

Davenant Foundation School

Annual Report and Financial Statements

31 August 2023

Company Limited by Guarantee
Registration Number
07540256 (England and Wales)

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Reference and administration information

Members	M Vine Morris (until 11 October 2022) G Anthony M Hicks (until 6 July 2023) N Lee-Johnston (from 10 October 2023) D Prosser (from 13 December 2022) S Temple
Trustees/Governors	M Vine-Morris (Chair of Governors (until 11 October 2022)) (1) A Allen (from 11 October 2022) J Anderson (until 10 December 2022) G Anthony (Vice Chair of Governors until 11 October 2022) (Chair of Governors from 11 October 2022) (1) C Cantle (from 11 October 2022) A Crombie (from 11 October 2022) C Davies O Fatoye C Folkes (2) J Goldsworthy (from 11 October 2022) C Hands (from 11 October 2022) (2) M Hicks (Chair of Finance Committee) (1) (2) (until 6 July 2023) D Lee (until 26 April 2023) N Lee-Johnston (from 11 October 2022) (Chair of Finance Committee from 6 July 2023) (1) (2) D Nelson (from 13 December 2022) D Prosser (1) H Smith (2) S Temple (Vice Chair of Governors from 11 October 2022) (1) A Thorne
Key to committees	(1) Member of Standing Committee (2) Member of Finance Committee
Head Teacher	A Thorne
Company Secretary	J Beaumont

Reference and administration information

Senior Leadership Team	A Thorne – Head Teacher D Lake – Deputy Head Teacher E Browne – Assistant Head Teacher J Escott – Assistant Head Teacher K Fisher – Assistant Head Teacher D Parker – Assistant Head Teacher
Clerk to the Governing Body	J McCallig
Registered address	Davenant Foundation School Chester Road Loughton Essex IG10 2LD
Company registration number	07540256 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds plc 11 The Broadway Loughton Essex IG10 3SW
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

The governors of Davenant Foundation School ('the School') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2023.

The report has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 38 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School 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 School.

Members of the charitable company comprise:

- ◆ the signatories to the Memorandum, the Chairman of Governors, the Vice Chairman of Governors and the Chairman of the Finance Committee; and
- ◆ appointments made under Article 16 of the Academy's Articles of Association: Mrs S Temple (until 11 October 2022) and Mr D Prosser (from 13 December 2022)

Governance arrangements

The governors act as trustees for charitable activities of Davenant Foundation School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Davenant Foundation School.

Method of recruitment and appointment or election of governors

The School's Governing Body comprises 3 staff governors, 3 parents of students at the School, the Headteacher (ex-officio), 11 Foundation governors and 2 governors appointed by the Governing Body through an application and interview process.

Governors' indemnities

The School is a member of the ESFA's Risk Protection Arrangements which provides £10 million cover for governors' liability. The cost of this is met from a £21 per student charge for all cover provided; it is not possible to separately identify the cost of governor cover.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance arrangements (continued)

Policies and procedures adopted for the induction and training of governors

Governor recruitment is geared to fill skill gaps on the Governing Body. Therefore, the training and induction provided for new governors will depend on their existing experience. All new governors receive general induction, including a tour of the School and the chance to meet with staff and students. Key staff and governors meet with them to provide an introduction to the school and the work of the Governing Body and safeguarding and GDPR training. Further induction is provided on charity, educational, legal and financial matters as required. Governors are given the Induction Pack (a suite of key documents) and registered with Essex Governor Services and the National Governors Association so that they can receive updates and opportunities for training. Seven governors joined the Board during the year. When considered necessary due to developments in the sector, update sessions are held for the whole board of governors.

Organisational structure

The School's organisational structure consists of four levels: the members, the governors, the sub-committees and the Senior Leadership Team. A governance review is underway to consider the recommendations contained in the 2022 Academy Trust Handbook.

The members comprise the Chair and Vice Chair of Governors, and the Chairs of each Committee. Together they make up the Standing Committee, which meets to strategically plan the work of the Governing Body and co-ordinate the work of the other Committees. The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments. The governors meet regularly during the year.

Specific responsibilities have been delegated to the committees by the governors. In line with the Academy Trust Handbook requirements, the Finance/Audit Committee presents to the board a programme of internal scrutiny to provide independent assurance that its financial and others controls, and risk management procedures, are operating effectively. To meet the requirement to separate internal scrutiny and external audit, the contract for 2022-23 was awarded to Juniper Education.

The Senior Leadership Team includes the Headteacher, the Deputy Headteachers and Assistant Headteachers. The Senior Leadership Team implements the policies as laid out by the Governors and, as authorised, takes day-to-day decisions on all matters that relate to the smooth running of the School's operations including set-up of operational systems, staff appointments, budget monitoring and stakeholder engagement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of key management personnel are governed by the School's Pay Policy. The policy complies with the School Teachers' Pay & Conditions Document ('STPCD') and the accompanying statutory guidance and with national and local pay agreements for support staff. The Governing Body has established a Salaries Committee and a Salaries Appeals Committee which have fully delegated powers to make decisions on pay, and (except in relation to the Headteacher's pay) will be advised by the Headteacher as appropriate.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£5.1 million
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

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

Governors

The following governors served throughout the period or subsequently joined the Board:

Governor	From/until	Category	Appointing body
A Allen	From 11 October 2022	Foundation	Whitechapel Education Foundation
J Anderson	Until 10 December 2022	Parent	Parent Body
G Anthony		Foundation	Whitechapel Education Foundation
C Cattle	From 11 October 2022	Foundation	Whitechapel Education Foundation
A Crombie	From 11 October 2022	Foundation	Whitechapel Education Foundation
C Davies		Foundation	Ex-officio (Rector of Loughton)
O Fatoye		Staff	Staff
C Folkes		Foundation	Whitechapel Education Foundation
J Goldsworthy	From 11 October 2022	Community	Governing Body
C Hands	From 11 October 2022	Community	Governing Body
M Hicks	Until 6 July 2023	Foundation	Whitechapel Education Foundation
D Lee	Until 26 April 2023	Parent	Parent Body
N Lee-Johnston	From 11 October 2022	Foundation	Whitechapel Education Foundation
D Nelson	From 13 December 2022	Parent	Parent Body
D Prosser		Foundation	Whitechapel Education Foundation
H Smith		Foundation	Whitechapel Education Foundation
S Temple		Foundation	Whitechapel Education Foundation
A Thorne		Headteacher	Ex-officio (Headteacher)
M Vine-Morris	Until 11 October 2022	Foundation	Whitechapel Education Foundation

New governors have joined the governing Body in the 2022-23 academic year: four foundation, two community and one parent governors and four have left. Five vacancies remain: One foundation, two parent and two staff governors. Further recruitment awaits the outcome of the governance review.

The Board met regularly during the year and is well supported by an effective Committee structure: The Standing Committee (chairs of Committees) oversees the work of the Governing Body; the other Committees are Finance, Curriculum, Estates, Personnel and Admissions. As a Single Academy Trust the Board finds this an effective model to use, but is under review as part of the governance review. More information is provided in the Governance Statement later in this report.

There are two charities whose trustees are also governors of the School, the Reynolds Fund and the Whitechapel Educational Foundation.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors (continued)

The Reynolds Fund and Whitechapel Educational Foundation are charities established to assist in the provision of facilities and activities at the School not normally provided for by Government funding. The School does not have the right to appoint trustees to either charity, or to alter their governing documents.

Decisions on how the funds of each are spent are taken independently by the trustees at separate meetings. The School, on occasion, makes information available to the charities to assist their operation. The charities consider this information but remain independent in their decision making concerning the application of their funds and thus there is no exercise of dominant influence by the School. As a result the governors have concluded that there is no requirement for the preparation of consolidated accounts.

Risk management

The governors have assessed the major risks to which the School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, the Covid pandemic and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to manage the risks to which the School is exposed. The exceptional circumstances of the pandemic clearly demonstrated the effectiveness of the Board's approach to risk management in that it swiftly changed how it operated and its business was geared to overseeing the school's response to its ever changing responsibilities.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

In setting the School's objectives and planning its activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

The objects of the School are to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum for students between the ages of 11 to 18.

The School has adopted the policies approved by the Secretary of State for Education. These policies specify, among other things, the basis for admitting students to the School and that the curriculum should comply with the substance of the national curriculum, albeit with the School able to exercise freedoms which allow it to offer alternatives to the National Curriculum if this is deemed appropriate.

The whole school aims are that Davenant will be a school where:

- ◆ All staff and students feel safe and secure.
- ◆ All students make outstanding progress.

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

- ◆ All students are sensitive to the world in which they live.
- ◆ All students have a passion for lifelong learning and are fully prepared for life after school.
- ◆ All staff are supported to fulfil their potential.
- ◆ The school manages its resources for the long term to benefit all its community.

The School's main strategy is encompassed in its mission statement which is:

'Reflect the love of God in all aspects of the community by nurturing mind, body and spirit'.

Notable achievements during 2022-23 were:

- ◆ Excellent A level and GCSE results and progress (analysis on next pages)
- ◆ Continued Teaching & Learning Professional Development to improve the understanding of how students learn
- ◆ High student participation in extra- curricular activities
- ◆ Strong staff recruitment and retention during challenging circumstances

Key Performance Indicators

Number of students on roll	
Whole school	1232
Year 7	187
Year 12	181
Student/Teacher Ratio	17
Teacher cost per student	£3,762
Education Support costs per student	£722
Other support staff cost per student	£1,023
Non pay cost per student	£1,282
Total cost per student	£6,838
ESFA income as % total income	86%
Staff costs as % of total income	81%
Total income per student	£6,864
Total GAG income per student	£5,435
Average teacher cost (incl. NI and pension)	£64,296

Year 13 (2022/2023) Actual Results

Whole Cohort

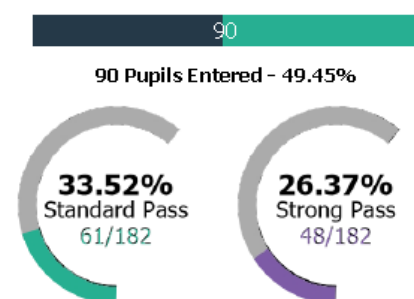
Pupils				A Level				Academic				Best 3 A Levels			
<div><div></div> 136 Pupils<div></div> 62 Boys<div></div> 74 Girls</div>				Students in Scope:136100%				Students in Scope:136100%				Students In Scope			
<div>Summary</div>				Avg Points / Entry:37.57-				Avg Points / Entry:37.41-				136100%			
				<u>Expressed As A Grade:</u> B--				<u>Expressed As A Grade:</u> B--				Students with 3 A Levels			
				Value Added Score-0.39-				Value Added Score-0.41-				136100%			
				3+ A levels at A*-E:13196.32%				EntriesCountWeighted				Cohort Score			
				2+ A levels at A*-E:13498.53%				All427-423-				37.55B-			
AAB (2+ Facilitating):27-				A*-A11627.17%11627.42%				<div>L3 Maths</div>							
<u>In Scope:</u> 136-				A*-B26361.59%262.562.06%											
EntriesCountWeighted				A*-C35482.9%352.583.33%											
All419-419-				A*-D40695.08%40395.27%											
A*-A11627.68%11627.68%				A*-E41998.13%415.598.23%											
A*-B26262.53%26262.53%				<div>Tech Level</div> <div>Students in Scope:00%</div> <div>Avg Points / Entry:0-</div> <div><u>Expressed As A Grade:</u>-</div> <div>EntriesCountWeighted</div> <div>All0-0-</div> <div>A*-A00%00%</div> <div>A*-B00%00%</div> <div>A*-C00%00%</div> <div>A*-D00%00%</div> <div>A*-E00%00%</div>											
A*-C35183.77%35183.77%															
A*-D40095.47%40095.47%															
A*-E41298.33%41298.33%															
<div>Applied General</div> <div>Students in Scope:00%</div> <div>Avg Points / Entry:0-</div> <div><u>Expressed As A Grade:</u>-</div> <div>Value Added Score0-</div> <div>EntriesCountWeighted</div> <div>All0-0-</div> <div>A*-A00%00%</div> <div>A*-B00%00%</div> <div>A*-C00%00%</div> <div>A*-D00%00%</div> <div>A*-E00%00%</div>				<div>Tech Bacc</div> <div>AchievedTech Bacc Breakdown</div> <div>00%</div> <div>0%All Pupils</div> <div>0%Tech Scope</div>											
<div>EntriesCountWeighted</div> <div>All427-423-</div> <div>A*-A11627.17%11627.42%</div> <div>A*-B26361.59%262.562.06%</div> <div>A*-C35482.9%352.583.33%</div> <div>A*-D40695.08%40395.27%</div> <div>A*-E41998.13%415.598.23%</div>				<div>Tech Level</div> <div>00%</div> <div>00%</div> <div>0%</div>				<div>L3 Maths</div> <div>00%</div> <div>00%</div> <div>0%</div>							
<div>Ext Project</div> <div>00%</div> <div>00%</div> <div>0%</div>															

Year 11 (2022/2023) Actual Results - No RS

Whole Cohort

Pupils
 182 Pupils 89 Boys 93 Girls

Baccalaureate



Baccalaureate Subjects

	Eng	Ma	Sci	Hums	Lang
Entries	177	179	176	168	95
	97%	98%	97%	92%	52%
Standard	161	153	145	123	67
	88%	84%	80%	68%	37%
Strong	139	124	115	102	55
	76%	68%	63%	56%	30%

Summary

4.91	0.42	0.06	-0.07
APS	Sci VA	Hums VA	Lang VA

English

	Entries	9 to 7	9 to 5	9 to 4
	179	66	139	161
Pupils	98.35%	36.26%	76.37%	88.46%
Entries	-	36.87%	77.65%	89.94%

Maths

	Entries	9 to 7	9 to 5	9 to 4
	179	65	124	153
Pupils	98.35%	35.71%	68.13%	84.07%
Entries	-	36.31%	69.27%	85.47%

Science

		Pupils	Entries
1 Science	179	98.35%	-
Grade 4+	148	81.32%	82.68%
2 Sciences	177	97.25%	-
Grade 4+	146	80.22%	82.49%
3 Sciences	94	51.65%	-
Grade 4+	80	43.96%	85.11%
Bio/Chem/Phys	74	40.66%	-
Grade 4+	68	37.36%	91.89%

MFL

		Pupils	Entries
1 MFL Entry	95	52.20%	-
Grade 4+	67	36.81%	70.53%
2 MFL Entries	0	0.00%	-
Grade 4+	0	0.00%	0.00%

English & Maths Threshold

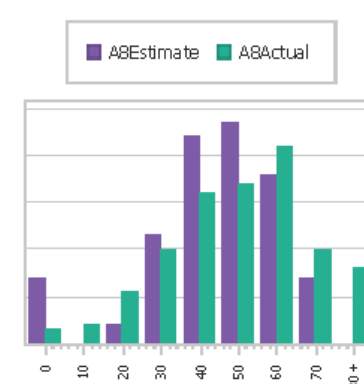
Both Subjects	19%	13%
	<5 34	24 5+
	<4 16	13 4+
	9%	7%
Maths Only	3%	81%
	4+ 5	148 4+
	5+ 9	115 5+
	5%	63%
		Both Subjects

179 Pupils Entered - 98.35%

Entries

9 to 8 - inc A*'s	(16.45%)
242	
9 to 7 - inc A*-A	(30.80%)
453	
9 to 5 - inc A*-B	(66.96%)
985	
9 to 5 - inc A*-C	(67.85%)
998	
9 to 4 - inc A*-C	(81.78%)
1203	
Total	Average
1471.00	8.08

Progress 8



	A8	P8
English	11.59	+0.39
Maths	11.08	+0.44
EBacc	16.17	+0.38
Other	15.6	+0.08

Overall 54.44 +0.3

Filled Slots 166 91.21%

Performance

	Pupils	Percent
5 A* to C	142	78.02%
Inc EnMa (4+):	141	77.47%
Inc EnMa (5+):	113	62.09%
5 Grade 5+	112	61.54%
Inc EnMa:	107	58.79%

FINANCIAL REVIEW

Financial report for the period

The majority of the School's income for the year ended 31 August 2023 was obtained from the ESFA in the form of a general annual grant. GAG income totalled £6,715k (2022 - £6,677k) and represents 77% (2022- 82%) of the total income received in the period.

Expenditure was £9,427k (2022 - £9,515k) on the School's educational operations and includes £22k (2022 - £19k) on governance costs.

During the year the School incurred an overall surplus of £80k (2022 - £3,919k surplus), but this includes a surplus of £750k (2022 - 3,329k surplus) in the pension reserve and a £772k deficit (2022 - £688k surplus) in the restricted fixed asset fund due to depreciation charges. This results in an overall fund balance of £3,727k

	Opening Balance 1st Sept 2022 £000	Movement during the Year £000	Balances at 31 st Aug 2023 £000
Buildings and Assets Under Construction	3,999	(725)	3,274
Fixed Asset Fund	166	(26)	140
Total Restricted Fixed Assets	4,165	(751)	3,414
LGPS deficit	(809)	750	(59)

Restricted Funds:

<i>Epping Forest Consortium</i>	6	-	6
<i>Sports Partnership</i>	51	(27)	24
<i>West Essex School Sports Association</i>	-	-	-
<i>Olympics Legacy Fund</i>	2	(1)	1
<i>Devolved Formula Capital grants</i>	28	(28)	-
Total Restricted Funds	87	(56)	31

Unrestricted Funds:

'Free' reserves	249	88	337
Earmarked funds	56	27	83
Salix loan	(101)	22	(79)
Total Unrestricted Funds	204	137	341
TOTAL	3,647	80	3,727

The results for the year are shown on page 30. See also note 15 on page 45.

FINANCIAL REVIEW (continued)

Reserves policy

At 31 August 2023 the School had unrestricted funds of £341k (2022 - £204k). This includes internal commitments to departmental budgets, teacher training initiatives and other specific school projects amounting to £83k (2022 - £56k) and the Salix loan liability of £79k – *see below* (2022 £101k), leaving unrestricted reserves at £341k.

As reported above, the overall funds position as shown on the balance sheet on page 30 is a surplus of £3,727k (2022 £3,647k surplus).

The School has entered into two agreements with SALIX: in 2018 to fund the installation of energy efficient lighting and in 2022 as part of the replacement classroom project. The loans are repayable over 8 years and, given its long term nature and that the School will fund repayments as they fall due, it has been calculated it has free reserves at 1 September 2023 to be £337k (2022 - £249k) represented by net current assets.

The way in which the School is being funded will continue to put severe pressure on the use of its resources and it will be an ongoing challenge to safeguard standards and properly meet its charitable objectives. For the year ending 31 August 2023, the School initially set a deficit budget of £115k (2022 - initial deficit of £53k). Therefore free reserves are expected to be maintained in the short term and medium terms.

The School has previously expressed an aspiration to have reserves at a level close to one month's salary costs, around £500,000. The School was budgeting to increase free reserves to this level over the coming few years, but this aim is now being side-lined whilst we manage funds to retain an overall positive position. For the present, the level of free reserves held is adequate for that purpose.

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it considers that the going concern basis of preparing the financial statements is appropriate.

Investment policy

Governors have agreed an investment policy that allows the investment of surplus funds in risk free deposit accounts. Where funds are not readily accessible an assessment must be made to ensure that the school can meet its outgoings whilst the funds are on deposit.

PRINCIPAL RISKS AND UNCERTANTIES

At this stage, the principal risks of the School that have been subject to detailed review are:

- ◆ the current financial challenges – high energy costs and general inflationary pressures in the context of funding received for Davenant characteristics
- ◆ Managing the school estate, in the light of structural defects in the 6th form centre building, necessitating a rebuild
- ◆ Ensuring that the school site is safe and well maintained
- ◆ The effect of lower year 12 student numbers in 2022 on funding for 2023-24
- ◆ Maintaining student recruitment in both years 7 and 12
- ◆ Increased pressure on Student Services
- ◆ Increased difficulties in staff recruitment
- ◆ Ensuring compliance with relevant regulations, in particular GDPR.

The following actions have been taken to mitigate against the risks listed above:

- ◆ The budget is scrutinised on an ongoing basis to identify in year savings and react to any changed circumstances
- ◆ Temporary classrooms and a new sixth form centre will be funded by 'insurers' (Risk Protection Arrangements)
- ◆ Health and safety is regularly considered by staff and governors. A health and safety audit is undertaken regularly and use is made of the advice and training provided by the Risk Protection Arrangements agency.
- ◆ The academy has continued its development of Student Services provision to meet the increased demand to tackle issues with student wellbeing and SEND students
- ◆ Successful marketing, favourable reputation and parental feedback ensured that 2023 year 7 and year 12 recruitment was on target
- ◆ The Compliance Officer and Link Governor adherence to relevant regulations, in particular Health and Safety, School trips and the Data Protection regime has resulted in successful audits in these areas.

FUNDRAISING

The academy has not undertaken fundraising during the year. The Reynolds (Private Fund) and the Parents' Association fundraise and provide welcome support to the academy.

PLANS FOR FUTURE PERIODS

The latest Development Plan covers the period 2021- 2026. Its targets relate to:

- ◆ Quality of Education
- ◆ Behaviour, Attitudes and Participation
- ◆ Personal Development
- ◆ Leadership and management
- ◆ School Environment

The key priority intended outcomes include:

- ◆ All students make outstanding progress because there is high quality teaching.
- ◆ All students make outstanding progress because of a rich extra and co-curricular offer.
- ◆ All students make outstanding progress because needs are clearly recognised, barriers removed and opportunities given.
- ◆ Students feel safe because there is a clear behaviour policy in place which is implemented consistently to ensure a safe and orderly learning environment
- ◆ Students feel safe and supported and can overcome barriers to accessing curriculum because there is a fully integrated Student Service offer.
- ◆ School is financially sound due to robust budget management ensuring that reserves are within Government expectations.
- ◆ Students are engaged and progressing due to an adaptive curriculum that identifies the needs of different cohorts

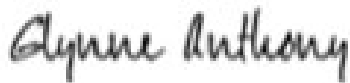
Governors' report Year to 31 August 2023

AUDITOR

In so far as the governors are aware:

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

Governors' report approved by order of the members of the board of governors and signed on its behalf by:



Glynne Anthony

Chair of Governors

Date: 12 December 2023

Governance statement Year to 31 August 2023

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. As part of the governor recruitment process, significant work was undertaken to identify skill shortages and ensure the successful candidates filled these gaps. A governance review is underway to consider the recommendations contained in the 2023 Academy Trust Handbook.

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities.

September 2022 to August 2023

2 meetings of the Board and 1 training session took place in person during 2022-23 and 2 were held online. All committee meetings continued to be held virtually and it is pleasing to report that all governors were able to continue their participation.

The Governing Body has formally met 4 times during the year in addition to a training event. Attendance during the year at meetings of the Governing Body was as follows:

September 2022 to August 2023 (continued)

Governor	Number of meetings attended	Out of a possible
AM Allen	3	4
J Anderson	1	1
G Anthony (chair from 11 October 2022)	4	4
C Cattle	3	4
A Crombie	3	4
C Davies	4	4
O Fatoye	3	4
C Folkes	4	4
J Goldsworthy	4	4
C Hands	3	4
M Hicks	4	4
D Lee	3	3
N Lee Johnson	4	4
D Nelson	3	3
D Prosser	4	4
H Smith	3	4
S Temple	4	4
A Thorne	4	4
M Vine-Morris (chair until 11 October 2022)	1	1

The Standing Committee has formally met 4 times during the year. Attendance during the year was as follows:

Governor	Number of meetings attended	Out of a possible
G Anthony (chair from 11 October 2022)	4	4
C Davies	2	2
M Hicks	4	4
D Prosser	3	3
S Temple	2	4
A Thorne	4	4
M Vine-Morris (chair until 11 October 2022)	1	1

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to make decisions that will enable compliance with governors' approved budgets and policies, legislation and regulation. It is responsible to the Governing Body through the Standing Committee. The Finance Committee has formally met 5 times during the year. Attendance during the year was as follows:

Governor	Number of meetings attended	Out of a possible
C Folkes	5	5
C Hands	4	4
M Hicks (chair)	5	5
N Lee Johnson	4	4
D Prosser	1	1
H Smith	3	5
A Thorne	5	5

September 2022 to August 2023 (continued)

There were 4 resignations from and 7 new appointments to the membership of the Governing Body during the year. There are currently 5 vacancies on the Governing Body: 2 parent, 2 staff and 1 foundation governors.

Governance reviews

A governance review is underway to consider the recommendations contained in the 2023 Academy Trust Handbook. In addition, the Governing Body has completed a skills audit which is used in the governor appointment process, in conjunction with the recruitment policy. A whole board in person training event took place which provided an opportunity for the Headteacher to update governors on current developments and time was given to long term planning.

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the School has delivered and improved value for money during the year by:

- ◆ Carefully managing the budget in the light of difficult demands arising from increased energy costs and high pay awards. For example, when staff absence was high due to illness or isolation, external supply cover was minimised by flexibly using the existing workforce. Any spare capacity in the teaching timetable was allocated to cover absent colleagues and classes were covered jointly to minimise bought in supply teachers;
- ◆ A carefully constructed timetable that minimised spare capacity in tandem with the financial plan along the lines of Integrated Curriculum Financial Planning;
- ◆ Annual Performance Management meetings for all staff to ensure that the workforce is working together to achieve the school objectives;
- ◆ Analysis of pupil performance data with curriculum leaders to determine the emphasis required to minimise the effects of the pandemic on students' learning;
- ◆ Scrutiny of financial data including regular budget reports, reports from the external auditor and Internal Scrutiny reviews;
- ◆ Meetings of the Governing Body with close scrutiny of the School Development Plan; and
- ◆ As part of the cyclical review of contracts, the School uses the services of procurement specialists to review significant contracts;

Review of value for money (continued)

- ◆ Ensuring that the site is well maintained and that statutory inspections are undertaken as required. Regular health and safety audits are procured and advice from the RPA is followed.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's 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 at the School for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and for 2022-23 commissioned Juniper Education Services, to undertake a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively. The Finance/ Audit Committee received 3 comprehensive reports during the year; a number of useful recommendations were made to enhance the systems in place, but none identified a major issue of concern.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the internal scrutiny reviews;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Chief Financial Officer within the School, who has responsibility for the development and maintenance of the internal control framework.

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

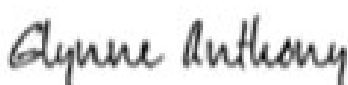
Conflicts of Interest

The Trust requires all individuals identified as needing to complete a register of business interests to confirm the details held are accurate on an annual basis. All individuals are notified of the requirement to inform the Trust of any changes to their register at the earliest possible time and this is contained within the governance documents of the Trust.

All committee and board meeting agendas have, as standing items, the requirement to confirm the presence of any conflicts and, going forward, also that the registers are up to date.

The academy plans to perform spot checks via Companies House to check the accuracy of details held.

Approved by order of the Governing Body and signed on their behalf by:



Glynne Anthony

(Chair of Governors)



Adam Thorne

(Headteacher and Accounting Officer)

Approved on 12 December 2023

Statement on regularity, propriety and compliance Year to 31 August 2023

As Accounting Officer of Davenant Foundation School, I have considered my responsibility to notify the School Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management..

I confirm that I and the School Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academy Trust Handbook 2022.

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



Accounting Officer

Adam Thorne

Date: 12 December 2023

Statement of governors' responsibilities Year to 31 August 2023

The governors (who act as trustees of the School and are also the directors of the School for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Academies Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

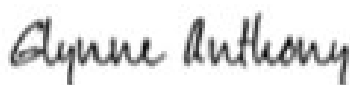
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2022 to 2023;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Governing Body and signed on its behalf by:



Glynne Anthony
Chair of Governors
Date: 12 December 2023

Independent auditor's report on the financial statements to the members of Davenant Foundation School

Opinion

We have audited the financial statements of Davenant Foundation School (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charitable company'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 trustees either intend to liquidate the charitable company 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academy Trust Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 December 2023

Independent reporting accountant's assurance report on regularity to Davenant Foundation School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 3 October 2022 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Davenant Foundation School during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Davenant Foundation School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Davenant Foundation School's funding agreement with the Secretary of State for Education dated 28 August 2014 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 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.

Approach (continued)

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

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 14 December 2023

Statement of financial activities
(incorporating income and expenditure account) for the year ended 31 August 2023

	Notes	Restricted funds			2023 Total funds £'000	2022 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed asset funds £'000		
Income from:						
Donations and capital grants	1	178	—	121	299	1,734
Charitable activities						
. Funding for the School's educational operations	2	—	7,626	—	7,626	7,414
Other trading activities	3	753	—	—	753	492
Total income		931	7,626	121	8,678	9,640
Expenditure on:						
Charitable activities						
. School's educational operations		794	7,740	893	9,427	9,515
Total expenditure	4,5	794	7,740	893	9,427	9,515
Net (expenditure) income		137	(114)	(772)	(749)	125
Transfer between funds		—	(21)	21	—	—
Other recognised losses and gains						
Actuarial gain on defined benefit pension scheme	18	—	829	—	829	3,794
Net movement in funds		137	694	(751)	80	3,919
Reconciliation of funds						
Fund balances brought forward at 1 September		204	(722)	4,165	3,647	(272)
Fund balances carried forward at 31 August		341	(28)	3,414	3,727	3,647

All of the Academy's activities derived from continuing operations during the above two financial periods.


All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 August 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Tangible fixed assets	10		3,353		4,165
Current assets					
Debtors	11	308		638	
Cash at bank and in hand		756		583	
		1,064		1,221	
Liabilities					
Creditors: amounts falling due within one year	12	(575)		(846)	
Net current assets			489		375
Total assets less current liabilities			3,842		4,540
Creditors: amounts falling due after more than one year	13	(56)		(84)	
Net assets excluding pension scheme liability			3,786		4,456
Pension scheme liability	18	(59)		(809)	
Total net assets			3,727		3,647
Funds of the School					
Restricted funds					
. Fixed assets fund	14		3,414		4,165
. Other restricted funds	14		31		87
. Pension reserve	14		(59)		(809)
Total restricted funds			3,386		3,443
Unrestricted funds					
. General fund	14		341		204
Total funds			3,727		3,647

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 30 to 53 were approved by the Governors, and authorised for issue on 12 December 2023 and are signed on their behalf, by:



Glynne Anthony
Chair of Governors

Davenant Foundation School – Company Registration Number 07540256 (England and Wales).

The notes on pages 38 to 52 form part of these financial statements.

Statement of cash flows Year to 31 August 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	188	(46)
Cash flows from investing activities	B	13	98
Cash flows from financing activities	C	(28)	5
Change in cash and cash equivalents in the year		173	57
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2022		583	526
Cash and cash equivalents at 31 August 2023	D	756	583

A Reconciliation of net expenditure to net cash provided by operating activities

	2023 £'000	2022 £'000
Net expenditure for the year (as per the statement of financial activities)	(749)	125
Adjusted for:		
Depreciation	893	527
Capital grants from DfE/ESFA and other capital income	(94)	(1,313)
Loss on disposal of fixed assets	—	—
Defined benefit pension scheme cost less contributions payable	49	399
Defined benefit pension scheme finance cost	30	66
Decrease (increase) in debtors	330	(207)
(Decrease) increase in creditors	(271)	357
Net (cash used) provided by in operating activities	188	(46)

B Cash flows from investing activities

	2023 £'000	2022 £'000
Purchase of tangible fixed assets	(81)	(1,215)
Capital grants from DfE/ESFA	94	1,313
Net cash provided by (used in) investing activities	13	98

C Cash flows from financing activities

	2023 £'000	2022 £'000
Repayments of borrowing	(28)	(20)
Cash inflows from new borrowing	—	25
Net cash provided by (used in) Financing Activities	(28)	5

D Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	756	583
Total cash and cash equivalents	756	583

Statement of cash flows Year to 31 August 2023

E Analysis of cash and changes in net debt

	At 1 September 2022 £'000	Cashflows £'000	At 31 August 2023 £'000
Cash in hand and at bank	583	173	756
Loans falling due within one year	(18)	(5)	(23)
Loans falling due after more than one year	(84)	28	(56)
Total change in net debt	481	196	677

Principal accounting policies Year to 31 August 2023

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 of financial statements

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

The financial statements have been presented in sterling and rounded to the nearest thousand pounds.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School'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 income is recognised when the School 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.

Principal accounting policies Year to 31 August 2023

Grants (continued)

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

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

Donations

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

Other income

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

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 School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Principal accounting policies Year to 31 August 2023

Taxation

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

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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	5% straight line
Furniture and equipment	-	25% straight line
Computer equipment	-	33% straight line

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

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Principal accounting policies Year to 31 August 2023

Liabilities

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

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

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

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

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

Fund accounting

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

Principal accounting policies Year to 31 August 2023

Fund accounting (continued)

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

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

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 School 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 net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Other than the estimates discussed above, the governors do not consider that there are any key judgements made in the preparation of the financial statements.

Notes to the financial statements Year to 31 August 2023

1. Income from donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000
Capital grants	—	—	94	94
Donated fixed assets	—	—	—	—
Other donations	178	—	27	205
	178	—	121	299

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Restricted fixed assets funds £'000</i>	<i>2022 Total funds £'000</i>
<i>Capital grants</i>	—	—	1,311	1,311
<i>Donated fixed assets</i>	—	—	2	2
<i>Other donations</i>	—	225	196	421
	—	225	1,509	1,734

Notes to the financial statements Year to 31 August 2023

2. Funding for the School's academy trust educational operations

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
ESFA revenue grants			
. General Annual Grant (GAG)	—	6,715	6,715
Other DfE/ESFA grants			
. Pupil Premium	—	160	160
. Others	—	330	330
	<u>—</u>	<u>7,205</u>	<u>7,205</u>
Other Government grants			
. Local authority grants	—	268	268
. Special educational projects	—	49	49
	<u>—</u>	<u>317</u>	<u>317</u>
Other income from the academy trust's educational operations	<u>—</u>	<u>53</u>	<u>53</u>
Covid-19 additional funding (DfE/ESFA)			
Recovery Premium	—	32	32
Other DfE/ESDA Covid-19 funding	—	19	19
	<u>—</u>	<u>51</u>	<u>51</u>
	<u>—</u>	<u>7,626</u>	<u>7,626</u>

All income is included within restricted funds for both 2023 and 2022.

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
ESFA revenue grants			
. General Annual Grant (GAG)	—	6,677	6,677
Other DfE/ESFA grants			
. Pupil Premium	—	152	152
. Others	—	186	186
	<u>—</u>	<u>7,015</u>	<u>7,015</u>
Other Government grants			
. Local authority grants	—	218	218
. Special educational projects	—	84	84
	<u>—</u>	<u>302</u>	<u>302</u>
Covid-19 additional funding (DfE/ESFA)			
Catch-up premium	—	52	52
Other DfE/ESDA Covid-19 funding	—	16	16
Covid-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	—	29	29
	<u>—</u>	<u>7,414</u>	<u>7,414</u>

Notes to the financial statements Year to 31 August 2023

3. Income from other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Hire of facilities/lettings income	70	—	70
Income from other charitable activities	148	—	148
Income from ancillary trading activities	535	—	535
	753	—	753
	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>Hire of facilities/lettings income</i>	68	—	68
<i>Income from other charitable activities</i>	177	—	177
<i>Income from ancillary trading activities</i>	247	—	247
	492	—	492

4. Expenditure

	Staff costs £'000	Non pay expenditure		2023 Total funds £'000
		Premises £'000	Other costs £'000	
School's educational operations				
. Direct costs	5,490	893	780	7163
. Allocated support costs (note 5)	1,357	600	307	2,264
	6,847	1,493	1,087	9,427

	Staff costs £'000	Non pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
<i>School's educational operations</i>				
<i>. Direct costs</i>	5,613	527	554	6,694
<i>. Allocated support costs (note 5)</i>	1,577	896	348	2,821
	7,190	1,423	902	9,515

Net expenditure for the year includes:

	2023 Total funds £'000	2022 Total funds £'000
Operating leases	17	17
Loss on disposal of fixed assets	—	—
Depreciation	893	527
Fees payable to auditor		
. Audit	16	11
. Other services	3	6

Notes to the financial statements Year to 31 August 2023

5. Analysis of support costs

	2023 Total funds £'000	2022 Total funds £'000
Direct costs – educational operations	6,772	6,694
Support costs – educational operations	2,264	2,821
	9,036	9,515

	2023 Total funds £	2022 Total funds £
Support staff costs	1,357	1,577
Technology costs	53	58
Premises costs	600	896
Legal costs – other	4	1
Other support costs	228	270
Governance costs	22	19
Total support costs	2,264	2,821

6. Comparative information

Analysis of income and expenditure in the year ended 31 August 2022 between restricted and unrestricted funds:

		Restricted funds			
	Notes	Unrestricted general fund £'000	General funds £'000	Fixed asset funds £'000	2022 Total funds £'000
Income from:					
Donations and capital grants	1	—	225	1,509	1,734
Charitable activities					
. Funding for the School's educational operations	2	—	7,414	—	7,414
Other trading activities	3	492	—	—	492
Total income		492	7,639	1,509	9,640
Expenditure on:					
Charitable activities					
. School's educational operations		931	8,057	527	9,515
Total expenditure	4,5	931	8,057	527	9,515
Net income (expenditure)		(439)	(418)	982	125
Transfer between funds		333	(39)	(294)	—
Other recognised losses and gains					
Actuarial gain (loss) on defined benefit pension scheme	19	—	3,794	—	3,794
Net movement in funds		(106)	3,337	688	3,919
Reconciliation of funds					
Fund balances brought forward at 1 September		310	(4,059)	3,477	(272)
Fund balances carried forward at 31 August		204	(722)	4,165	3,647

Notes to the financial statements Year to 31 August 2023

7. Staff costs

Staff costs during the period were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	5,050	4,992
Social security costs	505	497
Pension costs	1,224	1,531
	6,779	7,020
Supply teacher costs	68	149
Staff restructuring costs	—	21
	6,847	7,190

b) Severance payments

The academy trust paid no severance payment in the year (2022 - 1)

c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £nil (2022 - £20,941).

The average number of persons (including the senior management team) employed by the School during the year ended 31 August 2023 as expressed as average headcount was as follows:

	2023 No.	2022 No.
Teachers	78	78
Administration and support	94	88
Management	6	6
	178	172
	2023 FTE.	2022 FTE.
Teachers	66	68
Administration and support	52	53
Management	6	6
	124	127

The number of employees whose annualised emoluments fell within the following bands was:

	2023 No.	2022 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	—	1
£80,001 - £90,000	1	—
£100,001 - £110,000	—	1
£110,001 - £120,000	1	—

7. Staff costs (continued)

Key management personnel

The key management personnel of the School comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the School was £762,281 (2022 - £701,242).

8. Governors' and Officers' insurance

The School has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors 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 Governors and officers indemnity element from the overall cost of the RPA scheme membership.

9. Related party transactions – Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. If this is not the case, payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

	2023 £'000	2022 £'000
A Thorne – Headteacher and Trustee		
. Remuneration	110-115	105-110
. Employer's pension contributions	25-30	25-30
C Folkes – Staff Trustee		
. Remuneration	30-35	25-30
. Employer's pension contributions	5-10	5-10
O Fatoye, Staff Trustee		
. Remuneration	40-45	40-45
. Employer's pension contributions	10-15	10-15

Notes to the financial statements Year to 31 August 2023

10. Tangible fixed assets

	Leasehold land & buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost				
At 1 September 2022	8,381	583	426	9,390
Additions	25	42	14	81
At 31 August 2023	8,406	625	440	9,471
Depreciation				
At 1 September 2022	4,382	453	390	5,225
Charge in year	812	48	33	893
At 31 August 2023	5,194	501	423	6,118
Net book value				
At 31 August 2023	3,212	124	17	3,353
At 31 August 2022	3,999	130	36	4,165

For the purposes of these financial statements, the land is deemed to have no commercial value. Leasehold buildings are included at a depreciated replacement cost value.

The sixth form centre is being replaced during 2023-24; at 31 August 2023 the building was not usable so an accelerated depreciation charge of £412k was recognised.

11. Debtors

	2023 £'000	2022 £'000
Trade debtors	68	72
VAT recoverable	14	32
Prepayments and accrued income	226	534
	308	638

12. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	29	30
Taxation and social security	112	119
Loan amounts due in one year	23	18
Other creditors	161	243
Accruals and deferred income	250	436
	575	846

	2023 £'000	2022 £'000
Deferred income		
Deferred income at 31 August	244	62
Amounts released in the year	(244)	(62)
Resources deferred in the year	121	244
Deferred income at 31 August	121	244

Deferred income relates to funding received in advance for various educational and sporting activities.

Notes to the financial statements Year to 31 August 2023

13. Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Salix loan	56	84
	56	84
Analysis of loans	2023 £'000	2022 £'000
Wholly repayable within five years	79	102
Less: included in current liabilities	(23)	(18)
Amounts included above	56	84
Loan maturity	2023 £'000	2022 £'000
Debt due in one year or less	23	18
In more than one year but not more than two years	56	84
	79	102

14. Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'0000	Balance at 31 August 2023 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	6,715	(6,715)	—	—
. Pupil premium	—	160	(160)	—	—
. Catch-up premium	—	32	(32)	—	—
. Other DfE/ESFA Covid-19 funding	—	19	(19)	—	—
. Other Covid-19 funding	—	19	(19)	—	—
. Other grants	87	681	(716)	(21)	31
. Pension reserve	(809)	—	(79)	829	(59)
	(722)	7,626	(7,740)	808	(28)
Restricted fixed assets fund					
. Other Fixed Assets	2,881	—	(364)	—	2,517
. DfE/ESFA Capital grants	1,022	94	(452)	21	685
. Capital expenditure from GAG	55	—	(41)	—	14
. Private sector capital - sponsorship	207	27	(36)	—	198
	4,165	121	(893)	21	3,414
Total restricted funds	3,443	7,747	(8,633)	829	3,386
Unrestricted funds					
. General unrestricted funds	204	931	(794)	—	341
Total unrestricted funds	204	931	(794)	—	341
Total funds	3,647	8,678	(9,427)	829	3,727

Notes to the financial statements Year to 31 August 2023

14. Funds (continued)

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

- i Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.
- ii Pension reserve relates to the School's share of the deficit on the Local Government Pension scheme managed by Essex Pension Fund.
- iii Restricted fixed assets funds were funded by government grants and donations to fund capital expenditure.
- iv Other funds relate to monies received for specific purposes

Comparative information

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'0000	Balance at 31 August 2022 £'000
Restricted general funds					
. General Annual Grant (GAG)	—	6,677	(6,638)	(39)	—
. Pupil premium	—	152	(152)	—	—
. Other DfE/ESFA Covid-19 funding	—	45	(45)	—	—
. Other grants	79	765	(757)	—	87
. Pension reserve	(4,138)	—	(465)	3,794	(809)
	<u>(4,059)</u>	<u>7,639</u>	<u>(8,057)</u>	<u>3,755</u>	<u>(722)</u>
Restricted fixed assets fund					
. Other Fixed Assets	3,239	2	(360)	—	2,881
. DfE/ESFA Capital grants	129	1,311	(85)	(333)	1,022
. Capital expenditure from GAG	58	—	(42)	39	55
. Private sector capital - sponsorship	51	196	(40)	—	207
	<u>3,477</u>	<u>1,509</u>	<u>(527)</u>	<u>(294)</u>	<u>4,165</u>
Total restricted funds	<u>(582)</u>	<u>9,148</u>	<u>(8,584)</u>	<u>3,461</u>	<u>3,443</u>
Unrestricted funds					
. General unrestricted funds	310	492	(931)	333	204
Total unrestricted funds	<u>310</u>	<u>492</u>	<u>(931)</u>	<u>333</u>	<u>204</u>
Total funds	<u>(272)</u>	<u>9,640</u>	<u>(9,515)</u>	<u>3,794</u>	<u>3,647</u>

15. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2023 Total £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	—	—	3,353	3,353
Current assets	341	662	61	1,064
Current liabilities	—	(575)	—	(575)
Non-current liabilities	—	(56)	—	(56)
Pension scheme liability	—	(59)	—	(59)
Total net assets	341	(28)	3,414	3,727

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2022 Total £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	4,165	4,165
Current assets	204	1,017	—	1,221
Current liabilities	—	(846)	—	(846)
Non-current liabilities	—	(84)	—	(84)
Pension scheme liability	—	(809)	—	(809)
Total net assets	204	(722)	4,165	3,647

16. Capital commitments

	2023 £'000	2022 £'000
Contracted for but not provided in the financial statements	289,412	—

17. Commitments under operating leases

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

	2023 £'000	2022 £'000
Amounts due within one year	10	15
Later than one year and not later than five years	13	14
	23	29

18. Pension commitments

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

Prior to 31 August 2023, the latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Contributions amounting to £129,669 were payable to the schemes at 31 August 2023 (2022 - £218,729) 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 to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The actuarial valuation of the TPS which applied during the year ended 31 August 2023 was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

18. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

The employer's pension costs paid to TPS in the year amounted to £819,424 (2022 - £807,109).

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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £444,000 (2022 - £406,000), of which employer's contributions totalled £356,000 (2022 - £325,000) and employees' contributions totalled £88,000 (2022 - £81,000). The agreed contribution rates for future years are 25% for employers and between 5.5% and 12.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.90%	3.95%
Rate of increase for pensions in payment / inflation	2.90%	2.95%
Discount rate for scheme liabilities	5.35%	4.25%
Inflation assumption (CPI)	2.90%	2.95%
Commutation of pensions to lump sums	50.00%	50.00%

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 2023	At 31 August 2022
<i>Retiring today</i>		
Males	20.7	21.0
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.3
Females	24.6	24.9

Notes to the financial statements Year to 31 August 2023

18. Pension commitments (continued)

Local Government Pension Scheme (continued)

	At 31 August 2023 £'000	At 31 August 2022 £'000
Sensitivity analysis		
Discount rate +0.1%	301	329
Discount rate -0.1%	(317)	(350)
Mortality assumption – 1 year increase	(320)	(351)
Mortality assumption – 1 year decrease	299	327
CPI rate +0.1%	(317)	(350)
CPI rate -0.1%	301	328

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equity instruments	2,994	2,578
Gilts	66	88
Other bonds	—	203
Property	403	433
Cash	151	137
Alternative assets	815	686
Other managed funds	718	455
Total market value of assets	5,147	4,580
Present value of scheme liabilities		
. Funded	(5,206)	(5,389)
Deficit in the scheme	(59)	(809)

The actual return on scheme assets was a £20,000 surplus (2022 - £60,000 deficit).

	2023 £'000	2022 £'000
Amounts recognised in statement of financial activities		
Current service costs (net of employer contributions)	49	399
Interest cost	27	66
Admin expenses	3	2
Total operating charge	79	467

	2023 £'000	2022 £'000
Analysis of pension finance income (expenditure)		
Expected return on pension scheme assets	204	72
Interest on pension liabilities	(231)	(138)
Pension finance income (expenditure)	(27)	(66)

Notes to the financial statements Year to 31 August 2023

18. Pension commitments (continued)

Local Government Pension Scheme (continued)

Changes in the net pension liability were as follows:	2023 £'000	2022 £'000
At 1 September 2022	809	4,138
Current service cost	405	724
Employer's contributions	(356)	(325)
Net interest and admin costs	27	66
Net actuarial loss	(829)	(3,794)
	56	809

Changes in the present value of defined benefit obligations were as follows	2023 £'000	2022 £'000
At 1 September 2022	5,389	8,348
Current service cost	405	724
Interest cost	231	138
Employee contributions	88	81
Changes in financial assumptions	(1,158)	(4,170)
Change in demographic assumptions	(101)	(172)
Benefits paid	(9)	(46)
Experience gain on defined benefit obligation	361	486
At 31 August 2023	5,206	5,389

Changes in the fair value of the Academy's share of scheme assets:	2023 £'000	2022 £'000
At 1 September 2022	4,580	4,210
Admin expenses	(3)	(2)
Interest income	204	72
Return on assets less interest	(69)	(60)
Employer contributions	356	325
Employee contributions	88	81
Benefits paid	(9)	(46)
At 31 August 2023	5,147	4,580

19. Related party transactions

Owing to the nature of the School's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures. No related party transactions occurred in respect of governors.

Davenant Foundation School The Reynolds (School Private) Fund (Charity Registration Number 292223) is a connected charity. Income totalling £174,394 (2022 - £178,878) from the Foundation has been included for the period to 31 August 2023, £18,057 is included in debtors at 31 August 2023 (2022 - £3,112).

Notes to the financial statements Year to 31 August 2023

19. Related party transactions (continued)

The Whitechapel Educational Foundation (Charity Registration Number 312698) is a connected charity. Income totalling £32,724 (2022 - £130,387) from the Foundation has been included for the period to 31 August 2023. There is no amount (2022 - £25,000) included in debtors at 31 August 2023. The Foundation is also the freehold landlord of the School's land and buildings. The School is party to a supplementary agreement between the ESFA and the Foundation for the use of the land and buildings. This agreement would terminate should the School's funding agreement cease to be in place or upon reasonable notice from the Foundation.

20. Agency arrangements

The School distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the trust received £16,720 (2022 - £20,950) and disbursed £9,329 from the fund. An amount of £31,951 (2022 - £24,560) is included in other creditors relating to undistributed funds that is repayable to ESFA.

21. Members' liability

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