	0	2
	School	95% (21/22)	5% (1/22)	0	0
Boys (8)	National	78%	19%	0	2
	School	100%	0	0	0
Girls (14)	National	85%	13%	0	1
	School	92%	8% (1girl)	0	2

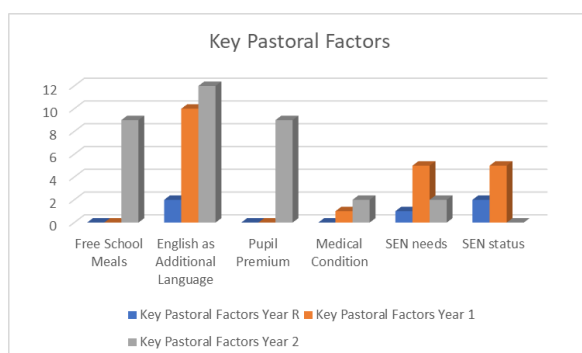
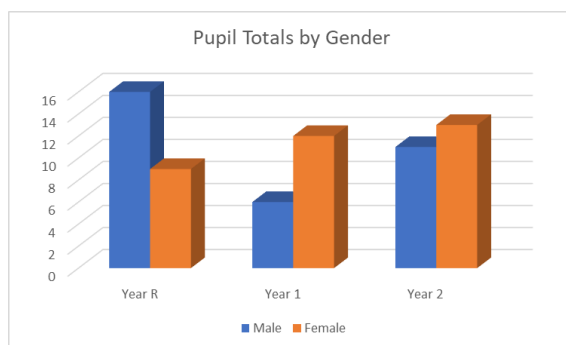
### Analysis:

- School is achieving above National averages for phonics screening results, boys and girls achievement.
- Boys achieved significantly above National averages and girls achieved above also.

Next step: child who did not meet expected standard had a significant attendance issue. Review attendance procedures for children with 80% or less attendance

- 89% (8/9) pupil premium children passed the phonics screening test. The only PP child who did not pass the phonics screening has a serious attendance issue as the parents spent a significant period of time abroad.

### Key Performance Indicators



## Talent Education Trust Trustees' Report (continued)

3. Pupil Attendance: year to date		
Year group	Attendance %	National Averages (AUT 2019)
Reception (all children)	93.47% year to date	95.07%
Statutory age (5 years+)	93.47%	95.07%
Authorised absence	4.59%	3.61%
Unauthorised absence	0.98%	1.32%
Pupils whose overall absence is greater than 10%	7 children (4 in Rec and 2 in Year1)	13.14%
3 families went to Brazil for a significant period of time given individual family circumstances.		

Admissions for September 2022
<p>There were 26 admissions on the Wandsworth Pan London list. The school has promoted a series of marketing throughout the year, since January, inviting nurseries to attend school workshops: music, storytelling and animals to raise awareness of the school. Five further admissions were communicated directly to the school as a result of these events.</p> <p>There are 25(26) confirmed admissions for September 2022. (1 child with SEN was granted a space at a special school in Battersea therefore not joining APSOL)</p> <p>In-year admissions: Year 1: 1 in April, 1 in June, 2 in July.</p>

# Talent Education Trust

## Trustees' Report (continued)

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### 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. 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.

### Financial Performance

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received in the year from the ESFA amounted to £573,310 (2021: £400,540) and the associated expenditure of £501,561 (2021: £382,877) are shown as restricted funds in the Statement of Financial Activities.

The revenue fund surplus at the end of the year was £89,724 (2021: £20,668).

### Reserves Policy

The Board of Trustees will review the reserve levels annually. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The minimum target for these reserves should be equal to one month's average operational costs such as salaries and pensions, occupancy costs and external services costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Total funds for the trust at 31 August 2022 were £183,014, this was made up of £95,290 of fixed asset funds, a pension reserve of £2,000 deficit and general revenue funds of £89,724.

### Investment Policy

The Trust does not currently have any investments.

Academy Trustees will ensure that investment risk is properly managed. When considering whether to make an investment, Trustees will:

- Act within their powers to invest, as set out in our Articles of Association;
- Exercise caution in all investments, reducing risk and ensuring that the Trust acts with the utmost integrity;
- Take investment advice from a professional adviser, as appropriate;
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximization;
- Ensure that all investment decisions are in the best interests of the Trust and command broad public support.

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

# Talent Education Trust

## Trustees' Report (continued)

### Principal Risks and Uncertainties

The trust has identified the following as a sample of the risks and uncertainties it faces and the means by which it intends to control against them:

Sub category	Specific	Likelihood of occurring (5=high, 1=low)	Impact if occurs (5=high, 1=low)	Overall risk rating = likelihood x impact	Control procedures and target dates
<b>Charitable objects risk</b>	Academy is not operating within its Articles of Association	1	4	4	Governors keep under review. Accountants monitor R&P to review Articles Annually
	Academy's Articles of Association become out of date/are no longer appropriate	1	1	1	Governors keep under review R&P to review Articles Annually
	Academy receives unfavourable Ofsted report	1	5	5	School improvement cycle including action plans and external moderation
<b>Long term demand risk</b>	Insufficient demand for Academy's services leaves it unsustainable	1	4	4	Ensure full school role SIP
<b>Competition risk</b>	Presence of other organisations with similar objects and little scope for differentiation	1	4	4	Outstanding Ofsted/school full with waiting list
	Other organisations competing for the same sources of income	1	4	4	Awareness of local nursery businesses and what they are able to offer. Try and ensure flexibility re parents requirements in order to remain competitive.
<b>Stakeholder Risk</b>	Beneficiaries/other stakeholders/don't consider that Academy provides a valuable/high quality service	1	5	5	Annual parental questionnaire. Maintaining high standards, consistent service, effective communication with stakeholders
<b>Insurance Risk</b>	Risk of financial loss/inability to replace items if Academy does not have adequate insurance cover	1	5	5	Adequately covered incl. absence ins/ Reviewed annually.

## Talent Education Trust Trustees' Report (continued)

<b>Macro-economic Risk</b>	Risk of the impact an uncontrollable event will have on the Academy eg recession, war, oil crisis Covid 19	5	4	20	Manage reserves to reduce risks. Annual review of staffing. Income is reduced due to the temporary closure of the Extended Services Business, therefore this will impact on the overall academy reserves. Impact will be minimised by using furlough scheme run by HMRC for staff employed by Extended Services. Additional costs to the academy will also be incurred due to the health & safety resources required to make the school environment safe to staff & pupils. Due to self isolating & ensuring office space is safe ie distance measures. Procedures are in place to ensure authorisation processes are adhered to. This is carried out via email and meetings via Teams/Zoom.
<b>Natural Disaster risk</b>	Risk of the impact an uncontrollable event will have on the Academy eg fire/flood	2	4	8	Business Continuity policy EEASE Some risks transferred to insurers
<b>Technology Risk</b>	Information Security risk	3	4	12	ICT Policy/support package. Robust back up procedures
	Virus/Corruption of data risk	3	4	12	ICT Policy/ support package. Anti-virus software
	IT systems out of date/no longer supported	3	4	12	ICT Policy/support package/ICT planning
	Home Working due to COVID – risk re home computers being used for academy work (security issues)	5	4	20	School Laptops are issued for home working purposes

## Talent Education Trust Trustees' Report (continued)

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### Plans for future periods

The Academy Trust's plans for future periods are:

- To continue to grow the school with new year groups joining
- To continue to work with the Department for Education on the completion of the school building project


### Disclosure of Information to Auditors

In so far as the Trustees are aware:

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

The Trustees would like to propose that Cooper Parry Group Limited be reappointed as the auditors for Talent Education Trust for 2022 - 2023.

This report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 16th December 2022 and signed on their behalf by:

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*Regina Duarte*  
**Chair of Board of Trustees**

## Talent Education Trust Governance Statement (Continued)

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### Scope of Responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met five times between September 2021 and August 2022. The trustees have reviewed the need to meet more times in a year and have set up a Finance and Audit sub-committee that will meet in 2022-23 that will increase the number of trustee meetings in a year to above six moving forward.

Attendance during the period at meetings of the Board of Trustees was as follows:

	MEETINGS ATTENDED	ELIGIBLE MEETINGS
<b>Director</b>		
Regina Duarte (Chair)	5	5
Pedro Xavier	2	5
Bernard Stilwell	5	5
Rachel Martin	5	5
Christopher Toyé	3	5
Ana Silva	3	5
Carlos Brito	1	5
Nuno Paralta Andrade	1	5
Catia Verguete (appointed June 22)	0	1
Charles David Skinner (resigned March 22)	0	3

The Trustees have made only minor changes to the governance structure in the year but are looking to make more in 2022-23. The Trust recognises that as they grow there is a need for more specialist Trustees to be involved and that the time commitment from each can be substantial. The setting up of the Finance and Audit Committee is the first change and this will be followed by a skills audit to ensure the Trust has the skillset to fulfil all of their responsibilities.

### Conflicts of Interest

The Trust requests that each member of the Board of Trustees completes a Conflict of Interest, Declaration of Business Interest and a Related Party Certificate at the start of each new academic year. If a Trustee joins the Board part way through a year, they are requested to complete the same documents. All these declarations are noted on the trust's website.

### Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that Talent Education Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.



## Talent Education Trust Governance Statement (Continued)

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The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to outsource areas of the business, such as finance and estates where employing staff would be too expensive
- Working closely with the finance team to ensure that all purchases offer best value
- Working closely with the DFE as the build progresses to ensure that all exceptional build related costs do not come out of recurrent grants.

### 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 those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Talent Education Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

### The risk and control framework

The 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 monthly financial reports which are reviewed and agreed by the Accounting Officer;
- regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks; and
- an internal scrutiny review.

The Board of Directors has considered the need for a specific internal audit function and has appointed TIAA as internal auditors.

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

- Key Financial controls

The Board received one report during the financial year ended 31 August 2022.

## Talent Education Trust Governance Statement (Continued)

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### Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2022 the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and plans to address weaknesses and ensure continuous improvement of the systems is in place.

Approved by order of the Board of Trustees on 16<sup>th</sup> December 2022 and signed on its behalf by:

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*Regina Duarte*  
**Chair of Board of Trustees**

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*Marta Correia*  
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*Marta Correia*  
**Accounting Officer**

# Talent Education Trust

## Statement of Regularity, Propriety and Compliance

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### Statement of Regularity, Propriety and Compliance

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

I confirm that I, and the Academy Trust Board of Trustees, are able to identify any material irregular or improper use of all 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 2021.

I confirm that no instances of material irregular, 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.

DocuSigned by:

*Marta Correia*

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*Marta Correia*  
**Accounting Officer**

16<sup>th</sup> December 2022

## Talent Education Trust

### Statement of Trustees' Responsibilities

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The Trustees (who are 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 Annual Accounts Direction issued 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 Academy Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 to the requirements, both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Board of Trustees on 16<sup>th</sup> December 2022 and signed on its behalf by:

DocuSigned by:  
  
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*Regina Duarte*  
**Chair of Board of Trustees**

# Talent Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Talent Education Trust

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### Opinion

We have audited the financial statements of Talent Education Trust (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Talent Education Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Talent Education Trust (continued)**

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### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

# Talent Education Trust

## Independent Auditor's Report on the Financial Statements to the Members of Talent Education Trust (continued)

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### Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2020, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

## **Talent Education Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Talent Education Trust (continued)**

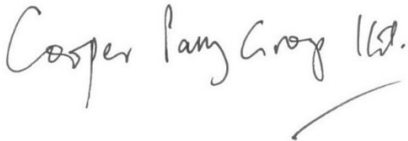
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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### **Use of our report**

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor  
Cubo Birmingham  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 31 December 2022



# Talent Education Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Talent Education Trust and the Education Skills Funding Agency

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In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Academy Trust's funding agreement with the Secretary of State for Education dated 25 May 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 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 our conclusions included:

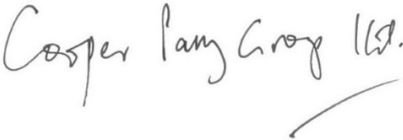
- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

# **Talent Education Trust Independent Reporting Accountant's Assurance Report on Regularity to Talent Education Trust and the Education Skills Funding Agency (Continued)**

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## **Conclusion**

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



## **Reporting Accountant Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor  
Cubo Birmingham  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 31 December 2022

# Talent Education Trust

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
<b>Income and endowments from:</b>	Note	£	£	£	£	£
Donations and capital grants	3	63	-	30,456	30,519	108,299
Charitable activities:						
Funding for the academy trust's educational operations	4	1,001	573,310	-	574,311	400,540
Other trading activities	5	8,631	-	-	8,631	8,521
<b>Total</b>		<b>9,695</b>	<b>573,310</b>	<b>30,456</b>	<b>613,461</b>	<b>517,360</b>
<b>Expenditure on:</b>						
Raising funds	6	-	-	-	-	<b>4,255</b>
Charitable activities:						
Academy trust educational operations	6,7	-	522,561	34,224	<b>556,785</b>	<b>405,767</b>
<b>Total</b>		-	<b>522,561</b>	<b>34,224</b>	<b>556,785</b>	<b>410,022</b>
<b>Net income / (expenditure)</b>		<b>9,695</b>	<b>50,749</b>	<b>(3,768)</b>	<b>56,676</b>	<b>107,338</b>
<b>Transfers between funds</b>	14	-	(12,388)	12,388	-	-
<b>Other recognised Gains/Losses:</b>						
Actuarial (losses)/Gains on defined benefit pension schemes			19,000		<b>19,000</b>	
<b>Net movement in funds</b>	14	<b>9,695</b>	<b>57,361</b>	<b>8,620</b>	<b>75,676</b>	<b>107,338</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>4,266</b>	<b>16,402</b>	<b>86,670</b>	<b>107,338</b>	-
<b>Total funds carried forward</b>		<b>13,961</b>	<b>73,763</b>	<b>95,290</b>	<b>183,014</b>	<b>107,338</b>

The notes on pages 30 to 46 form part of these financial statements.

# Talent Education Trust

## Balance Sheet as at 31 August 2022

Company Number: 10036154

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	10		<b>95,290</b>		86,670
<b>Current assets</b>					
Stock	11	-		7,000	
Debtors	12	<b>61,489</b>		62,741	
Cash at bank and in hand		<b>225,459</b>		50,838	
		<b>286,948</b>		120,579	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<b>(197,224)</b>		(99,911)	
<b>Net current assets</b>			<b>89,724</b>		20,668
<b>Total assets less current liabilities</b>					
			<b>185,014</b>		107,338
Defined benefit pension scheme liability	20		<b>(2,000)</b>		-
<b>Total assets</b>			<b>183,014</b>		107,338
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	14	<b>95,290</b>		86,670	
. Restricted income fund	14	<b>75,763</b>		16,402	
. Pension Reserve	14	<b>(2,000)</b>		-	
<b>Total restricted funds</b>			<b>169,053</b>		103,072
<b>Unrestricted income funds</b>	14		<b>13,961</b>		4,266
<b>Total funds</b>			<b>183,014</b>		107,388

The financial statements on pages 26 to 45 were approved by the Board of Trustees, and authorised for issue 16th December 2022 and are signed on their behalf by:

DocuSigned by:

  
 Mr Regina Duarte  
 Chair of Trustees

The notes on pages 30 to 46 form part of these financial statements.

## Talent Education Trust

### Statement of Cash Flows for the Year Ended 31 August 2022

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	Notes	2022	2021
		£	£
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	16	<b>187,009</b>	35,082
Cash flows from investing activities	17	<b>(12,388)</b>	(1,261)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>174,621</b>	33,821
		<hr/>	<hr/>
<b>Cash and cash equivalents at the 1 September 2021</b>		<b>50,838</b>	17,017
		<hr/>	<hr/>
<b>Cash and cash equivalents at the 31 August 2022</b>	18	<b>225,459</b>	50,838
		<hr/>	<hr/>

The notes on pages 30 to 46 form part of these financial statements.

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

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### 1. Statement of Accounting Policies

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

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

#### **Going Concern**

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

#### **Income**

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

#### ■ **Grants**

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

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

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

#### ■ **Donations**

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

#### ■ **Other Income**

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

#### ■ **Transfer on conversion**

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

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

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#### 1. Statement of Accounting Policies continued

##### **Expenditure**

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

##### ▪ **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Tangible Fixed Assets**

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

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

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

Leasehold Property	2% (50 years)
Furniture and Equipment	10% (10 years)
Computer equipment	33% (3 years)

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.

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date because 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 of services it must provide.

##### **Leased Assets**

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

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

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#### 1. Statement of Accounting Policies (continued)

##### **Financial Instruments**

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

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### **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.

##### **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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

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#### 1. Statement of Accounting Policies (continued)

##### **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 the Education and Skills Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

#### 2. **Critical accounting estimates and areas of judgement**

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

##### *Critical accounting estimates and assumptions:*

The Academy 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

##### *Critical areas of judgment:*

The classification of expenditure between restricted and unrestricted funds is considered a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material, the expenditure is apportioned to both funding streams on an appropriate basis.

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

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

#### 3. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	£	£	£	£	£
Capital Grants	-	-	30,456	30,456	108,299
Donations	63	-	-	63	-
	<u>63</u>	<u>-</u>	<u>30,456</u>	<u>30,519</u>	<u>108,299</u>

#### 4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>DfE / EFA grants</b>				
. General Annual Grant (GAG)	-	373,672	373,672	345,106
. Start Up Grants	-	82,500	82,500	-
. Pupil Premium	-	14,193	14,193	10,760
. UIFSM	-	14,855	14,855	7,781
. Teachers Pay and Pension grant	-	-	-	21,400
. Other DfE/EFA grants	-	86,090	86,090	14,233
	<u>-</u>	<u>571,310</u>	<u>571,310</u>	<u>399,280</u>
<b>Covid-19 additional funding (DFE / ESFA)</b>				
Catch-up premium	-	-	-	1,260
Recovery premium	-	2,000	2,000	-
	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>1,260</u>
<b>Other income from the academy trust's educational operations</b>				
Trip Income	1,001	-	1,001	-
	<u>1,001</u>	<u>573,310</u>	<u>574,311</u>	<u>400,540</u>
Total 2021	<u>-</u>	<u>400,540</u>	<u>400,540</u>	

- The Academy Trust received £2,000 of funding for COVID Recovery premium and costs incurred in respect of this funding totalled £2,000.

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

(continued)

### 5. Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Hire of facilities	60	-	<b>60</b>	-
Other Income	8,571	-	<b>8,571</b>	8,521
	<u>8,631</u>	<u>-</u>	<u>8,631</u>	<u>8,521</u>
2021	<u>8,521</u>	<u>-</u>	<u>8,521</u>	

### 6. Expenditure

	Staff Costs	Non-Pay Expenditure		Total 2022	Total 2021
	£	Premises	Other	£	£
	£	£	£	£	£
Expenditure on raising funds	-	-	-	-	4,255
Academy's educational operations:					
. Direct costs	207,829	-	21,959	<b>229,788</b>	246,887
. Allocated support costs	89,597	8,439	228,961	<b>326,997</b>	158,880
	<u>297,426</u>	<u>8,439</u>	<u>250,920</u>	<u><b>556,785</b></u>	<u>410,022</u>
Total 2021	<u>224,478</u>	<u>7,741</u>	<u>177,803</u>	<u>410,022</u>	

Net (income) / expenditure for the period includes:

	2022	2021
Depreciation	<b>34,244</b>	<b>22,890</b>
Fees payable to auditor for:		
- Audit	5,910	5,000
- Other Services	1,590	1,250

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 7. Charitable Activities - Academy's Educational operations

	Total 2022	Total 2021
	£	£
<b>Direct costs – educational operations</b>	<b>229,788</b>	246,887
<b>Support costs – educational operations</b>	<b>326,997</b>	158,880
	<b><u>556,785</u></b>	<b><u>405,767</u></b>

Analysis of support costs	Educational operations	Total 2022	Total 2021
	£	£	£
Depreciation and Amortisation	34,224	<b>34,224</b>	22,890
Technology costs	7,114	<b>7,114</b>	8,928
Premises costs	8,439	<b>8,439</b>	7,741
Bank Charges	-	-	75
Other Expenses	314	<b>314</b>	218
DBS checks - teachers	214	<b>214</b>	-27
Staff training - teachers	1,667	<b>1,667</b>	1,185
Hospitality	22	<b>22</b>	36
Rates	51,486	<b>51,486</b>	13,333
Electricity	-	-	5,000
Breakfast Club Expenses	160	<b>160</b>	285
Subscriptions	822	<b>822</b>	176
Admin Supplies & Stationery	3,880	<b>3,880</b>	1,050
Advertising	11,654	<b>11,654</b>	5,288
Postage and Carriage	159	<b>159</b>	273
Telephone Costs	7,933	<b>7,933</b>	1,259
Mobile Phones	402	<b>402</b>	104
Admin Furniture	729	<b>729</b>	140
Admin ICT	3,654	<b>3,654</b>	150
Consultancy - Finance	31,625	<b>31,625</b>	23,996
Catering contract	42,921	<b>42,921</b>	24,059
Financial	-	-	400
Project Management & Education	9,396	<b>9,396</b>	21,709
Personnel/HR	3,859	<b>3,859</b>	3,123
Support Staff Costs	89,597	<b>89,597</b>	-
Recruitment	1,166	<b>1,166</b>	-
Governance costs	9,627	<b>9,627</b>	16,766
Other support costs	5,933	<b>5,933</b>	723
<b>Total support costs</b>	<b><u>326,997</u></b>	<b><u>326,997</u></b>	<b><u>158,880</u></b>

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 8. Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2022	Total 2021
	£	£
Wages and salaries	196,780	165,933
Social security costs	19,672	19,252
Operating costs of defined benefit pension schemes	65,585	39,293
	<u>282,037</u>	<u>224,478</u>
Supply staff costs	15,389	-
	<u>297,426</u>	<u>224,478</u>

#### b. Non statutory/non contractual staff severance payments

There were no staff severance payments in the year

#### c. Staff numbers

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

	2022 No.	2021 No.
Teachers	2	2
Administration and support	3	-
Management	1	1
	<u>6</u>	<u>3</u>

#### d. Higher paid staff

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

	2022 No.	2021 No.
£70,001-£80,000	-	1
£80,001-£90,000	1	-

#### e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £109,782 (2021: £106,224).

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 8. Staff (continued)

#### e. Key management personnel (continued)

The Academy Trust has also entered into an "off-payroll" arrangement with a third-party organisation for the provision of the services of the Academy Trust's Chief Financial Officer. The total amount paid by the Academy Trust during the year for these services was £6,050 (2021: £4,325).

### 9. Trustees' and Officers' Insurance

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

### 10. Tangible Fixed Assets

	Furniture and Equipmen t	Computer Equipment	Total
	£	£	2022 £
<b>Cost</b>			
At 1 September 2021	18,470	91,090	<b>109,560</b>
Additions	15,812	27,032	<b>42,844</b>
At 31 August 2022	<u>34,282</u>	<u>118,122</u>	<b>152,404</b>
<b>Depreciation</b>			
At 1 September 2021	1,530	21,360	<b>22,890</b>
Charged for the period	2,618	31,606	<b>34,224</b>
At 31 August 2022	<u>4,148</u>	<u>52,966</u>	<b>57,114</b>
<b>Net book values</b>			
At 31 August 2022	<b>30,134</b>	<b>65,156</b>	<b>95,290</b>
At 31 August 2021	<b>16,940</b>	<b>69,730</b>	<b>86,670</b>

### 11. Stock

	2022	2021
Clothing	<u>-</u>	<u>7,000</u>

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 12. Debtors

	2022	2021
	£	£
Trade debtors	3,673	1,951
VAT recoverable	10,397	9,599
Prepayments and accrued income	47,419	51,191
	<b>61,489</b>	<b>62,741</b>

### 13. Creditors: Amounts Falling due within one year

	2022	2021
	£	£
Trade creditors	71,051	20,788
Other taxation and social security	4,639	5,004
Other creditors	73,495	29,381
Accruals and deferred income	48,039	44,739
	<b>197,224</b>	<b>99,911</b>

#### Deferred income

	2022	2021
	£	£
Deferred income at 1 September 2021	4,539	23,727
Released from previous years	(4,539)	(23,727)
Resources deferred in the year	26,038	4,539
Deferred Income at 31 August 2022	<b>26,038</b>	<b>4,539</b>

Deferred income at 31 August 2022 related to Universal Infant Free School Meal funding and rates funding received from the ESFA which relates to the 2022/23 academic year.

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 14. Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses, and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	16,402	373,672	(301,923)	(12,388)	<b>75,763</b>
Start Up grants	-	82,500	(82,500)	-	-
Pupil Premium	-	14,193	(14,193)	-	-
UIFSM	-	14,855	(14,855)	-	-
COVID Recovery premium	-	2,000	(2,000)	-	-
Other DFE / ESFA grants	-	86,090	(86,090)	-	-
Pension Reserve	-	-	(21,000)	19,000	<b>(2,000)</b>
	<b>16,402</b>	<b>573,310</b>	<b>(522,561)</b>	<b>6,612</b>	<b>73,763</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	86,670	30,456	(34,224)	12,388	<b>95,290</b>
<b>Total restricted funds</b>	<b>103,072</b>	<b>603,766</b>	<b>(556,785)</b>	<b>19,000</b>	<b>169,053</b>
<b>Total unrestricted funds</b>	<b>4,266</b>	<b>9,695</b>	<b>-</b>	<b>-</b>	<b>13,961</b>
<b>Total funds</b>	<b>107,338</b>	<b>613,461</b>	<b>(556,785)</b>	<b>19,000</b>	<b>183,014</b>

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

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to limits on the amount of that it could carry forward at 31 August 2022.

The balance of £75,763 on the Restricted general funds (excluding the pension reserve) will be used for educational purposes in accordance with the restrictions attached to the funding.

Pupil Premium income is included within restricted funds and relates to the funding provided by the ESFA for the Academy Trust to provide additional support to pupils from low-income families.

Restricted fixed asset funds relate to funding received and utilised for fixed assets including improvements and new buildings.

The unrestricted funds represent the accumulated surplus generated by the Academy Trust from conversion to an Academy trust and ongoing ancillary activities such as hire of facilities.



# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

#### 14. Funds (continued)

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

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	345,106	(327,443)	(1,261)	<b>16,402</b>
Pupil Premium	-	10,760	(10,760)	-	-
UIFSM	-	7,781	(7,781)	-	-
Teachers pay and pension grant	-	21,400	(21,400)	-	-
Covid-19 catch up premium	-	1,260	(1,260)	-	-
Other DFE / ESFA grants	-	14,233	(14,233)	-	-
	-	<b>400,540</b>	<b>(382,877)</b>	<b>(1,261)</b>	<b>16,402</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	108,299	(22,890)	1,261	<b>86,670</b>
<b>Total restricted funds</b>	-	<b>508,839</b>	<b>(405,767)</b>	-	<b>103,072</b>
<b>Total unrestricted funds</b>	-	8,521	(4,255)	-	<b>4,266</b>
<b>Total funds</b>	-	<b>517,360</b>	<b>(410,022)</b>	-	<b>107,338</b>

#### 15. Analysis of Net Assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	95,290	<b>95,290</b>
Current assets	13,961	272,987	-	<b>286,948</b>
Current liabilities	-	(197,224)	-	<b>(197,224)</b>
Pension scheme liability	-	(2,000)	-	<b>(2,000)</b>
<b>Total net assets</b>	<b>13,961</b>	<b>73,763</b>	<b>95,290</b>	<b>183,014</b>

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

#### 15. Analysis of Net Assets between Funds (continued)

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	86,670	<b>87,670</b>
Current assets	4,266	116,313	-	<b>120,579</b>
Current liabilities	-	(99,911)	-	<b>(99,911)</b>
Pension scheme liability	-	-	-	-
<b>Total net assets</b>	<b>4,266</b>	<b>16,402</b>	<b>86,670</b>	<b>107,338</b>

#### 16. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>56,676</b>	107,338
Adjusted for:		
Depreciation charges	<b>34,224</b>	22,890
Capital grants from DfE and other capital income	<b>(30,456)</b>	(108,299)
Defined benefit pension scheme cost less contributions payable	<b>21,000</b>	-
(Increase) in stocks	<b>7,000</b>	(7,000)
(Increase) in debtors	<b>1,252</b>	(4,008)
Increase in creditors	<b>97,313</b>	24,161
<b>Net cash provided by Operating Activities</b>	<b>187,009</b>	35,081

#### 17. Cash Flows from Investing Activities

	2022	2021
	£	£
Purchase of tangible fixed assets	<b>(42,844)</b>	(109,559)
Capital grants from DfE/ESFA	<b>30,456</b>	108,299
<b>Net cash provided by / (used in) investing activities</b>	<b>(12,388)</b>	(1,260)

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

18. Analysis cash and cash equivalents	At 31 August 2022	At 31 August 2021
	£	£
Cash in hand and at bank	225,459	50,838
<b>Total cash and cash equivalents</b>	<b>225,459</b>	<b>50,838</b>

### 19. Analysis of changes in net debt

	At 31 August 2021 £	Cash Flows £	At 31 August 2022 £
Cash	50,838	174,621	225,459
Total	50,838	174,621	225,459

### 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.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £5,084 (2021: £4,781) were payable to the scheme at 31 August 2022 and are included within creditors.

#### Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

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

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

#### 20. Pension and Similar Obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £36,618 (2021: £39,293).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2022 was £10,000 (2021: NIL), of which employer's contributions totalled £8,000 (2021: NIL) and employees' contributions totalled £2,000 (2021: NIL). The agreed contribution rates for future years are 20.1% for employers and between 5.5-5.80% for employees.

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

Principal actuarial assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.20%	1.65%
Inflation assumption (CPI)	2.90%	2.80%
Discount rate for scheme liabilities	3.90%	3.80%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	24.3
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.7

# Talent Education Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### (continued)

#### 20. Pension and Similar Obligations (continued)

<b>Sensitivity Analysis</b> (change in value of defined benefit obligations)	At 31 August 2022	At 31 August 2021
Discount Rate +0.1%	12	-
Discount Rate -0.1%	(12)	-
CPI rate +0.1%	12	-
CPI rate -0.1%	(12)	-
Pension Increases and Deferred Revaluation +0.1%	12	-
Pension Increases and Deferred Revaluation -0.1%	(12)	-
Life Expectancy +0.1%	12	-
Life Expectancy -0.1%	(12)	-

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

	2022 £'000	2021 £'000
Equities	7	-
Bonds	1	-
Property	1	-
Cash	-	-
Other	1	-
Total amount recognised in SOFA	<b>10</b>	-

	2022 £'000	2021 £'000
Current service cost	29	-
Past service cost	-	-
Net Interest cost	-	-
Total amount recognised in SOFA	<b>29</b>	-

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

	2022 £'000	2021 £'000
As at 1 September	-	-
Current service cost	29	-
Interest cost	-	-
Employee contributions	2	-
Change in demographic assumptions	(1)	-
Change in financial assumptions	(20)	-
Experience loss/gain on defined benefit obligation	2	-
Benefits paid	-	-
At 31 August 2022	<b>12</b>	-

## Talent Education Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022

(continued)

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#### 20. Pension and Similar Obligations (continued)

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

	<b>2022</b>	2021
	<b>£'000</b>	£'000
As at 1 September 2021	-	-
Interest income	-	-
Return on plan assets	-	-
Employee contributions	8	-
Employer contributions	2	-
Benefits Paid	-	-
At 31 August 2022	<b>10</b>	-

#### 21. Related Party Transactions

No related party transactions took place in the current or previous year.

#### 22. Members Liability

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