

THE CLAXTON TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr T Day Mrs C Kemp Mr J Roach (appointed 26 November 2021) Mr R Shamtally Mrs Z Hussain (appointed 23 September 2022) Mr A Hayes (resigned 29 September 2021)
Trustees	Mrs C Kemp, Chair of Trustees Mr G Rumsey Mr R Staples, CEO Mrs E Flawn, Vice CEO Mrs G Louch Mrs D Pepe (resigned 17 June 2022) Mrs H Yendell Mrs C Peacock Mr R Shamtally (appointed 23 September 2022)
Company registered number	10461895
Company name	The Claxton Trust
Principal and registered office	Fairlands Primary School Pound Avenue Stevenage Hertfordshire SG1 3JA
Company Secretary	Mrs J Wibberley-Young
Chief Executive Officer	Mr R Staples
Senior Management Team	Mr R Staples, CEO/ Headteacher of Fairlands Primary School Mrs E Flawn, Vice CEO/ Headteacher of Camps Hill Primary School Mrs J Wibberley-Young, Chief Financial Officer (CFO)
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PLC 3 Town Square Stevenage SG1 1BG
Solicitors	Stone King LLP 1 Aire Street Leeds LS1 4PR

THE CLAXTON TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Claxton Trust ("the Charitable Company" or "the Trust") for the year to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates two primary Academies ("the Academies" or "the Schools") serving catchment areas in Stevenage. The Academies have a combined pupil capacity of 1,240 and had a roll of 1,170 in the census on 6 October 2022.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of association are the primary governing documents. The Trustees of The Claxton Trust are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Camps Hill Primary School
- Fairlands Primary School

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance and Audit Committee. Each Academy has a Local Governing Body (LGB) who supports the Trust's Finance and Audit Committee in the monitoring of their Academy within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of an LGB.

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

Members' Liability

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

Trustees' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) and the Vice Chief Executive Officer (Vice-CEO) are ex officio members of the Board of Trustees. Two Co-opted Trustees are elected by the existing Trustee cohort, and a further 5 Trustees are appointed by the Members of the Trust. The Articles of Association make provision for 7 Trustees plus the CEO and Vice-CEO. There are no Parent Trustees as provision has been made for Parent Governors at each Academy.

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

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training to enable them to perform their role effectively. To this end, the Trust provides internal training led by local and national training providers.

All new Trustees and Governors have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of their School. This process will involve a meeting with the Chair of Trustees or Chair of the LGB as necessary, selected students and staff. All Trustees and Governors are provided with a Handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees and Governors with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees meets on at least three occasions per year and its subcommittee, the Finance and Audit Committee, also meets at least three times per year. The Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy and making major decisions about the direction of The Trust, adopting an annual plan, setting a three-year budget including capital expenditure, monitoring the use of the budget, appointing senior staff including headteachers, and agreeing executive pay.

The Governors within their LGB's which meet on at least 6 occasions each year are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. The terms of reference for Local Governing Bodies and any other committees are reviewed annually by the Board of Trustees.

The Headship team in each School implements policies for their Academy at an executive level and reports to their LGB. Each Headship team is responsible for the day-to-day operation of their School, in particular organising staff, resources, and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below Senior Leadership level, following vetting and safeguarding recruitment processes.

The CEO is the designated Accounting Officer and has overall responsibility for the day-to-day financial management of the Trust. The CEO manages the Chief Finance Officer and the Headteacher Strategic Group (HTSG) who look across the Trust and aligns local SLT and LGB activity with the strategic aims of the Trust. The HTSG meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. These include:

- all Trustees, who receive no pay or remuneration in respect of their roles, unless they are ex-officio trustees;
- CEO - ex-officio Trustee;
- Vice CEO - ex-officio Trustee;
- Headteachers within the HTSG;
- CFO.

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The CFO, the VCFO and Headteachers who sit on the HTSG receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff as set out in the approved pay policy, which is reviewed annually. Where applicable, this is based on the STPCD; performance against objectives; pay scales for each role; and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards; and the ability to recruit and retain in post, in accordance with the trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGB's being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academy Trust Handbook. Such transactions are also reported to the ESFA in line with the Academy Trust Handbook, and approval sought for any transactions exceeding £20,000.

The Trust had related party transactions totalling £325 with Stevenage ESC and received grant funding of £500 from STEM Point East during 2021-22.

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of schools to provide free education and care for pupils of different abilities between the ages of 2 and 11.

The core values of the Trust, the Trust Pillars, continue to be:

- Resilience
- Inclusion
- Collaboration
- Inspiration

Objectives, Strategies and Activities

The main objectives for the Trust during the last financial year were:

Resilience: Building for better futures

- Develop a strategy for creative income generation;
- Ensure staffing structures are sustainable;
- Ensure management information systems achieve greatest efficiency;
- Reduce impact on climate change.

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Inclusion: Our children will lead happy and fulfilling lives

- Sustain the highest aspirations for children's attainment and progress;
- Strengthen the inclusive practice across the Trust;
- Smashing stereotypes around gender and ethnicity;
- Develop a coherent mental health offer;
- Grow provision for specific learning needs.

Collaboration: Growing a collaborative community

- Strengthen leadership and governance collaboration which impacts on outcomes;
- Engage 100% of staff in per development opportunities across the Trust;
- Grow Trust partnerships through strengthened opportunities for school to school support;
- Strengthen pupil voice and leadership at Trust level.

Inspiration: Extending the boundaries of learning

- Embed curriculum recovery to inspire and motivate all children to excel;
- Further define a career pathway for all staff;
- Provide inspirational cross-Trust curriculum events which impact on attainment;
- Inspire better citizens through 'One kind word' (uplifting voices).

Public Benefit

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

Strategic Report

Achievements and Performance

The Trust continued to make good progress against its objectives during 2021-22 and beyond. Specific achievements were as follows:

- there was a restructure of staffing across the Trust to ensure medium term financial stability;
- there was a significant review of internal controls and financial policies to strengthen financial control, including a review of the gifts and hospitality policy and procurement and tendering policy;
- centralised services were extended to include a new trust-wide MIS;
- the action group was sustained to secure good or outstanding provision across the Trust; and
- there was a review of IT systems and a move towards cloud-based systems to improve communication and working practices within the Trust.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. The board monitor overall performance through KPIs to ensure the Trust is performing in line with expectations. Each KPI is RAG rated to show whether the Trust is fully meeting or exceeding expectations (green), partially meeting expectations (amber) or working towards expectations (red).

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KPI	Green	Amber	Red
Building better futures			
All children accessing education in a good or better school		✓	
All schools will set a balanced three year budget		✓	
All schools will sustain pupil numbers and all year groups will be full	✓		
Staff attendance maintained above 95% in all schools		✓	
Our children will lead happy and fulfilling lives			
100% good or better teaching. 0% inadequate teaching		✓	
A minimum of 95% of pupils and parents would recommend their school	✓		
All schools will promote a therapeutic approach to behaviour management	✓		
Proportion of children achieving expected standards will be at or above national average at all key stages			✓
Attendance data will be at or above the national average		✓	
All schools will offer targeted support for social, emotional and mental health need	✓		
Growing a collaborative community			
Every stakeholder will engage in experiences across the trust	✓		
School to school support will be used for trust growth		✓	
All stakeholders are engaged in inspiration through collaboration	✓		
All schools have recent examples of showing great practice across and beyond the trust	✓		
Extending the boundaries of learning			
All schools working beyond the trust to strengthen wider partnerships	✓		
All schools will review annually provision for disadvantaged children and SEND	✓		
100% of staff accessing focused professional development opportunities	✓		
All schools will design an individual curriculum to meet local need, which also reflects the shared values and ethos of the trust	✓		

The Trustees also monitor financial performance against a range of financial KPIs. Following two financially challenging years, the focus of 2021-22 was to create financial stability and build reserves to ensure that the Trust remains financially robust in the medium – long term.

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Financial KPIs	Fairlands	Camps Hill	The Claxton Trust
Early Years pupil numbers are greater than 90% of PAN	83.30%	94.20%	n/a
Reception pupil numbers are greater than 97% of PAN	95.90%	96.90%	n/a
Bank balance is above £150,000	£458,301	£245,343	£54,959
Short term cash flow leaves a balance of £100,000 or more	Yes	Yes	No
Unrestricted reserves equal 1 month's expenditure or more (8%)	9.30%	5.20%	11.90%
In-year balance is in line with budget forecast or better than forecast	Better than forecast	Better than forecast	Better than forecast
The school or setting is forecasting a surplus budget at year end	Yes	Yes	Yes
Staffing is less than 80% of all income	78.60%	79.10%	61.90%
Staffing is less than 85% of recurrent grant income	83.20%	85.70%	n/a
There are less than five priority 2-4 findings in the management letter	n/a	n/a	Yes
There are no priority 1 findings in the management letter	n/a	n/a	Yes

All Schools must set a three-year balanced budget to ensure medium term financial stability across the Trust. The Finance and Audit Committee monitor the management accounts and cash flow forecast on a regular basis to ensure that the budget is set and managed appropriately.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022, the Trust received £6,160,367 of GAG and other income (including capital grants). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £7,188,432 including capital projects. The Trust brought forward from 20/21, £7,698 restricted funds (excluding capital) and £236,011 unrestricted funding. The carry forward for 21/22 £46,601 restricted funding (excluding capital) and £409,787 unrestricted funding.

A summary of the Trust's financial results are set out below:

	Restricted General Funds	Unrestricted Funds	Fixed Asset Fund	Pension Reserve	Total
Incoming Resources	5,811,814	309,283	39,270	-	6,160,367
Resources Expended	(5,770,714)	(111,889)	(2,917)		(5,885,520)
LGPS Charge				(1,051,000)	(1,051,000)
Depreciation			(613,433)		(612,912)
Employer contributions paid				361,000	361,000
Total Resources Expended	(5,770,714)	(111,889)	(615,829)	(690,000)	(7,188,432)
Assets Purchased from GAG	(2,197)	(23,618)	25,815		-
Actuarial Losses				4,420,000	4,420,000
Surplus / (Deficit) for the year	38,903	173,776	(550,744)	3,730,000	3,391,935
Balance at 1 September 2021	7,698	236,011	14,519,424	(4,416,000)	10,347,133
Balance at 31 August 2022	46,601	409,787	13,968,680	(686,000)	13,739,068

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £686,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. While there has been a significant reduction in the opening deficit of £4,416,000 resulting from the application of actuarial assumptions, this does not guarantee that contribution rates will reduce and ease the cash flow effect on the Trust.

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Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Chief Finance Officer. The budget plan identifies how any reserves carried forward will be allocated in the plan for the following academic year, including the identification of any funds restricted or designated for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £409,787. This has been built up from a mixture of locally raised income.

The Trustees aim to hold the equivalent of one month's expenditure in revenue reserve (8% of annual expenditure). The Trustees have agreed a tolerance of up to 25% of one month's annual expenditure to allow for fluctuations throughout the year, meaning reserves should be in the range of 6-10% of annual expenditure. Financial plans have been reviewed and the Trustees have introduced robust measures to support all Schools to achieve these targets over the next three years.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £456,388.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £758,603. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Audit and Finance Committee monitor cash flow regularly and attempt to hold a minimum of £150,000 in each School to cover short-term cash flow variances.

Investment Policy

An Investment Policy was approved by the Board of Trustees in July 2021 and reviewed in July 2022. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the individual Schools are exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance and Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of Academy Schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- setting a balanced budget - the Trust has considerable reliance on continued Government funding through the ESFA and recent political instability has made it increasingly difficult to accurately project income in the medium – long term. Inflation and increased staffing costs has significantly increased forecast expenditure causing additional financial pressure.
- provision for children with additional needs - the percentage of children with special educational needs or disabilities on roll has increased significantly and there are delays in receiving high needs funding from the local authority to fund the support required by these children, putting further pressure on existing budgets. The local authority has not provided assurance that it can provide adequate funding for the Trustees to open a planned SRP base at one of its Schools.
- fraud and mismanagement of funds - the Trustees have appointed Herts for Learning to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area.
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

Academies' plans are set out in their respective school development plans for 2022-2023.

The main Trust priorities for the future, as agreed by the Trustees, remain the same as for 2021-22 and are as follows:

Resilience: Building for better futures

- develop a strategy for creative income generation;
- ensuring staffing structures are sustainable;
- ensure management information systems achieve greatest efficiency;
- reduce impact on climate change.

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TRUSTEES' REPORT (CONTINUED)
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Inclusion: Our children will lead happy and fulfilling lives

- sustain the highest aspirations for children's attainment and progress;
- strengthen inclusive practice across the Trust;
- smashing stereotypes around gender and ethnicity;
- develop a coherent mental health offer;
- grow provision for specific learning needs.

Collaboration: Growing a collaborative community

- strengthen leadership and governance collaboration which impacts on outcomes;
- engage 100% of staff in peer development opportunities across the Trust;
- grow Trust partnerships through strengthened opportunities for School to School support;
- strengthen pupil voice and leadership at Trust level.

Inspiration: Extending the boundaries of learning

- embed curriculum recovery to inspire and motivate all children to excel;
- further define a Trust career pathway for all staff;
- provide inspirations cross-Trust curriculum events which impact on attainment;
- inspire better citizens: 'One kind word' (uplifting voices).

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as a custodian Trustee on behalf of others.

Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees on 20 December 2022 and signed on its behalf by:

Mrs C Kemp
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year, which is fewer than the six meetings recommended in the Academy Trust Handbook. However, the Board is satisfied that it maintains effective oversight of performance across the Trust through the use of sub-committees. The Finance and Audit Committee take delegated responsibility for financial oversight and effective use of funds, including monthly review of management accounts, and report any concerns to the Board. Management accounts are also circulated to the Board monthly. Local Governing Bodies take delegated responsibility for performance and attainment of their respective Schools and meet regularly. The Chairs of the respective Local Governing Bodies also report any concerns to the Board. Details of the Finance and Audit Committee are noted below.

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

Trustees	Meetings attended	Out of a possible
Mrs C Kemp, Chair of Trustees	4	4
Mr G Rumsey	4	4
Mr R Staples, CEO	4	4
Mrs E Flawn, Vice CEO	4	4
Mrs G Louch	4	4
Mrs D Pepe	0	4
Mrs H Yendell	3	4
Mrs C Peacock	4	4
Mr R Shamtally	0	0

Review of year:

There were very few changes to the Board's composition during 2021-22. Deby Pepe stepped down from the Board on 17 June 2022 and was replaced by Reza Shamtally on 23 September 2022. The Board of Trustees and its Committees continue to have a wide variety of skills and experience, which ensures that they fulfil their duties as outlined in the Academy Trust Handbook.

The dual focus of the Board's work during 2021-22 was to maintain standards whilst increasing reserves to create financial stability in the medium-long term after two very challenging years. COVID-19 continued to disrupt attendance of both pupils and staff, but provision continued uninterrupted throughout the year. Catch up sessions were delivered to the most vulnerable pupils to ensure that they could catch up following the lockdown periods in previous years.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

To increase reserves, the Trustees maximised income by increasing pupil numbers, particularly in early years, and bidding for additional grants for example funding from The English Hub to part-fund the introduction of a new phonics scheme. The Trustees also took measures to reduced expenditure, by reviewing contracts and restructuring both Schools to ensure that staffing structures are both sustainable and affordable. Other Trust priorities included ensuring that all pupils attend a good or better School, sustaining safe and meaningful partnerships with other Schools, agencies, providers, and services, and continuing to support our global majority community to excel. The Trustees have also started to explore opportunities for future growth.

The Board and its Committees continued to adhere to the normal timetable of business and utilised technology to ensure that meetings and visits took place online throughout the year. This included recruitment of a number of highly skilled local governors to strengthen governance at a local level.

The main focus of the Finance and Audit committee was oversight of the Trust's financial position and strategically increasing reserves by overseeing the restructure process, building on the advice of the School resource management adviser (SRMA) from the previous year.

The Board continues to receive high quality data from a number of sources, including reports from the CEO team and the Chief Financial Officer (CFO). The Board ensures adequate checks are in place to verify to quality of data received through the appointment of an external consultants to verify educational data, and by undertaking a programme of internal scrutiny to verify financial information.

Conflicts of interest:

To manage any potential conflicts of interest, the Trustees have adopted new processes for maintaining their register of business interests, working with external auditors to ensure that revised processes are robust and records are complete. The business register is maintained by the CFO and CEO, in their role as Accounting Officer, and the relevant information is published on the Trust's website. A comprehensive list of related or connected parties is also maintained and circulated to all employees with financial responsibility.

Governance reviews:

The Trustees updated their skills audit during 2021-22 to identify areas of strength and any potential gaps. Keeping the number of roll high is a key priority to ensure financial stability. As a result, Reza Shamtally has been appointed as a trustee, with significant expertise in marketing.

The Trustees also implemented an action plan following the external review of governance undertaken in Summer 2021. This focused on:

- ensuring clear separation of duties, particularly between the members and the Trust Board;
- gradually removing the oversight of financial performance away from the Local Governing Body to allow more time to focus on School improvements and reduction of the attainment gap.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Fulfil the Trust's responsibilities as set out in the Academy Trust Handbook and ensure compliance with the Funding Agreement and with the Secretary of State for Education.
- take responsibility for monitoring the suitability and effectiveness of the Trust's systems of internal control, including an annual review of the internal control framework.
- ensure compliance with the internal control framework through a programme of internal scrutiny, including an annual internal audit and termly Internal Scrutiny visits.
- commission external audit on behalf of the Board.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- receive the reports from external audit, internal scrutiny visits and any regulatory other bodies and consider any issues raised, agreeing a management response and action plans.
- monitor, within an agreed timescale, the implementation of agreed actions and recommendations relating to internal scrutiny reports, and the external Auditor's management letter.
- prepare a recommended Trust budget for Board approval, including income and expenditure and cash forecasts.
- approve orders and payments for centralised expenditure in line with scheme of delegation.
- receive monthly management accounts and scrutinise the financial position and ensure ongoing viability
- oversee submissions to the DfE and ESFA that affect funding, including census and capital returns, and ensuring time submission of financial and company returns
- review the Trust Risk Register termly and preparing an annual review of risk for the Board
- oversee the Trust's approach to efficiency and effectiveness (value for money).
- oversee the development and implementation of policies relating to financial management.

During the year the following issues were dealt with by the Committee:

- increasing the Trust's reserves by restructuring both schools;
- improving cash flow within the Trust, particularly in individual schools and settings;
- reducing the number of creditors in some schools or settings; and
- ensuring medium-long term financial stability of the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gordon Rumsey	4	4
Claire Peacock	3	4
Claire Kemp	3	4
Sal Mustafa	4	4
Katrina Walker	3	3

Review of value for money

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

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

- overseeing a staffing restructure to ensure that all Schools and settings are able to deliver a high-quality curriculum and maintain their statutory duties in a cost-effective way.
- improving IT systems across the Trust to increase productivity and security. Central services have increased to include a new trust-wide MIS.
- maximising income in early years by ensuring that sessions are filled whilst still offering flexibility to parents and carers.

THE CLAXTON TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Claxton Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Herts for Learning Ltd.

This option has been chosen because Herts for Learning have a good knowledge of The Claxton Trust, a breadth of experience in supporting academies and provide excellent value for money.

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

- budget setting;
- budget monitoring; and
- sales to receipt process including month end monitoring.

On an annual basis, the Internal Auditor reports to the Board of Trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis, the auditor prepares a summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

THE CLAXTON TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Internal Auditor has delivered their schedule of work as planned and the following issues have arisen from the Internal Auditor's work:

- sales invoices should be raised, and parent income recorded, consistently across the Trust;
- maintain a trust-wide contracts register, rather than individual records;
- add the budget outturn and three-year forecast to the summary page of the management accounts.

The first two issues were rectified within the year and the management accounts template was updated from September 2022.

Review of effectiveness

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

- the work of the Internal Auditor;
- the school resource management self-assessment tool;
- the work of the CFO who has the responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

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

Approved by the Board of Trustees on 20 December 2022 and signed on their behalf by:

Mrs C Kemp
Chair of Trustees

Mr R Staples
Accounting Officer

THE CLAXTON TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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.

Mr R Staples
Accounting Officer

Date: 20 December 2022

THE CLAXTON TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees and signed on its behalf by:

Mrs C Kemp
Chair of Trustees

Date: 20 December 2022

THE CLAXTON TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CLAXTON TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CLAXTON TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE CLAXTON TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

THE CLAXTON TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CLAXTON TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessments.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance & Audit Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

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

THE CLAXTON TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CLAXTON TRUST (CONTINUED)**

Use of our Report

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

Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

20 December 2022

THE CLAXTON TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CLAXTON TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Claxton Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Claxton Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Claxton Trust's funding agreement with the Secretary of State for Education dated 1 April 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

THE CLAXTON TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CLAXTON TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP

Date: 20 December 2022

THE CLAXTON TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	41,788	39,270	81,058	348,486
Other trading activities	5	233,162	-	-	233,162	170,176
Investments	6	88	-	-	88	84
Charitable activities	4	76,033	5,770,026	-	5,846,059	5,599,832
Total income		309,283	5,811,814	39,270	6,160,367	6,118,578
Expenditure on:						
Charitable activities	7	111,889	6,460,714	615,829	7,188,432	7,029,022
Total expenditure		111,889	6,460,714	615,829	7,188,432	7,029,022
Net income/ (expenditure)		197,394	(648,900)	(576,559)	(1,028,065)	(910,444)
Transfers between funds	19	(23,618)	(2,197)	25,815	-	-
Net movement in funds before other recognised gains/(losses)		173,776	(651,097)	(550,744)	(1,028,065)	(910,444)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	4,420,000	-	4,420,000	(1,175,000)
Net movement in funds		173,776	3,768,903	(550,744)	3,391,935	(2,085,444)
Reconciliation of funds:						
Total funds brought forward		236,011	(4,408,302)	14,519,424	10,347,133	12,432,577
Net movement in funds		173,776	3,768,903	(550,744)	3,391,935	(2,085,444)
Total funds carried forward		409,787	(639,399)	13,968,680	13,739,068	10,347,133

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 55 form part of these financial statements.

THE CLAXTON TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10461895

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	13,965,091	14,243,605
Current assets			
Debtors	16	392,444	533,316
Cash at bank and in hand		758,603	481,967
		1,151,047	1,015,283
Creditors: falling due within one year	17	(684,715)	(483,210)
Net current assets		466,332	532,073
Total assets less current liabilities		14,431,423	14,775,678
Creditors: amounts falling due after more than one year	18	(6,355)	(12,545)
Net assets excluding pension liability		14,425,068	14,763,133
Defined benefit pension scheme liability	26	(686,000)	(4,416,000)
Total net assets		13,739,068	10,347,133
 Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	13,968,680	14,519,424
Restricted income funds	19	46,601	7,698
		14,015,281	14,527,122
Restricted funds excluding pension liability	19	14,015,281	14,527,122
Pension reserve	19	(686,000)	(4,416,000)
Total restricted funds	19	13,329,281	10,111,122
Unrestricted income funds	19	409,787	236,011
Total funds		13,739,068	10,347,133

The financial statements on pages 25 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mrs C Kemp
Chair of Trustees
Date: 20 December 2022

The notes on pages 28 to 55 form part of these financial statements.

THE CLAXTON TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	559,306	(320,957)
Cash flows from investing activities	22	(282,670)	240,444
Change in cash and cash equivalents in the year		276,636	(80,513)
Cash and cash equivalents at the beginning of the year		481,967	562,480
Cash and cash equivalents at the end of the year	23, 24	<u>758,603</u>	<u>481,967</u>

THE CLAXTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Trust is a Company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Registered Office is Pound Avenue, Stevenage, Hertfordshire, SG1 3JA.

1.3 Going concern

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

The Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

THE CLAXTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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 Trust has provided the goods or services.

1.5 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Investment income, gains and losses are allocated to the appropriate fund.

THE CLAXTON TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 Interest receivable

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

1.8 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 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 bases:

Long term leasehold property	- 20 - 50 years
Long term leasehold land	- 125 years
Furniture and equipment	- 10 years
Computer equipment	- 5 years

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 May 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	41,788	-	41,788	23,482
Capital grant	-	39,270	39,270	325,004
Total 2022	<u>41,788</u>	<u>39,270</u>	<u>81,058</u>	<u>348,486</u>
Total 2021	<u>23,482</u>	<u>325,004</u>	<u>348,486</u>	

In 2021, income from donations was £23,482 of which all was restricted.

In 2021, capital grants of £325,004 were in relation to restricted fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,146,657	4,146,657	3,855,025
Other DfE/ESFA grants				
Other DfE/ESFA grants	-	121,820	121,820	98,887
UFSM	-	134,144	134,144	142,212
Pupil Premium	-	376,464	376,464	362,134
Teachers' Pension grant	-	20,372	20,372	153,239
Teachers' Pay grant	-	7,210	7,210	54,233
Supplementary Grant	-	57,020	57,020	-
	-	4,863,687	4,863,687	4,665,730
Other Government grants				
Local Authority grants	-	901,839	901,839	781,850
NCTL	-	4,500	4,500	14,500
	-	906,339	906,339	796,350
Catering income	76,033	-	76,033	58,672
COVID-19 additional funding (DfE/ESFA)				
COVID Catch Up Premium	-	-	-	79,080
	-	-	-	79,080
	76,033	5,770,026	5,846,059	5,599,832
Total 2022	76,033	5,770,026	5,846,059	5,599,832
Total 2021	58,672	5,541,160	5,599,832	

In 2021, income from DfE/ESFA grants (including Catch Up Premium) was £4,744,810 of which all was restricted.

In 2021, income from other Government grants was £796,350 of which all was restricted.

In 2021, income from catering was £58,672 of which all was unrestricted.

THE CLAXTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	22,153	22,153	10,050
Other income	211,009	211,009	160,126
Total 2022	233,162	233,162	170,176
Total 2021	170,176	170,176	

In 2021, Hire of facilities income was £14,848 which all was unrestricted.

In 2021, Other income was £155,328 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	88	88	84
Total 2021	84	84	

In 2021, all investment income was in relation to unrestricted funds.

THE CLAXTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	4,479,867	-	180,978	4,660,845	4,656,580
Allocated support costs	1,065,329	903,026	559,232	2,527,587	2,423,442
Total 2022	<u>5,545,196</u>	<u>903,026</u>	<u>740,210</u>	<u>7,188,432</u>	<u>7,080,022</u>
Total 2021	<u>5,458,393</u>	<u>871,905</u>	<u>749,724</u>	<u>7,080,022</u>	

In 2022, of total expenditure £111,889 was to unrestricted funds, £6,460,714 was to restricted funds and £615,829 was to restricted fixed asset funds. In 2021, direct expenditure consisted of £4,472,689 staff costs and £183,891 other costs. Support expenditure consisted of £985,704 staff costs, £871,905 premises costs and £514,833 other costs.

8. Charitable activities

	2022 £	2021 £
Direct costs	4,660,845	4,656,580
Support costs	2,527,587	2,372,442
	<u>7,188,432</u>	<u>7,029,022</u>

9. Analysis of support costs

	2022 £	Restated 2021 £
Support staff costs	1,065,329	985,704
Depreciation	613,433	578,354
Governance costs	24,855	24,074
Legal costs	36	6,193
Technology costs	89,251	83,360
Premises costs	289,593	293,551
Other support costs	445,090	401,206
Total	<u>2,527,587</u>	<u>2,372,442</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	40,121	73,301
Depreciation of tangible fixed assets	613,433	578,354
Fees paid to Auditors for:		
- audit	7,110	7,330
- other services	7,125	5,545
	7,235	13,170

11. Central Services

The Trust has provided the following central services to its Academies during the year:

- Audit and internal scrutiny
- Central finance support, financial and budgeting software
- Central IT infrastructure, MIS and website
- Trust level governance support and review
- School improvement support
- Central licences and membership subscriptions
- Employee wellbeing services
- Legal services

The Trust charges for these services on the basis of a topslice of 3% of GAG.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Fairlands Primary School	75,506	67,853
Camps Hill Primary School	51,593	45,866
Total	127,099	113,719

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NOTES TO THE FINANCIAL STATEMENTS
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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,656,179	3,852,385
Social security costs	283,639	283,720
Pension costs	1,427,514	1,281,119
	<u>5,367,332</u>	<u>5,417,224</u>
Agency staff costs	120,616	41,169
Staff restructuring costs	57,248	-
	<u>5,545,196</u>	<u>5,458,393</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	47,314	-
Other restructuring costs	9,935	-
	<u>57,249</u>	<u>-</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teaching	49	51
Admin & Support	118	146
Management	8	9
	<u>175</u>	<u>206</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	2	2
	<u>2</u>	<u>2</u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £343,293 (2021 £346,834).

Included in the above are employer pension contributions of £59,479 (2021: £59,878) and employers national insurance contributions of £32,484 (2021: £31,269).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
Mr R Staples, CEO	Remuneration	95,000 - 100,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs E Flawn, Vice CEO	Remuneration	90,000 - 95,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	16,089,772	190,703	295,231	16,575,706
Additions	299,426	4,605	30,367	334,398
At 31 August 2022	<u>16,389,198</u>	<u>195,308</u>	<u>325,598</u>	<u>16,910,104</u>
Depreciation				
At 1 September 2021	2,091,042	80,985	160,074	2,332,101
Charge for the year	545,800	13,631	53,481	612,912
At 31 August 2022	<u>2,636,842</u>	<u>94,616</u>	<u>213,555</u>	<u>2,945,013</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. Tangible fixed assets (continued)

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Net book value				
At 31 August 2022	13,752,356	100,692	112,043	13,965,091
At 31 August 2021	13,998,730	109,718	135,157	14,243,605

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	4,471	5,012
VAT recoverable	145,396	125,354
Prepayments and accrued income	242,577	402,950
	<u>392,444</u>	<u>533,316</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
CIF loan	6,505	6,745
Trade creditors	93,399	132,157
Other taxation and social security	66,319	66,115
Other creditors	89,575	96,025
Accruals and deferred income	428,917	182,168
	684,715	483,210
	684,715	483,210
	2022	2021
	£	£
Deferred income at 1 September 2021	108,414	98,143
Resources deferred during the year	115,740	108,414
Amounts released from previous periods	(108,414)	(98,143)
	115,740	108,414
	115,740	108,414

Deferred income relates to universal infant free school meal funding for the following academic year and some parental contributions to future educational visits.

18. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
CIF loan	6,355	12,545
	6,355	12,545

THE CLAXTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds						
Designated Funds	23,618	-	-	(23,618)	-	-
General funds						
Unrestricted funds	212,393	309,283	(111,889)	-	-	409,787
Total Unrestricted funds	236,011	309,283	(111,889)	(23,618)	-	409,787
Restricted general funds						
General Annual Grant (GAG)	2,698	4,146,657	(4,100,557)	(2,197)	-	46,601
Other DfE/ESFA	-	340,566	(340,566)	-	-	-
Pupil Premium	-	376,464	(376,464)	-	-	-
Local Authority grants	-	901,839	(901,839)	-	-	-
Other restricted funds	-	4,500	(4,500)	-	-	-
Exceptional government funding	5,000	-	(5,000)	-	-	-
Restricted donations	-	41,788	(41,788)	-	-	-
Pension reserve	(4,416,000)	-	(690,000)	-	4,420,000	(686,000)
	(4,408,302)	5,811,814	(6,460,714)	(2,197)	4,420,000	(639,399)
Restricted fixed asset funds						
Fixed assets	14,243,605	18,800	(615,829)	318,515	-	13,965,091
DFC	-	20,470	-	(16,881)	-	3,589
CIF	275,819	-	-	(275,819)	-	-

THE CLAXTON TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	14,519,424	39,270	(615,829)	25,815	-	13,968,680
Total Restricted funds	10,111,122	5,851,084	(7,076,543)	23,618	4,420,000	13,329,281
Total funds	10,347,133	6,160,367	(7,188,432)	-	4,420,000	13,739,068

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

Designated funds

This fund represents the Trust's contribution to capital projects funded by the ESFA Condition Improvement Fund.

Unrestricted funds

The unrestricted fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. The transfer from this fund represents the value of fixed assets purchased from GAG funding.

Other DFE/ESFA

Other DFE/ESFA grants represent funding from Government agencies to be used for specific purposes.

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Local Authority grants

This represents various grants from local Government bodies for the provision of specific services to pupils of the.

Other restricted funds

This represents contributions made by parents to the running of educational visits for the pupils of the Academies and the associated costs of running the trips.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Statement of funds (continued)

Exceptional government funding

This represents funding received to cover exceptional costs incurred throughout the COVID-19 pandemic.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from State Maintained Schools.

Devolved Formula Capital (DFC)

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

Condition Improvement Fund (CIF)

This represents funding received from the ESFA for a roof replacement and fire compliance works.

Restricted fixed asset funds

These funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund includes the depreciation charge for the year.

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19. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated Funds	-	-	-	23,618	-	23,618
General funds						
Unrestricted funds	443,324	228,932	(436,245)	(23,618)	-	212,393
Total Unrestricted funds	443,324	228,932	(436,245)	-	-	236,011
Restricted general funds						
General Annual Grant (GAG)	22,647	3,855,025	(3,828,087)	(46,887)	-	2,698
Other DfE/ESFA	-	447,970	(447,970)	-	-	-
Pupil Premium	-	357,844	(357,844)	-	-	-
Local Authority grants	-	796,350	(796,350)	-	-	-
Other restricted funds	9,719	23,482	(33,201)	-	-	-
Exceptional government funding	-	83,971	(78,971)	-	-	5,000
Pension reserve	(2,769,000)	-	(472,000)	-	(1,175,000)	(4,416,000)
	(2,736,634)	5,564,642	(6,014,423)	(46,887)	(1,175,000)	(4,408,302)
Restricted fixed asset funds						
Fixed assets	14,718,024	-	(578,354)	103,935	-	14,243,605
DFC	-	37,885	-	(37,885)	-	-
CIF	7,863	287,119	-	(19,163)	-	275,819
	14,725,887	325,004	(578,354)	46,887	-	14,519,424

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19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	11,989,253	5,889,646	(6,592,777)	-	(1,175,000)	10,111,122
Total funds	12,432,577	6,118,578	(7,029,022)	-	(1,175,000)	10,347,133

Total funds analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Central services	14,331	2,769
Fairlands Primary School	316,037	264,834
Camps Hill Primary School	126,020	(23,894)
Total before fixed asset funds and pension reserve	456,388	243,709
Restricted fixed asset fund	13,968,680	14,519,424
Pension reserve	(686,000)	(4,416,000)
Total	13,739,068	10,347,133

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FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

Total cost analysis by Academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Fairlands						
Primary School	2,526,178	553,898	59,340	555,513	3,694,929	3,732,096
Camps Hill						
Primary School	1,939,941	446,529	34,786	343,271	2,764,527	2,684,201
Central services	13,748	64,902	1,179	35,714	115,543	34,371
Trust	<u>4,479,867</u>	<u>1,065,329</u>	<u>95,305</u>	<u>934,498</u>	<u>6,574,999</u>	<u>6,450,668</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	13,965,091	13,965,091
Current assets	409,787	586,995	154,265	1,151,047
Creditors due within one year	-	(540,394)	(144,321)	(684,715)
Creditors due in more than one year	-	-	(6,355)	(6,355)
Provisions for liabilities and charges	-	(686,000)	-	(686,000)
Total	<u>409,787</u>	<u>(639,399)</u>	<u>13,968,680</u>	<u>13,739,068</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	14,243,605	14,243,605
Current assets	153,518	566,656	295,109	1,015,283
Creditors due within one year	82,493	(558,958)	(6,745)	(483,210)
Creditors due in more than one year	-	-	(12,545)	(12,545)
Provisions for liabilities and charges	-	(4,416,000)	-	(4,416,000)
Total	<u>236,011</u>	<u>(4,408,302)</u>	<u>14,519,424</u>	<u>10,347,133</u>

21. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,028,065)	(910,444)
Adjustments for:		
Depreciation	612,912	578,354
Capital grants from DfE and other capital income	(39,270)	(288,624)
Interest receivable	(88)	(84)
Defined benefit pension scheme adjustments	690,000	472,000
Decrease/(increase) in debtors	140,872	(12,019)
Increase/(decrease) in creditors	201,745	(103,715)
(Decrease)/increase in provisions	-	(20,045)
Donated assets	(18,800)	(36,380)
Net cash provided by/(used in) operating activities	<u>559,306</u>	<u>(320,957)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Cash flows from investing activities

	2022 £	2021 £
Interest received	88	84
Purchase of tangible fixed assets	(315,598)	(67,554)
Capital grants from DfE Group	39,270	288,624
Repayment of borrowings	(6,430)	19,290
Net cash (used in)/provided by investing activities	(282,670)	240,444

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	758,603	481,967
Total cash and cash equivalents	758,603	481,967

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	481,967	276,636	758,603
Debt due within 1 year	(6,745)	240	(6,505)
Debt due after 1 year	(12,545)	6,190	(6,355)
	462,677	283,066	745,743

25. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to land and buildings	-	275,819

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26. Pension commitments

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

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

Contributions amounting to £86,265 were payable to the schemes at 31 August 2022 (2021 - £93,052) 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 full-time 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; 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 next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £451,955 (2021 - £467,202).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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26. Pension commitments (continued)

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 2022 was £454,000 (2021 - £501,000), of which employer's contributions totalled £361,000 (2021 - £399,000) and employees' contributions totalled £ 93,000 (2021 - £102,000). The agreed contribution rates for future years are 25.3% per cent for employers and 5.5 - 12.5% per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.45	3.30
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
Males	21.9	22.1
Females	24.4	24.5
Retiring in 20 years		
Males	22.9	23.2
Females	26.0	26.2

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26. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(29)	(256)
Discount rate -0.1%	29	256
Mortality assumption - 1 year increase	39	341
Mortality assumption - 1 year decrease	(39)	(341)
CPI rate +0.1%	25	207
CPI rate -0.1%	(25)	(207)
	<u> </u>	<u> </u>

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	2,126,000	2,178,000
Corporate bonds	978,000	1,193,000
Property	638,000	452,000
Cash and other liquid assets	510,000	285,000
Total market value of assets	<u>4,252,000</u>	<u>4,108,000</u>

The actual return on scheme assets was (£275,000) (2021 - £450,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(973,000)	(820,000)
Interest income	71,000	58,000
Interest cost	(149,000)	(109,000)
Total amount recognised in the Statement of Financial Activities	<u>(1,051,000)</u>	<u>(871,000)</u>

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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	8,524,000	5,958,000
Current service cost	973,000	820,000
Interest cost	149,000	109,000
Employee contributions	93,000	102,000
Actuarial (gains)/losses	(4,766,000)	1,567,000
Benefits paid	(35,000)	(32,000)
At 31 August	<u>4,938,000</u>	<u>8,524,000</u>

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

	2022 £	2021 £
At 1 September	4,108,000	3,189,000
Interest income	71,000	58,000
Actuarial (losses)/gains	(346,000)	392,000
Employer contributions	361,000	399,000
Employee contributions	93,000	102,000
Benefits paid	(35,000)	(32,000)
At 31 August	<u>4,252,000</u>	<u>4,108,000</u>

27. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	5,834	33,684
Later than 1 year and not later than 5 years	6,329	4,656
	<u>12,163</u>	<u>38,340</u>

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28. 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.

29. Related party transactions

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

The partner of Trustee Mr G Rumsey is employed by the Trust as a Teaching Assistant. The remuneration package is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

Stevenage Education Support centre, a related party through a shared Trustee in Ms E Flawn, the vice CEO, provide services to the Trust. The Trust purchased services totaling £325 (2021: £175) during the year and £225 was outstanding at the year-end (2021: £Nil).

STEMPoint East, a related party through a shared Trustee in Ms E Flawn, the vice CEO, provided grant funding to the Trust to provide resources to support a STEM club project. The Trust received income totaling £500 (2021: £Nil) during the year and £Nil was due at the year-end (2021: £Nil).

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.