

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Sally Cox
Anthony Glover
Azam Mamujee
Kishor Tailor

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TRUSTEES' REPORT

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

- **Organisational structure**

The Trust Governance and Accountability Structure at 31 August 2023.

Members

The Members are the guardians of the Trust constitution, changing the Articles of Association if necessary and ensuring the charitable objects are fulfilled. The Members appoint some of the Trustees and can exercise powers to remove them. The Trust will ordinarily have five Members.

Board of Trustees

The Board of Trustees is responsible for conducting the affairs of the Trust to achieve its objectives, shaping the success of the Trust. The Board is responsible for the governance of the Trust and the Trustees have duties as company directors under company law and as Trustees under charity law. The Trustees establish the overall framework for governance of the Trust and determine membership, terms of reference and procedures of Board committees and academy councils.

The Board of Trustees ordinarily meets six times per year.

Finance Committee

This committee provides assurance to the Trust Board over the sustainability of, and compliance with, the Trust's financial systems and operational controls. The committee's role is to maintain an oversight of the Trust's funding, budgeting, expenditure and financial procedures.

This committee meets four times per year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Audit and Risk Committee

This committee provides assurance to the Trust Board on the Trust's financial, governance, risk management and internal control systems.

This committee meets four times per year.

Education Committee

This committee provides assurance to the Trust Board on the standards, performance and safeguarding of all schools within TMET. The committee monitors and evaluates pupil progress and attainment and the quality of teaching, ensuring the Trust provides a consistently high-quality learning experience and delivers a broad and balanced curriculum in keeping with the Trust's aims and vision, all pupil needs and legal requirements.

This committee meets four times per year.

People and Culture Committee

This committee is responsible for the overall governance of key people initiatives that support the delivery of the TMET Strategy, through the monitoring of the People and Culture Strategic Priority and the associated implementation plan. This committee also acts as the Remuneration Committee, determining and keeping under review the framework for the remuneration and terms and conditions of the Trust CEO and senior staff.

This committee meets four times per year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

| | |
|---|---|
| Number of employees who were relevant union officials during the year | 7 |
| Full-time equivalent employee number | 7 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|---------------------------|----------------------------|
| 0% | 5 |
| 1%-50% | 2 |
| 51%-99% | - |
| 100% | - |

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

| | |
|---|-------------------|
| Total cost of facility time | - |
| Total pay bill | 45,480,026 |
| Percentage of total pay bill spent on facility time | - % |

Paid trade union activities

| | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - % |
|---|-----|

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

• **Engagement with employees (including disabled persons)**

Communications

The Mead Educational Trust has over 1,000 employees, the majority working in the 13 schools in the Trust. The principals and business/academy managers of the schools attend separate fortnightly forum meetings with the Trust's Senior Leadership Team where relevant information is shared and so they can cascade information as appropriate to their staff. Regular senior leadership team meetings and school staff meetings and briefings take place at school level.

The Trust provides a range of written communications with employees in the form of regular staff and public newsletters, letters to staff from the CEO and Chair of Trust Board and a regular Operations Update for business/academy managers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

• **Engagement with suppliers, customers and others in a business relationship with the trust**

Suppliers

The Mead Educational Trust relies on external suppliers for a number of key services. As well as being important for our success, we believe that dealing with suppliers in the right way is the right thing to do.

The Trust actively engages with suppliers through the undertaking of appropriate procurement exercises, ongoing contract management processes and partnership engagement. The Board-approved Procurement Policy sets out the procurement rules for the Trust which ensure that taxpayers' money is

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FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

The Trust has built a good relationship with the office of the Regional Director to discuss performance of the Trust and how it can work to support other schools in the area.

Individuals in the Trust central team provide advice, guidance and support for other trusts, particularly around school improvement and governance. A number of Trust staff are now trained as Challenge Partners trust reviewers and join review teams of other trusts.

● **Related parties and other connected charities and organisations**

Although there are a number of professional links with other schools and third party organisations, the Trust is an independent company with no affiliation to outside bodies.

The Trust works closely with a wide variety of organisations in the field of education, including but not restricted to:

- Leicester City Council
- Challenge Partners
- a number of other multi academy trusts

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

● **Objects and aims**

The Trust's mission statement is 'together we make a positive difference'.

Our mission statement demonstrates our fundamental belief that we can achieve more together than separately. We believe that we will be able to provide the best possible education for local young people where our schools create a climate within which young people will thrive. We will achieve this through strong collaboration, through strong executive leadership and management, through excellent learning, teaching and assessment, where our teachers are expert in their fields, and where we have effective local governance, a professional approach to our business, and sound financial management.

The Mead family of schools has developed a set of guiding principles (the 7Cs) that define who we are and help to guide us in all that we do. These are:

Challenge: Providing an excellent education by having high aspirations for all. Providing a platform for pupils to challenge themselves and others, so they c

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FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

A major benefit of the model is formalised school to school support, impacting directly on all young people. Leadership development and career opportunities within the Trust also directly impact on outcomes by providing secondment opportunities and breadth of experience to colleagues within the Trust. This school led system ensures the Trust schools have strong networks and a strong voice in their own future. Schools which join the Trust are able to help shape and develop its work and benefit both from the support they have received and the opportunities for school improvement they in turn are able to offer.

● **Public benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Trust supports schools, both inside and outside the Trust, through the National Support School status of two of its academies, delivery of professional development, through the Trust's Leicester Teaching School Alliance, and the sharing of effective practice and knowledge to ultimately benefit the wider community.

The Trust's public benefit is enshrined in its charitable objectives, which state "to play a role in the regeneration of communities that the academies serve by increasing the belief of parents and carers in the purpose and value of education and valuing the partnership with families and children".

Strategic report

Achievements and performance

● **Key performance indicators**

By the end of 2022-23 the Trust is providing education for over 9,000 pupils in Leicester and Leicestershire in 13 schools, five of which are secondary (11-16 years) and eight of which are primary.

The Trust Board and Executive Team monitor a range of metrics in all of the schools to ensure that issues are quickly identified and strategies are developed to address concerns. These include:

- pupil achievement
- outcomes of Ofsted inspections and Challenge Partner Reviews
- pupil attendance
- pupil behaviour (exclusions, bullying, racist incidents)
- staff training and development
- quality of teaching
- staff absence
- staff vacancies
- parents' evening attendance
- complaints

The quality of education provided by the Trust continues at a high standard. This is reflected in the results, the school Challenge Partner Reviews and the Ofsted inspections of six of the seven TMET schools which have been inspected since joining the Trust. This includes two schools which were judged by Ofsted to be Inadequate before joining the Trust and which are now judged to be Good (North Mead and Orchard Mead). Kibworth Mead Academy was inspected in May 2022 and was judged to be Inadequate but is on an improvement journey, as recognised in the November 2022 monitoring inspection at the school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Primary school results

The 2023 Key Stage 2 performance results are all in line or above national average which shows the significant progress being made in our schools post-COVID.

Notes: All 2023 figures are provisional and invalidated at the time of submission.

Secondary school results

The Key Stage 4 results are shown separately for the three schools because they are at such different stages in their school improvement journey. There are no results for Castle and Brook Mead Academies because they are new schools and growing, so did not have Year 11 students in 2022-23.

The 2020 and 2021 results are not included because they were during the COVID pandemic and are not comparable.

The results are very strong for Rushey Mead, for Kibworth Mead have dipped a bit due to some issues in that cohort and are starting to improve for Orchard Mead.

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Strategic report (continued)

Financial review

● **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2023 of £768,570 including fixed assets movements but excluding pension reserve movements. As at 31 August 2023 the Trust held £2,604,638 of unrestricted reserves plus £5,263,217 of unspent (non-fixed asset) restricted funds. The Trust therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £7,867,855.

The Trust had a fixed asset reserve of £96,206,118 (being the book value of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

- **Principal risks and uncertainties**

The Trust has a Strategic Risk Register which lists potential risks and actions to mitigate the risk. The Strategic Risk Register is reviewed by the Trust senior leaders and the Trustees. Each c l ees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

The following describes the energy efficiency action carried out by The Mead Educational Trust in the period covered by the report:

Abbey Mead Primary Academy has upgraded their heating system and fitted a new boiler. The school has registered with the Eco Schools programme and currently holds a Green Flag with Distinction.

Brook Mead Academy has not undertaken energy efficiency measures. However, the school has registered with the Eco Schools programme.

Castle Mead Academy has not undertaken energy efficiency measures. However, the school has registered with the Eco Schools programme and achieved a Green Flag with Merit in the last academic year.

Fosse Mead Primary Academy has fitted new LED lighting throughout the school and has upgraded

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FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Trust has clear strategic ambitions built on its vision and values, at the core of which is the determination that 'together we make a positive difference'.

The Trust Strategy for 2022-24 is underpinned by six strategic priorities:

Quality of Education – to provide learners with the best possible educational opportunities in order to meet their full potential

Governance – to have highly effective governance

Operational Effectiveness – to ensure that finance and operations promote effective school improvement

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at Finance Committee meetings in 2022-23 was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| Hiten Mehta | 5 | 5 |
| Kasar Singh | 4 | 5 |
| David Riddick | 4 | 4 |

Attendance at Risk and Audit Committee meetings in 2022-23 was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Jeremy Robinson | 3 | 4 |
| Anthony Glover | 3 | 4 |
| Tina Jivraj | 1 | 4 |
| Kajal Joshi | 3 | 4 |
| David Riddick | 3 | 3 |

Attendance at People and Culture Committee meetings in 2022-23 was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Kirsty Holt | 3 | 4 |
| Jeremy Robinson | 4 | 4 |
| Anthony Glover | 3 | 4 |
| Tina Jivraj | 2 | 4 |

Attendance at Education Committee meetings in 2022-23 was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------|-------------------|-------------------|
| Gemma Bhagalia | 3 | 4 |
| Anthony Glover | 3 | 4 |
| Lynda Valentine | 3 | 4 |
| Kajal Joshi | 2 | 4 |

Conflicts of interest

Relevant business and pecuniary interests are captured for all Members, Trustees and academy councillors and all staff with significant financial or spending powers. These are checked and updated annually. The register of interests includes:

- directorships, partnerships and employments with businesses;
- trusteeships and governorships at other educational institutions and charities; and
- relevant material interests arising from close family relationships.

The register of interests for all those involved in governance (Members, Trustees and academy councilors) is published on the Trust's website.

The register of interests is shared with (and countersigned by) the Trust CEO/school principal for staff, and the chair of the Board/academy council for trustees/academy councillors. These individuals ensure that conflicts of interest are taken into account in the day to day management and governance of the Trust and its schools.

In addition, at the start of every governance meeting (Board, committee and academy council), there is a standing item for those present to declare any relevant interests. Where there is an interest that might lead to a

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In June 2023 a skills audit was carried out for trustees and academy councillors. The results of this are being used to inform the development training opportunities and communications.

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy 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.

Centralisation of 'bespoke' business and management support with individual schools. The objective of any change has been to enable the school principals to fully focus on the core business of teaching and learning, raising standards, and achieving improved outcomes for pupils.

The following are examples of actions in 2022-23 to achieve better value for money across the Trust:

Improved investment strategy, using fixed term investments with a higher interest rate... .. c

Engagement of internal audit through RSM.

Ensuring the Trust business management arrangements are effective and efficient Trust:

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GOVERNANCE STATEMENT (CONTINUED)

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

the financial management and governance self-assessment process or the school resource management self-assessment tool

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Mead Educational Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook)usotees

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 appl- c

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

Opinion

We have audited the financial statements of The Mead Educational Trust (the

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Turner FCA FCCA (Senior Statutory Auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

System Road

Cossington

Leicestershire

LE7 4UZ

Date: 21 December 2023

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEAD

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

System Road

Cossington

Leicestershire

LE7 4UZ

Date: 21 December 2023

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

| Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Restricted fixed asset funds 2023 £ | Total funds 2023 £ | <i>As restated Total funds 2022 £</i> |
|-------------|--|--|--|---------------------------------------|---|
|-------------|--|--|--|---------------------------------------|---|

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REGISTERED NUMBER: 09079258

BALANCE SHEET
AS AT 31 AUGUST 2023

| | Note | 2023 £ | <i>As restated</i> 2022 £ |
|---|------|--------------------|---------------------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 95,228,747 | 95,854,952 |
| | | <u>95,228,747</u> | <u>95,854,952</u> |
| Current assets | | | |
| Stocks | 16 | 220,514 | 134,441 |
| Debtors | 17 | 2,716,199 | 2,555,161 |
| Investments | 18 | 6,500,000 | 6,513,085 |
| Cash at bank and in hand | | 6,182,174 | 5,246,092 |
| | | <u>15,618,887</u> | <u>14,448,779</u> |
| Creditors: amounts falling due within one year | 19 | (6,372,866) | (4,911,368) |
| Net current assets | | 9,246,021 | 9,537,411 |
| Total assets less current liabilities | | 104,474,768 | 105,392,363 |
| Creditors: amounts falling due after more than one year | 20 | (400,795) | (u |

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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

| | Note | 2023 £ | As restated 2022 £ |
|--|------|---------------------------|---------------------------|
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 22 | 96,206,118 | 97,030,036 |
| Restricted income funds | 22 | 5,263,217 | 5,413,313 |
| Restricted funds excluding pension liability | 22 | <u>101,469,335</u> | <u>102,443,349</u> |
| Pension reserve | 22 | - | (2,759,000) |
| Total restricted funds | 22 | 101,469,335 | 99,684,349 |
| Unrestricted income funds | | | |
| Designated funds | 22 | 370,247 | 236,146 |
| General funds | 22 | 2,234,391 | 2,163,048 |
| Total unrestricted income funds | 22 | <u>2,604,638</u> | <u>2,399,194</u> |
| Total funds | | <u><u>104,073,973</u></u> | <u><u>102,083,543</u></u> |

The financial statements on pages 42 to 87 were approved by the Trustees, and authorised for issue on 19 December 2023 and are signed on their behalf, by:

Anthony Glover
Chair of Trustees

The notes on pages 47 to 87 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 Academy 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Mead Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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.

The Academy Trust is benefiting from the ESFA's Free School Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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.

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

| | |
|---------------------------------|----------------------|
| Leasehold buildings | - 2-5% straight line |
| Leasehold land (125 year lease) | - over 125 years |
| Furniture and fixtures | - 15% straight line |
| Windows | - 10% straight line |
| Computer equipment | - 25% straight line |
| Motor vehicles | - 25% straight line |

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

1.9 Current asset investments

Current asset investments are cash or cash equivalents with a maturity date of less than one year valued at fair value.

1.10 Stocks

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.11 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.

1.12 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.

Current asset investments are cash or cash equivalents with a maturity date of less than one year valued at fair value.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.13 Liabilities

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

1.14 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.16 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.17 Pensions

Retirement benefits to

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the Academy's charitable activities

| | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Charitable Activities | 7 7 | | |
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 46,806,973 | 46,806,973 | 42,237,913 |
| Other DfE/ESFA | | | |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Bank interest | 176,957 | 176,957 | 5,267 |
| <i>Total 2022</i> | <u>5,267</u> | <u>5,267</u> | |

8. Expenditure

| | Staff Costs 2023 £ | Premises 2023 £ | Other 2023 £ | Total 2023 £ | <i>Total 2022 £</i> |
|-------------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Expenditure on raising funds: | | | | | |
| Allocated support costs | 69,853 | - | 223,854 | 293,707 | 59,636 |
| Charitable Activities: | | | | | |
| Direct costs | 30,698,918 | 5,488,063 | 2,663,407 | 38,850,388 | 37,239,989 |
| Allocated support costs | 15,376,356 | 3,194,390 | 4,136,389 | 22,707,135 | 19,323,590 |
| Teaching school hub | 450,449 | 1,765 | 2,152,691 | 2,604,905 | 1,194,347 |
| Total 2023 | <u>46,595,576</u> | <u>8,684,218</u> | <u>9,176,341</u> | <u>64,456,135</u> | <u>57,817,562</u> |
| <i>Total 2022</i> | <u>43,897,036</u> | <u>5,935,754</u> | <u>7,984,772</u> | <u>57,817,562</u> | |

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|------------------------|--|---|---------------------------------------|---------------------------------------|
| Educational operations | 38,850,388 | 22,707,135 | 61,557,523 | 56,563,579 |
| <i>Total 2022</i> | <u>37,239,989</u> | <u>19,323,590</u> | <u>56,563,579</u> | |

Analysis of direct costs

| Total funds 2023 £ | <i>Total funds 2022 £</i> |
|---------------------------------------|---------------------------------------|
|---------------------------------------|---------------------------------------|

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|-------------|---------------------------------------|---------------------------------------|
| Staff costs | 13,437,408 | |

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| 2023 | 2022 |
|-------------|-------------|
| £ | £ |

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NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Trustees' remuneration and expenses

The Chief Executive Officer (CEO) has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of a CEO under their contract of employment.

The value of Trustees' remuneration and other benefits was as follows:

Sarah Ridley (Chief Executive Officer and Trustee) - from 25 August 2022

Remuneration £140,000 - £145,000

Employer's pension contributions £30,000 - £35,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts a a

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets

**Leasehold
land and**

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Stocks

| | 2023 | 2022 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Classroom and other materials | 220,514 | 134,441 |

17. Debtors

| | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 303,534 | 199,515 |
| VAT recoverable | 975,903 | 746,688 |
| Prepayments and accrued income | 1,422,704 | 1,599,229 |
| Other debtors | 14,058 | 9,729 |
| | 2,716,199 | 2,555,161 |

18. Current asset investments

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Current asset investments - Lloyds Bank | 6,500,000 | 6,513,085 |

Current asset investments consists of two fixed interest rate deposit accounts with Lloyds Bank, being a 32 day notice investment of £1,500,000 at 2.45% and a 365 day notice investment of £5,000,000 at 2.8%.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Creditors: Amounts falling due within one year

| | 2023 | <i>2022</i> |
|------------------------------------|------------------|------------------|
| | £ | <i>£</i> |
| Other loans | 151,309 | <i>167,778</i> |
| Trade creditors | 1,190,559 | <i>1,066,418</i> |
| Other taxation and social security | 788,586 | <i>698,078</i> |
| Other creditors | 909,454 | <i>817,289</i> |
| Accruals and deferred income | 3,332,958 | <i>2,161,805</i> |
| | 6,372,866 | <i>4,911,368</i> |
| | 2023 | <i>2022</i> |
| | £ | |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

| | 2023 | <i>2022</i> |
|-------------|--------------------------|--------------------------|
| | £ | £ |
| Other loans | 400,795 | <i>549,820</i> |
| | <u><u> </u></u> | <u><u> </u></u> |

Included within the above are amounts falling due as follows:

| | 2023 | <i>2022</i> |
|-----------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Between one and two years | | |
| Other loans | 141,598 | <i>151,301</i> |
| | <u><u> </u></u> | <u><u> </u></u> |
| Between two and five years | | |
| Other loans | 257,307 | <i>394,734</i> |
| | <u><u> </u></u> | <u><u> </u></u> |
| Over five years | | |
| Other loans | 1,890 | <i>3,785</i> |
| | <u><u> </u></u> | <u><u> </u></u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2023 | <i>2022</i> |
|-------------------------------------|---------------------|---------------------|
| | £ | £ |
| Payable or repayable by instalments | 1,890 | <i>3,785</i> |
| | <u> </u> | <u> </u> |
| | <u><u>1,890</u></u> | <u><u>3,785</u></u> |

The above creditor relates to the early termination of the Building Schools for the Future (BSF) contract, Condition Improvement Fund (CIF) loans and Salix loans.

The CIF loans consists of loans for a roofing project, a windows project, a heating project, and water system improvements as approved by the Education and Skills Funding Agency.

The loans are repayable over the next 2 to 5 year period and are to be repaid via deductions from General Annual Grant.

The Salix loans include a balance which was entered into prior to Kestrel Mead Primary Academy joining the Trust and an additional 8 loans across the Academy Trust. The loans were taken out as part of an energy efficiency programme and are repayable over the next 2 to 6 year period.

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Prior year adjustments

The Multi-Academy Trust was unable to obtain the property valuations at conversion for Fosse Mead Primary Academy at the time of approval of the 31 August 2022 financial statements. The land and buildings valuations have been brought into the accounts as a prior year adjustment within the 31 August 2023 financial statements. The 2022 figures have been restated for the donation from the Local Authority and the fixed asset addition of £2,960,000.

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2023 £ |
|---|--|----------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Designated funds | | | | | | |
| Teaching School | 76,146 | 405,578 | (311,477) | - | - | 170,247 |
| 3G pitch fund | 160,000 | - | - | 40,000 | - | 200,000 |
| | <u>236,146</u> | <u>405,578</u> | <u>(311,477)</u> | <u>40,000</u> | <u>-</u> | <u>370,247</u> |
| Unrestricted funds | | | | | | |
| General funds | 2,163,048 | 553,253 | (293,707) | (188,203) | - | 2,234,391 |
| Total Unrestricted funds | <u>2,399,194</u> | <u>958,831</u> | <u>(605,184)</u> | <u>(148,203)</u> | <u>-</u> | <u>2,604,638</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

| | Balance at 1 September 2022 | Income | Expenditure | Transfers in/out | Gains/ (Losses) | Balance at 31 August 2023 |
|-------------------------------------|--|---------------|--------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Restricted general funds | | | | | | |
| General Annual Grant | 4,914,990 | 46,806,973 | (45,844,718) | (815,461) | - | 5,061,784 |
| Pupil Premium Supplem | 318,334 | 2,847,177 | (3,101,370) | - | - | 64,141 |

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NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

Other government grants relate to Big Lottery Grants and Local Authority money received for fixtures and fittings, IT equipment and an outdoor gym and the set up of new DSP units. The transfer relates to the movement of expenditure. The closing balance relates to the net book value of the assets concerned.

The capital refresh money is an amount which has been reserved for ICT capital expenditure which stems from when Rushey Mead School was under Local Authority control. The closing balance relates to the net book value of the assets.

Other capital income relates to funding received from various sources to purchase fixed assets and insurance claim income. The closing balance relates to the net book value of the assets.

The transfer from Local Authority relates to the value of £66,174,276 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy Trust on conversion. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

The transfer from existing Academy joining the Academy Trust to the value of £6,380,980 (leasehold land and buildings plus moveable assets) transferred from the Kibworth Mead Academy to the Academy Trust on joining the Trust. The closing balance relates to the net book value of the assets concerned.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

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

| | <i>Balance at 1 September 2021</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2022 (as restated)</i> |
|---------------------------------|--|----------------|--------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Teaching School | 18,568 | 246,802 | (189,224) | - | - | 76,146 |
| 3G pitch fund | 120,000 | - | - | 40,000 | - | 160,000 |
| | <u>138,568</u> | <u>246,802</u> | <u>(189,224)</u> | <u>40,000</u> | <u>-</u> | <u>236,146</u> |
| Unrestricted funds | | | | | | |
| General funds | 2,026,217 | 269,560 | (59,636) | (73,093) | - | 2,163,048 |
| Total Unrestricted funds | <u>2,164,785</u> | <u>516,362</u> | <u>(248,860)</u> | <u>(33,093)</u> | <u>-</u> | <u>2,399,194</u> |

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

| | <i>Balance at 1 September 2021</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2022 (as restated)</i> |
|--------------------------------------|--|-------------------|---------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Restricted general funds | | | | | | |
| General Annual Grant | 4,747,490 | 42,237,913 | (41,066,254) | (1,004,159) | - | 4,914,990 |
| Pupil Premium | 264,375 | 2,544,967 | (2,491,008) | - | - | 318,334 |
| Other DfE/ESFA grants | 235,719 | 2,263,829 | (2,346,078) | (56,880) | - | 96,590 |
| EYSFF income | - | 685,255 | (685,255) | - | - | - |
| SEN income | - | 1,028,191 | (1,028,191) | - | - | - |
| Other government grants | 1,800 | 578,600 | (590,515) | 11,615 | - | 1,500 |
| Other funding | 27,632 | 128,300 | (129,780) | - | - | 26,152 |
| Teaching School | 19,338 | 169,246 | (170,913) | - | - | 17,671 |
| SCITT | 69,016 | 804,008 | (833,963) | (985) | - | 38,076 |
| Deficit inherited on conversion | (20,507) | - | - | 20,507 | - | - |
| Notional rent and rent reimbursement | - | 432,696 | (432,696) | - | - | - |
| Pension reserve | (23,416,000) | (748,000) | (3,964,000) | - | 25,369,000 | (2,759,000) |
| | <u>(18,071,137)</u> | <u>50,125,005</u> | <u>(53,738,653)</u> | <u>(1,029,902)</u> | <u>25,369,000</u> | <u>2,654,313</u> |

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

| | <i>Balance at 1 September 2021</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2022 (as restated)</i> |
|-------------------------|--|---------------|--------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Restricted fixed | | | | | | |

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

| | 2023 £ | 2022 £ |
|--|--------------------|--------------------|
| Abbey Mead Primary Academy | 196,142 | 130,268 |
| Brook Mead Academy | 308,826 | 13,777 |
| Castle Mead Academy | 516,812 | 486,459 |
| Fosse Mead Primary Academy | 178,837 | 44,428 |
| Kestrel Mead Primary Academy | 449,156 | 501,183 |
| Kibworth Mead Academy | 101,570 | 368,815 |
| Knighton Mead Primary Academy | 27,458 | 194,237 |
| North Mead Primary Academy | 128,463 | 168,189 |
| Orchard Mead Academy | 707,928 | 918,271 |
| Rowlatts Mead Primary Academy | 165,231 | 157,085 |
| Rushey Mead Academy | 1,711,148 | 1,936,964 |
| Thurnby Mead Academy | 143,127 | 99,310 |
| Willowbrook Mead Primary Academy | 191,771 | 231,853 |
| Central services | 3,041,386 | 2,561,668 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 7,867,855 | 7,812,507 |
| Restricted fixed asset fund | 96,206,118 | 97,030,036 |
| Pension reserve | - | (2,759,000) |
| | <hr/> | <hr/> |
| Total | 104,073,973 | 102,083,543 |
| | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
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22.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

**Teaching
and
educational**

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26. Cash flows from investing activities

| | 2023 £ | 2022 £ |
|---|------------------|--------------------|
| Interest receivable | 176,957 | 5,267 |
| Purchase of tangible fixed assets | (3,632,982) | (3,885,418) |
| Capital grants from DfE Group | 2,471,605 | 2,415,499 |
| Capital funding received from sponsors and others | - | 193,418 |
| Net cash used in investing activities | (984,420) | (1,271,234) |

27. Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Cash in hand and at bank | 6,182,174 | 5,246,092 |
| Cash investments | 6,500,000 | 6,513,085 |
| Total cash and cash equivalents | 12,682,174 | 11,759,177 |

28. Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 5,246,092 | 936,082 | 6,182,174 |
| Debt due within 1 year | (167,778) | 16,469 | (151,309) |
| Debt due after 1 year | (549,820) | 149,025 | (& |

THE MEAD EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments

The Academy'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 Leicestershire 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% ...c

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. 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 2023 was £3,506,000 (2022 - £2,858,000), of which employer's contributions totalled £2,769,000 (2022 - £2,258,000) and employees' contributions totalled £737,000 (2022 - £600,000). The agreed contribution rates for future years are 22.7 - 23.7 per cent for employers and 5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from t h e

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

Sensitivity analysis

| | 2023 | <i>2022</i> |
|-----------------------------|--------------|--------------|
| | £000 | <i>£000</i> |
| Discount rate -0.1% | 720 | <i>746</i> |
| Salary increase rate +0.1% | 75 | <i>68</i> |
| Pension increase rate +0.1% | 659 | <i>685</i> |
| | ===== | <i>=====</i> |

Share of scheme assets

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

| | At 31 | <i>At 31 August</i> |
|-----------------|--------------------|---------------------|
| | August 2023 | <i>2022</i> |
| | £ | <i>£</i> |
| Equities | 17,669,000 | <i>16,286,000</i> |
| Corporate bonds | 10,540,000 | <i>7,475,000</i> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2022 for the year to 31 August 2023, or date of joining the fund if later).

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

| | 2023 | 2022 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Current service cost | (2,988,000) | <i>(5,789,000)</i> |
| Past service cost | - | <i>(6,000)</i> |
| Interest income | 1,199,000 | <i>419,000</i> |
| Interest cost | (1,321,000) | <i>(846,000)</i> |
| Total amount recognised in the Statement of Financial Activities | <u>(3,110,000)</u> | <u>(6,222,000)</u> |

THE MEAD EDUCATIONAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Pension commitments (continued)

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

| | 2023 £ | 2022 £ |
|------------------------------|--------------------|--------------|
| At 1 September | 29,457,000 | 46,657,000 |
| Conversion of academy trusts | - | 1,600,000 |
| Current service cost | 2,988,000 | 5,789,000 |
| Interest cost | 1,321,000 | 846,000 |
| Employee contributions | 737,000 | 600,000 |
| Actuarial gains | (5,537,000) | (25,823,000) |
| Benefits paid | (389,000) | (218,000) |
| Past service costs | - | 6,000 |
| At 31 August | 28,577,000 | 29,457,000 |

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

| | 2023 £ | 2022 £ |
|------------------------------|--------------------|------------|
| At 1 September | 26,698,000 | 23,241,000 |
| Conversion of academy trusts | - | 852,000 |
| Derecognition of surplus | (2,422,000) | - |
| Interest income | 1,199,000 | 419,000 |
| Actuarial losses | (15,000) | (454,000) |
| Employer contributions | 2,769,000 | 2,258,000 |
| Employee contributions | 737,000 | 600,000 |
| Benefits paid | (389,000) | (218,000) |
| At 31 August | 28,577,000 | 26,698,000 |

The closing position of the FRS102 valuation as at 31 August 2023 was a net asset of £2,422,000. The Academy does not expect to benefit from the pension fund asset therefore an adjustment has been made for derecognition of surplus.

