

Company Registration No. 07560175 (England and Wales)

THE MOUNTBATTEN SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND CONSOLIDATED AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE MOUNTBATTEN SCHOOL

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 15
Governance statement	16 - 18
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditor's report on the accounts	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities	26 - 27
Balance sheet	28 - 29
Cash flow statement	30
Notes to the accounts	31 - 54

THE MOUNTBATTEN SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mrs Jill Hall (end of term of office 31 August 2022) – Chair of Trustees Mr Paul Urben – Chair of Trustees from 1 September 2022 Mr Robert Le Grice – Chair of Audit, Finance and Risk Committee Mrs Heather McIlroy Mrs Jane Thompson Mr Samuel Longmore Mr Kevin Hartshorn Mr Karl Staples (resigned 13 September 2021) Mr Mark Edgerley (end of term of office 31 March 2022) Mr Andy Gunn (resigned 7 August 2022) Mrs Sofia Meacham (resigned 7 October 2022) Mr Stuart McAuliffe (appointed 18 November 2021) Mr Neil Hardy (appointed 1 September 2022) Mr Andy Jones (appointed 1 September 2022) Ms Jane Northedge (appointed 28 November 2022)
Members	Mr Sean Flood Mr Samuel Longmore Mr Michael Murphy Mrs Amanda Stevens Mrs Jane Thompson
Senior Leadership Team	
Executive Headteacher/CEO	Mrs Heather McIlroy
Headteacher	Mr Andrew Portas
Chief Financial Officer	Mr Chris Goodrich
Associate Headteacher	Mr Chris Cox
Deputy Headteacher	Mr Chris Martin
Assistant Headteacher	Mrs Sian Cumming
Assistant Headteacher	Mr Rob Davenport
Assistant Headteacher	Mr Ian Dunn
Assistant Headteacher	Mrs Charlie Fisher
Company Secretary	Mr Chris Goodrich
Company registration number	07560175 (England and Wales)
Registered office	The Mountbatten School Whitenap Lane Romsey Hampshire SO51 5SY
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
Bankers	Lloyds Bank Plc Manchester NATLAC 1 City Road East Manchester M15 4PU
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2021/2022 issued by the ESFA.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Romsey and surrounding area. It has a pupil capacity of 1,420 and had a roll of 1,454 in the school census 1 October 2021.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of The Mountbatten School are also the directors of the charitable company for the purpose of company law. Details of the Trustees who served during the year 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 or within one year of when they ceased to be a member.

Trustees' Indemnities

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its Trustees. As part of its overall insurance with Zurich the school has insurance which protects Trustees against claims arising from negligent acts, errors, or omissions. The insurance provides cover up to £5,000,000 for any one claim.

Method of recruitment and appointment or election of Trustees

On 1 April 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. In March 2021 the academy updated its Articles of Association, at that point governors become trustees. The trustees were appointed on a term of office that would end when their original term, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- up to 6 Trustees who are appointed by the Members;
- up to 2 Parent Trustees who are elected by the parents of registered pupils at the Academy;
- an unlimited number of Co-opted Trustees who are appointed by the Board of Trustees (based on skills need); and
- the Executive Headteacher who is treated for all purposes as being an ex-officio Trustee.

Trustees are appointed for a 4-year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of - Trustees, any Trustees can be re-appointed or re-elected. When appointing new Trustees, the Board of Trustees will consider the skills and experience mix of existing Trustees to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, safeguarding, legal and financial matters. All Trustees are provided with the information needed (including the Trustees Handbook, policies, minutes, budgets) to undertake their role as Trustees.

Organisational structure

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only a few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. All new trustees meet with the Chair of Trustees and the Executive Headteacher. New trustees are given a 'buddy' to support them in settling in.

We subscribe to Hampshire Trustee Services who provide a range of courses. We encourage trustees to attend as individuals and to attend local trustee conferences, an online information service is also available to all Trustees. We have a place in our regular meetings when feedback is encouraged from any trustee who has attended training recently. Every year we hold an in-house Whole Board Training session, a trainer from Trustee Services presents on a subject that has been agreed by the whole Board. We usually also invite members of the senior leadership team to attend these evening sessions. We have an identified trustee who is our Training Liaison Trustee whose role involves coordinating our training as trustees. In the Autumn and Spring terms we hold a "Trustee Experience Day" when all trustees are invited into school to experience a day around a previously agreed theme, usually following an individual student during a normal school day's activities. It is our policy that every trustee should serve on at least one committee or sub-committee, and care is taken to find the best fit according to the needs of the school and the strengths of the new trustee involved.

The Executive Headteacher is the Accounting Officer of the Academy Trust.

The Board of Trustees operates a system of clerked Committees with delegated responsibilities. All minutes are presented and reported on at the half termly Board of Trustees.

Major issues will be referred to the Board of Trustees for ratification. (Ref the Board of Trustees' Standing Orders).

The Board of Trustees' sets objectives annually as part of the Mountbatten Improvement Plan (MIP). Each Committee has a set Terms of Reference agreed by the Board of Trustees and reviewed annually.

Leadership

To assist the decision making of the Board of Trustees, by considering strategic issues, contributing to the school's medium and long term planning. This committee facilitates a very close working relationship between the Trustees and the Senior Leadership team. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Audit, Finance and Risk

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees. The meetings of this committee are divided into audit functions and financial matters.

School Improvement

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility to ensure sound management of the academy's teaching and learning including proper planning, monitoring and probity. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Human Resources

To assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the academy's human

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

resources, including proper planning, monitoring and probity. To regularly make appropriate comments and recommendations, on such matters, to the Board of Trustees.

Appraisal & Pay Committee

To assist the Board of Governors in the area of staff remuneration, by enabling more detailed and confidential consideration to be given to the Board of Trustees obligations to ensure sound management of the academy's pay ranges and levels of payment, including proper planning, monitoring the school appraisal process and probity.

Any major issues that arise at any Committee meeting will always be referred to the Board of Governors for ratification. (Ref the Board of Governors' Standing Orders)

The Mountbatten School has a wholly owned trading subsidiary called Mountbatten School Services (Company Number 07889300) which trades as Personal Best Education. The primary function is to provide services which benefit the community.

Arrangements for setting pay and remuneration of key management personnel

Annual Appraisal decisions are made by the Pay and Appraisal Committee (PAC) and reported to the Board of Trustees.

- July - PAC 1 Pay and Appraisal Policy in readiness for new cycle.
- November - PAC 2 Review of Teachers and Support Staff
- November - PAC 3 — Review of SLT.

Objectives are set in the Autumn term for all SLT informed by the school improvement plan.

Interim assessments take place throughout the year through line management structure

Formal review takes place at the end of the one-year cycle where evidence is produced by each member of SLT. A report on outcomes and recommendations is produced by the Executive Headteacher (EHT). This is presented to the PAC 3 annually in November

The Executive Headteacher and Associate Headteacher undertake the Appraisal Process for both Deputies and AHT.

Executive Headteacher and Associate Headteacher

The Associate Headteacher objectives are set by EHT in liaison with Chair of PAC. Progress is monitored throughout the year by EHT and reported to PAC

The EHT Pay and Appraisal committee, advised by external consultant, (this year the Principal of a large successful sixth form college) meet to review the EHT objectives. Recommendation based on the extent to which objectives have been met/exceeded are made to the PAC 3 meeting. Pay scales are determined by the PAC in line with the Pay Policy. This is reviewed and published annually. The Pay policy is communicated and signed by all staff annually.

Reports on proposals for all SLT and the Directorate are prepared in detail in readiness for the Autumn 2 HR committee and the PAC 3 Autumn meeting.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
None	None

Percentage of time spent on facility time

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

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£8,235,599
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
--	----

Related Parties and other Connected Charities and Organisations

The Mountbatten School operates independently of other organisations. Our wholly owned subsidiary Mountbatten School Services trading as Personal Best Education (PB Ed) has a board comprising of senior staff and trustees.

Objectives and activities

Our objects and aims, described below, put students at the heart of all that we do. We have described our main achievements within the Strategic Report and also how we have performed against our objectives. We are committed to ensuring that we maintain strong and effective relationships with students, parents and wider stakeholders in the community.

Objects and aims

The Board of Trustees believe that one of their most important roles is to provide clear and focused guidance in the area of financial management, ensuring through our monitoring processes we meet the requirements of our regulators, achieve value for money and the very best offering for our students that we can afford.

However, given the nature of our core activity the type of key financial performance indicators used by commercial companies is not deemed appropriate to our activity, our financial objectives are focused on achieving value for money, a steady return from low risk investments and a budget that ensures students receive the full benefit from in year funding allocation.

The nature of state funding for education means that opportunities to seek capital funding will continue to be opportunistic.

Objectives, strategies and activities

Our objectives for the year ended 31 August 2022 were as follows:

- Re-establish pre-Covid working patterns:
 - Teaching and learning without Covid restrictions;
 - Embed the use of Google Classroom as established during online learning;
 - Resume a programme of extra-curricular activities;
 - Resume a programme of residential visits (including international visits);
- Ensure all subject areas respond appropriately to any adjustments to GCSE assessments and maintain outcomes for Year 11 students;
- Continue to close the progress gap between disadvantaged and non-disadvantaged students;
- Further develop the campus according to our strategic site development plan;
- Ensure the school continues to remain the school of choice in the locality with strong numbers on roll in all year groups and therefore a strong income position.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of The Mountbatten School Academy Trust is the advancement of education within the local community.

Strategic Report

Achievements and performance

Performance against targets and objectives:

The performance of the academy trust against the targets and objectives are summarised in the information below.

Key Financial Performance Indicators

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2022, the balance of the GAG Restricted Fund was £nil.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 87.5%, while the percentage of staff costs to total costs was 67.9%.

Key Performance Indicators

1. Teaching & Learning

Teaching and Learning continues to enjoy a high profile in the school. All members of the SLT undertake timetabled learning walks where day-to-day standards, specific groups of students (SEND, LAC, high behaviour profile etc.) and pedagogy are observed, and all teaching staff have a pedagogy focus which forms the basis of ungraded lesson observations which are undertaken by their peers, Middle Leaders and Senior Leaders throughout the academic year. In addition, staff observe a peer out of faculty on a pedagogy focus of their choice and a student that they teach. This is creating an 'Open Door' culture where staff feel empowered to support each other in a non-judgemental environment. The staff are supported by a comprehensive CPD framework with identified strands for ITT, ECTs and whole staff and is complemented by bespoke Middle Leadership and coaching programmes underpinned by NASBTT. A weekly 'Learning Thursday' provides whole-school CPD and supports the whole school improvement plan. Teaching and Learning is closely linked to Appraisal and acts as a key driver for school improvement. Through appraisal, staff develop their craft in the classroom through a Personal Pedagogy Appraisal Objective.

2. Achievement and Performance

The DfE are very clear about the impossibility of making comparative judgements – against other schools or previous performance – using 2022's GCSE results. Comparative progress data (P8) does not carry the same weight as previous years.

This report considers the attainment data – which captures the proportion of students who achieve benchmarks for access and success in further education.

Students had excellent attainment, achieving results above the national average and enabling them to access the next appropriate stage of their education. Summary of results:

- Attainment 8 Score of 55.1
- 78% achieving a standard pass (4+) in English & Maths
- 62% achieving a strong pass in (5+) English & Maths
- 76% achieving 5 standard passes including English and Maths
- 59% achieving 5 strong passes including English and Maths
- 66% of Pupil Premium students achieving 5 standard passes including English & Maths
- English Baccalaureate average points score of 4.8

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

3. To maintain a medium / long term plan for The Mountbatten School

Trustees have been part of some major strategic decisions, particularly with regard to curriculum and campus developments. Over the past few years, we were fortunate to be successful with four CIF bids in excess of £5 million for the refurbishment of the science department, changing rooms, gymnasium and heating replacement. Funds have also committed from our reserves for a new build on site.

4. Business Development

Personal Best Education, the trading arm of the Mountbatten School, provides a wide range educational and leisure services aimed at improving the physical and mental well-being of the local community and beyond, whilst generating strong revenue streams to enable significant annual financial contribution to the school to support improvements to facilities and access to a more diverse educational proposition.

Following on from a successful 2020-21 Personal Best continued its upward trajectory in 2021-22 with a strong performance across a variety of streams aligned with its five-year strategy – delivering a strong financial contribution whilst continuing to reduce reliance on one/two main streams such as NCS pre-2020. The organisation saw continued growth across all of its established portfolio – the Holiday, Activities & Food programmes across the Southeast, NCS, Cycling, Sports & Leisure Coaching, Football, Adults & Junior classes and Lettings.

2022-23 is a planned transition year of consolidation within the business to counter market changes - such as the NCS funding significantly reduced with the programme evolving into a smaller year-round proposition and HCC having decided to take Bikeability delivery in-house. This has already been partly counteracted by the company having already increased its funding for the year from Test Valley for Bikeability Levels 1, 2 & 3 and opened up a new funding source from there with Balance Bikes - as well as increased bookings for schools choosing to continue with Personal Best as their Bikeability Training provider and declining the funded provision from HCC. A strong focus will be on expanding our portfolio of junior/adult courses, coaching and schools' provision whilst Lettings and Football will continue to grow. Furthermore, subject to awards by funding bodies, the aim is to expand the Holiday, Activities and Food programme and SEN Short-Break provision in current and new regions. Personal Best is also strengthened with new facilities and related propositions such as the Conference Centre, with its workplace training courses, and the newly equipped Fitness Suite with Personal Training sessions. Finally, due to the significant work replacing the heating systems around the Mountbatten site, it was decided to delay launch of the new international proposition until Autumn 2023 whereupon the facilities will be in excellent condition to welcome overseas students.

Overall, the outlook is very positive and, although 2022-23 will be less remarkable in terms of results due to aforementioned changes in the marketplace and the delayed launch of the International Centre, Personal Best will deliver solid results whilst building on the strong foundations in place for a bright and sustainable future through a broad range of revenue streams.

5. Pastoral Developments (including attendance and Pupil Premium student achievement)

Attendance

Last year's attendance figure showed 7.69% absenteeism compared to a national figure in 2020-21 of 4.6%. The way that the government measures persistent absenteeism is as the number of students who are absent for more than 10% of the time. The rate of persistent absenteeism at Mountbatten is 17.21%, slightly above the national figure of 14.8% for 2020-21. Our previous absence figures have been excellent, and we attribute this rise above the national figure to an increase in the number of students with anxiety and mental health issues, especially in the upper school, and the impact of Covid.

Absence rates for SEN and PP students are 13.10% and 4.12%, compared with national figures in 2020-2021 of 13.1% and 7.8% respectively. Improving attendance, especially for our most disadvantaged students is a priority for all staff, especially our designated attendance staff and deputy heads of year.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Achievement of Pupil Premium Students

GCSE results for students in receipt of the Pupil Premium 2022-23 based on national figures, analysed in SISRA

	PP	Non-PP	All students
Boys	-0.12	0.07	0.04
Girls	-0.91	0.32	0.10
All students	-0.52	0.19	0.07

The data show a large gender gap which is reversed when one compares PP students with non-PP students. Girls who are non-PP outperform boys who are non-PP, however there is a much smaller gap between PP and non-PP boys than there is between PP and non-PP girls. A significant cause of this is that far more girls were affected by poor health issues and anxiety, some of which was COVID-related, this dragged down the overall score in a small group of 23 students.

Exclusions and Behaviour

Exclusions data for the previous academic year are shown below

2021-22	Number of exclusions	Cumulative days lost	Av'no of days per exclusion	Number of pupils	NOR	% NOR
Total	111	216	1.95	75	1417	7.83%
SEN	20	41.5	2.08	10	110	18.18%
Non-SEN	91	174.5	1.92	65	1307	6.96%
Male	84	164.5	1.96	56	727	11.55%
Female	27	51.5	1.91	19	690	3.91%
Pupil Premium	42	88	2.10	29	233	18.03%
Non-Pupil Premium	69	128	1.86	46	1184	5.83%

6. Special Educational Needs

There are currently 24 students with EHC Plans at The Mountbatten School (an increase of 9 from the previous academic year) and 13 additional consults received in the first seven weeks of this academic year, 2 students who have recently applied to join the school in Y10 and Y11 who have EHC Plans and one case pending tribunal in December. At the start of the year, the hours stipulated on the EHCPs ranged from 15 hours of support to 25 hours, totalling just over 604 lessons being covered each week through TA support or SEND interventions, leaving a deficit of 10 lessons. We continue to see an increase in the complexity of need, which at times has not been addressed at Primary School making the role more challenging.

In addition to the students with EHC Plans, students across the school with a range of special educational needs require the support of the Learning Support team. There is a greater level of need identified by both parents and Primary Schools. The team of teaching assistants bring a range of experience and subject specialisms and are very good at developing positive working relationships with the students. Two TAs are ELSA trained and we currently have one HLTA. The Assistant SENCo adds another dimension of leadership to this evolving faculty. The new SENCO has been in position since January 2022 and has created a wealth of new resources to support staff with quality first teaching. Intervention programmes are being reviewed and new ones introduced, such as the 'Zones of Regulation', a social skills intervention group. The SENCo has started to review the department and consider new approaches and structures to help the department cope with the increasing demands that more EHCP students brings.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

7. Safeguarding

As we continue to recover from the pandemic, the volume and severity of cases dealt with by the Safeguarding team has remained extremely high. It has been more important than ever to be able to seek legal advice and guidance from a specialist team of dedicated education lawyers that understand the challenging environment in which we are currently operating. Several of the cases handled over the past year have not been seen previously in school so the Quickcall and Supervision services have been invaluable.

Students have continued to be supported by our external counsellors from Youth in Romsey and the DSL has completed the Senior Mental Health Lead training, funded by the DfE. This has resulted in enhanced, bespoke training for the whole staff and greater awareness of support available both locally and nationally. The newly appointed Director of RSHE and Safeguarding continues to embed explicit teaching of safeguarding and promotion of healthy relationships and lifestyles, whilst also providing some additional capacity to the Safeguarding team. We look forward to building further capacity with the appointment of two Student Support Workers. Over the summer, the Head of Student Support successfully launched The Pod, supplying second-hand donated uniform as part of our Sustainability strategy.

Following feedback from student voice and a successful trial we have recently partnered with Tootoot, a mobile-based app, in order to ensure our students have a variety of ways in which to report concerns to the Safeguarding Team and access support.

8. The Development of the Music Academy

The Academic year 2021-22 has seen a number of significant developments for the Music Academy. The team have worked extremely hard to bring the extra-curricular rehearsal schedule back to pre-pandemic levels, and the choirs and ensembles have been performing extremely well. We have been adversely affected by the shortened lunchtime, as rehearsals during morning and afternoon break are too short to achieve anything meaningful. The Music staff are doing their best to work within these constraints, but there will inevitably be a decline in standards of performance over time if this situation is to continue indefinitely. Having worked hard to prepare for the first post-pandemic live Carol Service in December 2021, it was regrettably unable to go ahead as a live event due to the rise of the Omicron Covid variant. However, we managed at very short notice to produce a filmed version, which was well received. We also took the decision to suspend rehearsals for the Community Choir in January and February, in order to safeguard the members. On resumption of rehearsals the numbers were significantly down. We have seen numbers beginning to increase again, but the growth is slower than we would like at this stage. In March the Wind Band and Big Bands performed at Richard Tauntons College in the regional event of the National Festival of Music for Youth. The feedback from the adjudicators was outstanding, and the result was an invitation for both groups to perform in the National Festival in Birmingham in July. Again, both bands excelled, and we are delighted to report that the Mountbatten Big Band have been invited to perform in the Music for Youth Schools Prom at the Royal Albert Hall on 16th November 2022. This is an incredible achievement, especially given that the band was competing against schools with an 11-18 intake, and also County ensembles. This is also a golden opportunity to seek sponsorship for the Music Academy project.

The Outreach work continues to develop, with an increased buy-in from last year. We made a very good appointment of Megan Jefferis, a former Mountbatten musician, who joined us at the end of the academic year. Both Rachael Crosson (Now Armstrong) and Jahan Hunter received promotions at the end of the year, to reflect SMT's reduction in working hours, as retirement approaches. Our Mountbatten Training Orchestra is growing again, and our closer links with Hampshire Music Service have begun to yield significant benefits. Future developments include the launch of a Community Wind Band, and a Saturday Music School, to focus on music technology, and rock, pop and commercial music.

9. The Development of the Sports Academy

The new Sports Academy was officially relaunched in September 2021 after the disruption of the pandemic.

The sports academy has a clear vision and focus on participation, performance and pathways. Collaboratively we have created our mission statement *'To create a culture of participation, performance and sporting development'*.

We have seen fantastic engagement in extracurricular clubs with an average of 300 students per week attending on a regular basis. We have added additional clubs onto our provision to support engagement. We have used external coaches to support us with this provision and have set up new clubs in Taekwondo, Dodgeball and Fitness alongside

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

our extensive programme. The academy looks to support excellence alongside supporting engagement and offering all students an opportunity to be physically active within sport.

Our academy teams in Rugby, Football & Netball in Lower & Upper School have made excellent progress. Participation to those clubs have been superb and commitment levels have increased post pandemic restrictions. We've had great success within those sports with numerous league titles, cup final representation and cup success over the course of last academic year.

Students within those Upper School Academies have been given further opportunities to attend coaching, leadership and officiating qualifications. Officiating courses within Netball and Football have been organised and run throughout the year and a number of students have gained these additional qualifications. Those students are now supported the Faculty by officiating Lower School fixtures and tournaments.

A key focus area of the academy teams and Upper School Academy students was to develop students' strength and conditioning to improve them as athletes. Tom Robinson has been leading a structured programme to support students within those Academy teams to develop their core movements, strength and preventative injury strategies. Attendance to those sessions has been good and many of the Academy team players have taken up the opportunity to attend those sessions in the morning, at breaktimes and after school.

One strand of the Sports Academy model is to develop and support High Performance Athletes. We have created a comprehensive review of all High-Performance Athletes that we have within the school in a variety of sports. We have categorised those students into groups for mentoring and have prioritised the most in need with one-to-one mentoring. We have also organised bespoke workshops for those athletes to receive support with other areas of their performance including sports nutrition and sports psychology.

We have now launched the South Africa Sports Tour 2024 where students within the Upper School Academies of Rugby, Football & Netball will have the opportunity to attend the trip and experience South Africa, whilst having the chance to play competitive fixtures against host schools.

10. The Development of the Science Academy

We have made a solid start to developing the Science Academy and are already seeing an increase in enthusiasm for science and an uptick in the numbers of students wishing to take part in trips and activities, for example over 100 students applied for 40 places on a trip to CERN next summer. Effective relationships with North Baddesley and Halterworth Schools have been established and we have had significant effect delivering assemblies to approximately 400 students. In addition, we have supported and hosted science days and created resources to support the teaching of physics, chemistry and biology topics in Primary Schools. Initial indications from the new intake are that those students who have benefitted from this activity are using tier 3 vocabulary more confidently in lessons and have signed up for after school Science Clubs in greater numbers than ever before. We now have a popular super curricular offer for all year groups with double the previous number of Y6 students from feeder primaries joining us every week. All regular participants will have the opportunity to gain CREST Awards and we have revitalised the Level 2 Leadership Qualification pathway by offering the STEM Leader qualification to Y9 and 10 students. This offer of 25 places was significantly oversubscribed so a second course to cope with this demand will run in the second half of this AY.

Work has also been done, collaborating with Personal Best Education, on developing and delivering revenue earning holiday activity workshops. Income from the Y6 science club has increased as a result of the increased numbers we are now able to host due to the use of Y11 prefects to help lead this activity. In addition, we have been successful in a grant application to the Ogden Trust to support our work and have other grant applications in progress.

With the easing of COVID regulations science related trips and visitors to school have begun to pick up. Over 500 students have been on a science related trip in the past 6 months. Demand for science related overseas residential trips is very strong and we have 3 foreign residential trips fully subscribed and ready to run in 2023.

For the remainder of this year the focus will be on developing links with additional feeder primary schools (Cupernham, Rownhams and Nursling), enhancing the super curricular offer to our own students and working with Personal Best Education to develop the revenue earning potential of the academy. We have been invited to attend the Science Learning + conference which will provide additional opportunity to develop our existing network and identify potential sources of extra grant funding.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

11. 3D Curriculum

At The Mountbatten School we know that we achieve excellent test and examination results. What makes our school special is that we value other qualities and characteristics just as highly as academic success. We prepare students to become:

- Rounded individuals of integrity
- Successful in the world of work
- Happy and fulfilled young people

The 3D Curriculum is how we describe the qualities and characteristics that we value, develop and reward in every aspect of school life.

The 3D Curriculum

WE CARE – We are:

Compassionate – caring for and supporting others

Resilient – keeping going and doing our best, even when things get tricky

Cooperative – working with others to succeed together

Thoughtful – thinking carefully about our opinions and actions

WE RESPECT – We show:

Excitement – by being enthusiastic and putting effort into our learning

Curiosity – by showing interest in everything and asking questions

Independence – by taking responsibility for our learning and our decisions

Tolerance – by understanding that others are different to us, not better or worse

WE ACHIEVE – We become:

Leaders – taking action and inspiring others to make the world a better place

Communicators – listening, and using words to make ourselves understood

Problem-solvers – using all our skills and learning to find solutions

Creators – using our imaginations to make (and think) new things

This is being promoted through epraise points and communicated with parents and students through the weekly newsletter, weekly staff bulletin and social media posts. Departments are in the process of making the 3D Curriculum more specific to their subject areas to further embed the 3D Curriculum.

Going concern

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2022 £'000	2021 £'000
GAG	Restricted General Funds	-	124
Other DfE/ESFA Grants	Restricted General Funds	-	-
Other Government Grants	Restricted General Funds	-	-
Other Income	Restricted General Funds	-	-
	Sub-total – General Restricted Funds	-	124
Unspent Capital Grants	Restricted Fixed Asset Fund	3,560	891
Other Income	Unrestricted General Fund	1,252	821
	Sub-Total – Spendable Funds	4,812	1,836
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	27,331	27,625
Share of LGPS Deficit	Restricted Pension Reserve	(468)	(3,844)
	Total – All Funds	<u>31,675</u>	<u>25,617</u>

During the year under review, general restricted funds decreased by £124k (2021: increased by £110k) and unrestricted general funds increased by £431k (2021: decreased by £276k). After LGPS valuation adjustments, depreciation and capital income and expenditure, overall funds increased by £6,058k (2021: increased by £349k).

A competitive tendering process took place during the year to appoint Auditors for the Trust. Hopper Williams and Bell had held this role for five years and it was due for review. Baxters were successful in being appointed in April 2022.

The majority of The Mountbatten School's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Mountbatten School received additional Covid-19 funding from the local authority to provide free school meal vouchers during the holiday for FSM students and vulnerable students.

The principal source of funding for the period to 31.8.22 was ESFA funding of £8,237k with expenditure against this income of £8,361k.

This expenditure was used to support the key aims of The Mountbatten School in providing education for students and enhancing their opportunities. Funding was used for staffing and resources to deliver the curriculum and in maintenance of the site and buildings. The lack of increase in funding, despite increasing costs, including statutory increases in NI and pension contributions has limited the work we can undertake to the buildings on site and has limited the amount we have been able to spend on all resources and in particular IT resources. In all financial transactions best value was considered when making decisions.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Board of Trustees have adopted a Risk Management Policy and delegates the monitoring and reporting of matters covered by the policy to the Audit, Finance and Risk Committee.

Principal risks relate to funding uncertainties and student numbers. Future major housing proposals will protect our student numbers, however the risk of these being delayed could have an adverse effect on our income. To ensure that we can maintain current income levels we have increased our intake from 284 to 296.

The Audit, Finance and Risk Committee has developed a process to identify financial and operational risks and drawn these up as a Risk Register which includes appropriate mitigations for risks that are agreed with the SLT.

Areas of principal risk monitored and mitigated for are:

- Impact of COVID-19 on staff and students. Risk assessments are in place to manage all scenarios.
- Losing highly skilled staff in key leadership positions. We have put succession planning measures in place to reduce the risk.
- Failing to maintain student numbers at PAN
- Loss of reputation through poor publicity related to incidents we should control
- Drop of standards identified in formal external assessment, for example Ofsted inspections
- Unexpected reduction of core funding
- A Health and Safety incident especially if proved to be caused by a management failure
- Failing to achieve excellent examination results
- Inappropriate operational decisions from SLT and poor decision making by the Board of Trustees or the principal committees
- Failing to implement effective communication processes

A five-year budget plan is produced, this is reviewed and updated regularly as circumstances change. All budget expenditure is scrutinised in close detail to ensure that overspends do not occur. Budgets are always set based on needs.

Actual and Forecast key financial performance indicators, using ESFA benchmark data, are reported to the Audit, Finance and Risk Committee twice yearly.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Reserves policy

The Trustees' policy is to review the levels of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The policy of the Governing body is to maintain a level of reserves that will be adequate to provide a stable base for continuing the operation of the Academy whilst ensuring excessive funds are not accumulated. The main aim of the Academy is to ensure that the level of curriculum provision will be maintained in future years. The Governing Body uses the 5-year plan to inform the decision making. There is a commitment to ensuring regular capital investment (whilst balances allow), to improve facilities to meet long term development plans.

Reserves have been used to appoint architects to prepare a site feasibility plan to ensure future capital projects will provide the best value. For any capital project, we wish to undertake detailed, costed plans are prepared prior to bidding for the funds.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees are concerned that reserves are reducing annually due to lack of funding being received to meet core provision. The board are continuing to closely monitor the five-year plan.

Investment policy

The school aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is no tangible risk to the loss of these cash funds.

Purposes

- To ensure adequate cash balances are maintained in the current account to cover day to-day working capital requirements
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and UK law.

Plans for the future

The Board of Trustees takes a prudent 'worst case scenario' view in terms of likely school budget settlements and has a prudent five-year rolling financial plan. Additional funding streams are being pursued which will enhance the Personal Best Education offer and see future site developments.

The Academy has established a Strategic Estate Development Group to co-ordinate bids, plan for the possibility of increases in student numbers, and ensure the buildings and site serve the school's core purpose.

There are a number of longer-term strategic issues which the school is planning:

- Consideration of additional school joining our Multi Academy Trust (including a likely new primary school).
- Continued development of the Music, Science and Sports Academy to mirror the success.
- Consideration of developing links with schools abroad in a strategic partnership.
- Continued development of the school estate to include major capital works to improve office and classroom accommodation.

THE MOUNTBATTEN SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Funds held as custodian trustee

The Academy does not hold funds as custodian trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 12 December 2022 and signed on the Board's behalf by:

.....
Paul Urben
Chair of Trustees

THE MOUNTBATTEN SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year, with the Audit, Finance and Risk Committee meeting 6 times to ensure effective oversight of funds. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs Jill Hall	5	5
Mr Paul Urben	4	5
Mr Robert Le Grice	5	5
Mrs Jane Thompson	5	5
Mr Samuel Longmore	5	5
Mr Kevin Hartshorn	5	5
Mrs Heather McIlroy	5	5
Mr Karl Staples	0	0
Mr Mark Edgeley	2	3
Mr Andy Gunn	5	5
Mrs Sofia Meacham	0	5
Mr Stuart McAuliffe	4	4

Conflict of interest

All trustees and senior leaders are required to complete the academy's register of interests at least annually and are required to update the register as soon as there is a change. The register is published on the school's website. Annually the register of interests is cross referenced with the school's finance system to search for any potential conflicts of interest. When a new supplier is set up on the finance system, the register of interests is also checked.

Governance reviews:

As part of the internal scrutiny work in the 2019-20 academic year a full governance review was undertaken by Browne Jacobson. During the 2020-21 academic year the governing board worked to implement the recommendations of the governance review.

In March 2021 our Articles of Association and funding agreement were updated. This brought us in line with the DfE's recommended governance structure. We now have the separation of members and trustees. Only two of the five members are also trustees. The only member of staff who is a trustee is the Executive Headteacher.

As this new governance structure beds in, the trustees will undertake a self-evaluation exercise in the summer term 2022.

The Audit, Finance and Risk Committee is a committee to which the main Board of Trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget

THE MOUNTBATTEN SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

- Review the reports of the auditors on the effectiveness of the financial procedures and controls
- Fulfil the role of an Audit Committee

Attendance during the year at meetings of the Audit, Finance and Risk Committee was as follows:

Trustees	Meetings attended	Out of possible
Mr Robert Le Grice	6	6
Mr Kevin Hartshorn	4	6
Mrs Heather McIlroy	5	6
Mr Samuel Longmore	4	6
Mr Stuart McAuliffe	3	4
Mr Paul Urben	5	6
Mrs Jill Hall	5	6
Mr Mark Edgerley	4	4

Review of Value for Money

As Accounting Officer the Executive Headteacher 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Keeping staffing levels under review ensuring full delivery of the curriculum but keeping any over staffing to a minimum.
- Benchmarking data is used extensively to support Senior Leadership Team and trustee discussions and for the purpose of checking and balancing staffing levels against others.
- The Institute of School Business Leaders' Integrated Curriculum Financial Planning tool is used to benchmark spending across all areas of the school to ensure all areas of the school deliver value for money.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 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 MOUNTBATTEN SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, they will engage with external companies to carry out the internal scrutiny work as informed by the risk register. HWB chartered accountants were employed to carry out the majority of this work. This involved the following areas:

- Month End
- Whistleblowing
- Banking Arrangements
- Safeguarding
- Cyber Security

The report was presented to the Audit and Finance Committee with key findings and recommendations. These have been considered by the committee and implemented where necessary.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:

.....
Paul Urben
Chair of Trustees

.....
Heather McIlroy
Accounting Officer

THE MOUNTBATTEN SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2022*

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

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

H McIlroy
Accounting Officer

12 December 2022

THE MOUNTBATTEN SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of The Mountbatten School for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements 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; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:

P Urben
Chair of Trustees

THE MOUNTBATTEN SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MOUNTBATTEN SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the Financial Statements of The Mountbatten School (the 'parent academy') and its subsidiary (the group) for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 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 group and charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's 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.

THE MOUNTBATTEN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

THE MOUNTBATTEN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

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

Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

.....

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

THE MOUNTBATTEN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 9 September 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 Mountbatten School during the period 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 Mountbatten School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Mountbatten School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Mountbatten School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Mountbatten School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Mountbatten School's funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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 Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2021, issued by the ESFA.

THE MOUNTBATTEN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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 except for:

- 1) The Trust has entered into finance leases without ESFA approval.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated:

THE MOUNTBATTEN SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	1,491	-	2,935,957	2,937,448	341,241
Charitable activities:						
- Funding for educational operations	4	215,086	8,457,388	-	8,672,474	8,153,464
Other trading activities	5	2,388,510	-	-	2,388,510	1,984,873
Investments	6	2,846	-	-	2,846	1,516
Total		<u>2,607,933</u>	<u>8,457,388</u>	<u>2,935,957</u>	<u>14,001,278</u>	<u>10,481,094</u>
Expenditure on:						
Raising funds	7	1,564,101	-	1,074	1,565,175	1,361,864
Charitable activities:						
- Educational operations	8	587,541	9,032,709	584,513	10,204,763	8,888,191
Taxation		-	-	-	-	3,773
Total	7	<u>2,151,642</u>	<u>9,032,709</u>	<u>585,587</u>	<u>11,769,938</u>	<u>10,253,828</u>
Net income/(expenditure)		456,291	(575,321)	2,350,370	2,231,340	227,266
Transfers between funds	19	(25,000)	-	25,000	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	3,827,000	-	3,827,000	121,000
Net movement in funds		431,291	3,251,679	2,375,370	6,058,340	348,266
Reconciliation of funds						
Total funds brought forward		820,679	(3,719,679)	28,515,550	25,616,550	25,268,284
Total funds carried forward		<u>1,251,970</u>	<u>(468,000)</u>	<u>30,890,920</u>	<u>31,674,890</u>	<u>25,616,550</u>

THE MOUNTBATTEN SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2021 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	748	-	340,493	341,241
Charitable activities:					
- Funding for educational operations	4	67,486	8,085,978	-	8,153,464
Other trading activities	5	1,984,873	-	-	1,984,873
Investments	6	1,516	-	-	1,516
Total		<u>2,054,623</u>	<u>8,085,978</u>	<u>340,493</u>	<u>10,481,094</u>
Expenditure on:					
Raising funds	7	1,341,476	-	20,388	1,361,864
Charitable activities:					
- Educational operations	8	23,548	8,347,725	516,918	8,888,191
Taxation		3,773	-	-	3,773
Total	7	<u>1,368,797</u>	<u>8,347,725</u>	<u>537,306</u>	<u>10,253,828</u>
Net income/(expenditure)		685,826	(261,747)	(196,813)	227,266
Transfers between funds	19	(961,829)	-	961,829	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	121,000	-	121,000
Net movement in funds		(276,003)	(140,747)	765,016	348,266
Reconciliation of funds					
Total funds brought forward		1,096,682	(3,578,932)	27,750,534	25,268,284
Total funds carried forward		<u>820,679</u>	<u>(3,719,679)</u>	<u>28,515,550</u>	<u>25,616,550</u>

THE MOUNTBATTEN SCHOOL

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		27,331,365		27,624,831
Current assets					
Stocks	14	2,439		3,479	
Debtors	15	3,147,886		570,357	
Investments		1,269,049		767,163	
Cash at bank and in hand		1,396,630		1,436,738	
		<u>5,816,004</u>		<u>2,777,737</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(993,319)		(928,214)	
		<u></u>		<u></u>	
Net current assets			4,822,685		1,849,523
Total assets less current liabilities			<u>32,154,050</u>		<u>29,474,354</u>
Creditors: amounts falling due after more than one year	18		(11,160)		(13,804)
			<u></u>		<u></u>
Net assets before defined benefit pension scheme liability			32,142,890		29,460,550
Defined benefit pension scheme liability	21		(468,000)		(3,844,000)
			<u></u>		<u></u>
Total net assets			<u>31,674,890</u>		<u>25,616,550</u>
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset funds			30,890,920		28,515,550
- Restricted income funds			-		124,321
- Pension reserve			(468,000)		(3,844,000)
			<u></u>		<u></u>
Total restricted funds			30,422,920		24,795,871
Unrestricted income funds	19		1,251,970		820,679
			<u></u>		<u></u>
Total funds			<u>31,674,890</u>		<u>25,616,550</u>

The Financial Statements on pages 26 to 54 were approved by the Trustees and authorised for issue on 12 December 2022 and are signed on their behalf by:

P Urben
Chair of Trustees

Company registration number 07560175

THE MOUNTBATTEN SCHOOL

ACADEMY BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		27,331,367		27,623,759
Investments	13		1		1
			<u>27,331,368</u>		<u>27,623,760</u>
Current assets					
Debtors	15	3,443,893		1,024,787	
Investments		1,269,049		767,163	
Cash at bank and in hand		676,237		719,686	
		<u>5,389,179</u>		<u>2,511,636</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(596,825)		(661,314)	
		<u>5,389,179</u>		<u>2,511,636</u>	
Net current assets			4,792,354		1,850,322
Total assets less current liabilities			32,123,722		29,474,082
Creditors: amounts falling due after more than one year	18		(11,160)		(13,804)
			<u>32,112,562</u>		<u>29,460,278</u>
Net assets before defined benefit pension scheme liability			32,112,562		29,460,278
Defined benefit pension scheme liability	21		(468,000)		(3,844,000)
			<u>31,644,562</u>		<u>25,616,278</u>
Total net assets			<u>31,644,562</u>		<u>25,616,278</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			30,891,994		28,515,550
- Restricted income funds			-		124,321
- Pension reserve			(468,000)		(3,844,000)
			<u>30,423,994</u>		<u>24,795,871</u>
Total restricted funds			30,423,994		24,795,871
Unrestricted income funds	19		1,220,568		820,407
			<u>31,644,562</u>		<u>25,616,278</u>
Total funds			<u>31,644,562</u>		<u>25,616,278</u>

The Financial Statements on pages 26 to 54 were approved by the trustees and authorised for issue on and are signed on their behalf by:

.....
P Urban
Trustee

Company registration number 07560175

THE MOUNTBATTEN SCHOOL

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	22	(2,178,487)		483,646	
Corporation tax paid		(3,773)		3,773	
		<u>(2,182,260)</u>		<u>487,419</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		2,846		1,516	
Capital grants from DfE Group		2,935,957		340,493	
Purchase of tangible fixed assets		(292,121)		(560,531)	
Purchase of investments		(501,886)		(1,095)	
		<u>2,144,796</u>		<u>(219,617)</u>	
Cash flows from financing activities					
Repayment of long term bank loan		(2,644)		(2,644)	
		<u>(2,644)</u>		<u>(2,644)</u>	
Net cash provided by/(used in) investing activities					
Net cash used in financing activities					
Net (decrease)/increase in cash and cash equivalents in the reporting period			(40,108)		265,158
Cash and cash equivalents at beginning of the year			1,436,738		1,171,580
Cash and cash equivalents at end of the year			<u>1,396,630</u>		<u>1,436,738</u>

THE MOUNTBATTEN SCHOOL

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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements 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.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

Other income

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

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item 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 that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	50 years
Assets under construction	not depreciated
Fixtures, fittings & equipment	3-5 years
Motor vehicles	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.

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

1.6 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.

1.7 Leased assets

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

1.8 Investments

The investment in the subsidiary is valued at cost less provision for impairment in the academy's balance sheet.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets and the liabilities are held separately from those of the Academy Trust.

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

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

1.13 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	2,935,957	2,935,957	340,493
Other donations	1,491	-	1,491	748
	<u>1,491</u>	<u>2,935,957</u>	<u>2,937,448</u>	<u>341,241</u>

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	7,797,600	7,797,600	7,120,000
Other DfE/ESFA grants:				
- Pupil premium	-	222,164	222,164	188,736
- Others	-	155,086	155,086	453,327
	<u>-</u>	<u>8,174,850</u>	<u>8,174,850</u>	<u>7,762,063</u>
Other government grants				
Local authority grants	-	122,133	122,133	96,172
Special educational projects	-	-	-	53,510
	<u>-</u>	<u>122,133</u>	<u>122,133</u>	<u>149,682</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	174,233
Other DfE/ESFA COVID-19 funding	-	62,385	62,385	-
Non-DfE/ESFA				
Other COVID-19 funding	-	22,325	22,325	-
	<u>-</u>	<u>84,710</u>	<u>84,710</u>	<u>174,233</u>
Other funding				
Other incoming resources	215,086	75,695	290,781	67,486
	<u>215,086</u>	<u>8,457,388</u>	<u>8,672,474</u>	<u>8,153,464</u>
Total funding	<u>215,086</u>	<u>8,457,388</u>	<u>8,672,474</u>	<u>8,153,464</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Academy Trust's charitable activities (Continued)

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

- The funding received for coronavirus exceptional support covers £22,325 which relates to Vaccination and Mass testing costs that are included in notes 7 and 8 below as appropriate.
- The funding received for coronavirus exceptional support covers £62,384 which relates to Recovery Premium and Tutoring costs that are included in notes 7 and 8 below as appropriate.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from facilities and services	147,327	-	147,327	112,751
Other income - revenue	44,812	-	44,812	5,657
Trading subsidiary income	2,196,371	-	2,196,371	1,866,465
	<u>2,388,510</u>	<u>-</u>	<u>2,388,510</u>	<u>1,984,873</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	2,846	-	2,846	1,516
	<u>2,846</u>	<u>-</u>	<u>2,846</u>	<u>1,516</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	963,787	1,074	600,314	1,565,175	1,361,864
Academy's educational operations					
- Direct costs	5,878,703	467,610	785,536	7,131,849	6,632,443
- Allocated support costs	1,446,085	980,087	646,742	3,072,914	2,255,748
Taxation	-	-	-	-	3,773
	<u>8,288,575</u>	<u>1,448,771</u>	<u>2,032,592</u>	<u>11,769,938</u>	<u>10,253,828</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7	Expenditure	(Continued)			
	Net income/(expenditure) for the year includes:	2022	2021		
		£	£		
	Fees payable to auditor for:				
	- Audit	7,500	7,650		
	- Other services	5,550	3,850		
	- Audit of trading subsidiary	5,870	4,120		
	Operating lease rentals	8,083	17,055		
	Depreciation of tangible fixed assets	585,587	557,694		
	Net interest on defined benefit pension liability	64,000	60,000		
		<u> </u>	<u> </u>		
8	Charitable activities	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
	Direct costs				
	Educational operations	587,541	6,544,308	7,131,849	6,632,443
	Support costs				
	Educational operations	-	3,072,914	3,072,914	2,255,748
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		587,541	9,617,222	10,204,763	8,888,191
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Analysis of costs			2022	2021
				£	£
	Direct costs				
	Teaching and educational support staff costs			5,878,703	5,659,804
	Staff development			20,639	13,768
	Depreciation			467,610	537,306
	Technology costs			35,764	66,724
	Educational supplies and services			260,536	161,363
	Examination fees			97,169	99,384
	Educational consultancy			100,708	51,583
	Other direct costs			270,720	42,511
				<u> </u>	<u> </u>
				7,131,849	6,632,443
				<u> </u>	<u> </u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8	Charitable activities	(Continued)	
	Support costs		
	Support staff costs	1,059,085	950,169
	Defined benefit pension scheme - staff costs (FRS102 adjustment)	387,000	312,000
	Staff development	10,453	-
	Depreciation	116,903	-
	Technology costs	138,515	103,926
	Maintenance of premises and equipment	446,626	221,598
	Cleaning	158,338	151,309
	Energy costs	149,440	104,979
	Rent, rates and other occupancy costs	82,737	74,370
	Insurance	24,769	42,174
	Security and transport	25,057	13,326
	Catering	(895)	75,610
	Defined benefit pension scheme - finance costs (FRS102 adjustment)	64,000	60,000
	Legal costs	4,616	6,208
	Other support costs	360,437	122,538
	Governance costs	45,833	17,541
		<u>3,072,914</u>	<u>2,255,748</u>
9	Staff		
	Staff costs		
	Staff costs during the year for the Group were:	2022	2021
		£	£
	Wages and salaries	6,173,404	5,815,297
	Social security costs	558,996	552,184
	Pension costs	1,116,199	1,079,917
	Defined benefit pension scheme – staff costs (FRS102 adjustment)	387,000	312,000
	Staff costs - employees	8,235,599	7,759,398
	Agency staff costs	52,976	11,332
	Total staff expenditure	8,288,575	7,770,730
	Staff costs		
	Staff costs during the year for the Academy were:	2022	2021
		£	£
	Wages and salaries	4,785,040	5,035,191
	Social security costs	502,628	509,055
	Pension costs	1,095,195	1,054,395
	Defined benefit pension scheme – staff costs (FRS102 adjustment)	387,000	312,000
	Staff costs - employees	6,769,863	6,910,641
	Agency staff costs	52,976	11,332
	Total staff expenditure	6,822,839	6,921,973

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff (Continued)

Staff numbers

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

	2022 Number	2021 Number
Teachers	92	94
Administration and support	85	137
Management	10	8
	<u>187</u>	<u>239</u>

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

	2022 Number	2021 Number
Teachers	75	-
Administration and support	66	-
Management	10	-
	<u>151</u>	<u>-</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	3	1
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£150,001 - £160,000	1	1
	<u>10</u>	<u>8</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,000,877 (2021: £949,551).

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

Heather McIlroy

- Remuneration: £160,000 - £165,000 (2021: £160,000 - £165,000)
- Employer's pension contributions: £nil (2021: £nil)

Christopher Goodrich (resigned 06 October 2020)

- Remuneration: not appointed (2021: £50,000 - £55,000)
- Employer's pension contributions: not appointed (2021: £10,000 - £15,000)

Gavin Rumsey (resigned 06 October 2020)

- Remuneration: not appointed (2021: £50,000 - £55,000)
- Employer's pension contributions: not appointed (2021: £10,000 - £15,000)

Charlie Fisher (resigned 06 October 2020)

- Remuneration: not appointed (2021: £50,000 - £55,000)
- Employer's pension contributions: not appointed (2021: £10,000 - £15,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £nil (2021: £nil) were reimbursed or paid directly to 0 Trustees (2021: 0 Trustees).

11 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, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2022 is included in the total insurance cost.

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Tangible fixed assets - Group

	Leasehold land and buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2021	31,713,333	-	789,839	111,503	32,614,675
Additions	-	160,667	131,454	-	292,121
At 31 August 2022	31,713,333	160,667	921,293	111,503	32,906,796
Depreciation					
At 1 September 2021	4,246,917	-	633,515	109,412	4,989,844
Charge for the year	528,694	-	54,802	2,091	585,587
At 31 August 2022	4,775,611	-	688,317	111,503	5,575,431
Net book value					
At 31 August 2022	26,937,722	160,667	232,976	-	27,331,365
At 31 August 2021	27,466,416	-	156,324	2,091	27,624,831

Tangible fixed assets - Academy

	Leasehold land and buildings	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2021	31,713,333	-	676,108	35,535	32,424,976
Additions	-	160,667	131,454	-	292,121
At 31 August 2022	31,713,333	160,667	807,562	35,535	32,717,097
Depreciation					
At 1 September 2021	4,246,917	-	520,856	33,444	4,801,217
Charge for the year	528,694	-	53,728	2,091	584,513
At 31 August 2022	4,775,611	-	574,584	35,535	5,385,730
Net book value					
At 31 August 2022	26,937,722	160,667	232,978	-	27,331,367
At 31 August 2021	27,466,416	-	155,252	2,091	27,623,759

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Fixed asset investments

Historical cost:

At 31 August 2022	1
	<u> </u>
At 31 August 2021	1
	<u> </u>

Holdings of more than 20%

The Academy Trust holds more than 20% of the share capital of the following undertakings:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Mountbatten School Services Limited	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves	Profit/(loss)
	£	£
Mountbatten School Services Limited	10,535	308,245
	<u> </u>	<u> </u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Stocks

2022
£

2021
£

Stock	2,439	3,479
-------	-------	-------

15 Debtors - Group

2022
£

2021
£

Trade debtors	15,168	11,189
VAT recoverable	154,398	101,976
Other debtors	16,273	31,415
Prepayments and accrued income	2,962,047	425,777
	<u>3,147,886</u>	<u>570,357</u>

Debtors - Academy

2022
£

2021
£

Trade debtors	1,576	471
Amounts owed by connected undertakings	487,069	532,694
VAT recoverable	152,147	101,976
Other debtors	16,273	8,140
Prepayments and accrued income	2,786,828	381,506
	<u>3,443,893</u>	<u>1,024,787</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due within one year - Group

	2022 £	2021 £
Government loans	2,644	2,644
Trade creditors	193,664	109,661
Corporation tax	-	3,773
Other taxation and social security	158,353	141,932
Other creditors	50,110	45,885
Accruals and deferred income	588,548	624,319
	<u>993,319</u>	<u>928,214</u>

Creditors: amounts falling due within one year - Academy

	2022 £	2021 £
Government loans	2,644	2,644
Trade creditors	124,916	78,336
Other taxation and social security	131,939	129,304
Other creditors	51,812	37,264
Accruals and deferred income	285,514	413,766
	<u>596,825</u>	<u>661,314</u>

17 Deferred income - Group

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	<u>252,191</u>	<u>316,176</u>
Deferred income at 1 September 2021	495,730	597,678
Released from previous years	(495,730)	(597,678)
Resources deferred in the year	<u>252,191</u>	<u>316,176</u>
Deferred income at 31 August 2022	<u><u>252,191</u></u>	<u><u>316,176</u></u>

Deferred income at 31 August 2022 includes amounts paid in advance of £73k for trips, £14k of lottery funding, £30k of other tuition, £109k of NCS, £19k of lettings and £7k for other activities.

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17	Deferred income - Academy	(Continued)	
		2022	2021
		£	£
	Deferred income is included within:		
	Creditors due within one year	117,283	279,063
		<u> </u>	<u> </u>
	Deferred income at 1 September 2021	279,063	256,889
	Released from previous years	(279,063)	(256,889)
	Resources deferred in the year	117,283	279,063
		<u> </u>	<u> </u>
	Deferred income at 31 August 2022	<u>117,283</u>	<u>279,063</u>
18	Creditors: amounts falling due after more than one year - Group		
		2022	2021
		£	£
	Government loans	11,160	13,804
		<u> </u>	<u> </u>
	Analysis of loans	2022	2021
		£	£
	Wholly repayable within five years	13,804	16,448
	Less: included in current liabilities	(2,644)	(2,644)
		<u> </u>	<u> </u>
	Amounts included above	11,160	13,804
		<u> </u>	<u> </u>
	Loan maturity		
	Debt due in one year or less	2,644	2,644
	Due in more than one year but not more than two years	2,644	2,644
	Due in more than two years but not more than five years	7,932	7,932
	Due in more than five years	584	3,228
		<u> </u>	<u> </u>
		13,804	16,448
		<u> </u>	<u> </u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Creditors: amounts falling due after more than one year - Academy	(Continued)	
	2022 £	2021 £
Government loans	11,160	13,804
	<u>11,160</u>	<u>13,804</u>
	2022	2021
	£	£
Analysis of loans		
Wholly repayable within five years	13,804	16,448
Less: included in current liabilities	(2,644)	(2,644)
	<u>11,160</u>	<u>13,804</u>
Amounts included above	<u>11,160</u>	<u>13,804</u>
Loan maturity		
Debt due in one year or less	2,644	2,644
Due in more than one year but not more than two years	2,644	2,644
Due in more than two years but not more than five years	7,932	7,932
Due in more than five years	584	3,228
	<u>13,804</u>	<u>16,448</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	124,321	7,797,600	(7,921,921)	-	-
Pupil premium	-	222,164	(222,164)	-	-
Other DfE/ESFA COVID-19 funding	-	62,385	(62,385)	-	-
Other Coronavirus funding	-	22,325	(22,325)	-	-
Other DfE/ESFA grants	-	155,086	(155,086)	-	-
Other government grants	-	122,133	(122,133)	-	-
Other restricted funds	-	75,695	(75,695)	-	-
Pension reserve	(3,844,000)	-	(451,000)	3,827,000	(468,000)
	<u>(3,719,679)</u>	<u>8,457,388</u>	<u>(9,032,709)</u>	<u>3,827,000</u>	<u>(468,000)</u>
Restricted fixed asset funds					
Inherited on conversion	20,434,652	-	(369,513)	-	20,065,139
DfE group capital grants and expenditure from GAG and other funds	7,189,107	2,935,957	(201,074)	-	9,923,990
Sinking fund - unspent	175,000	-	(54,494)	25,000	145,506
Sinking fund - asset	-	54,494	-	-	54,494
Designated projects - unspent	716,791	-	(76,960)	-	639,831
Designated projects - asset	-	76,960	(15,000)	-	61,960
	<u>28,515,550</u>	<u>3,067,411</u>	<u>(717,041)</u>	<u>25,000</u>	<u>30,890,920</u>
Total restricted funds	<u>24,795,871</u>	<u>11,524,799</u>	<u>(9,749,750)</u>	<u>3,852,000</u>	<u>30,422,920</u>
Unrestricted funds					
General funds	820,679	2,309,950	(2,151,642)	(25,000)	953,987
Designated projects	-	297,983	-	-	297,983
	<u>820,679</u>	<u>2,607,933</u>	<u>(2,151,642)</u>	<u>(25,000)</u>	<u>1,251,970</u>
Total funds	<u>25,616,550</u>	<u>14,132,732</u>	<u>(11,901,392)</u>	<u>3,827,000</u>	<u>31,674,890</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Funds

(Continued)

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. All restricted funds are available to be spent for the purposes for which the funds were received.

The Pension Reserve deficit represents the Academy Trust's share of the LGPS pension fund deficit, as valued by the scheme's actuaries. This will be eliminated over the long term, following advice from the actuaries as to contribution rates.

The Restricted Fixed Asset Fund represents the net book value of fixed assets plus the unspent element of Capital funds, less Capital Loans. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustees, to support any of the Academy's charitable purposes.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	7,120,000	(6,995,679)	-	124,321
Pupil premium	-	188,736	(188,736)	-	-
Catch-up premium	-	174,233	(174,233)	-	-
Other DfE/ESFA grants	-	453,327	(453,327)	-	-
Other government grants	14,068	149,682	(163,750)	-	-
Pension reserve	(3,593,000)	-	(372,000)	121,000	(3,844,000)
	<u>(3,578,932)</u>	<u>8,085,978</u>	<u>(8,347,725)</u>	<u>121,000</u>	<u>(3,719,679)</u>
Restricted fixed asset funds					
DfE group capital grants	27,600,534	340,493	(537,306)	220,038	27,623,759
Sinking fund - unspent	150,000	-	-	25,000	175,000
Designated projects - unspent	-	-	-	716,791	716,791
	<u>27,750,534</u>	<u>340,493</u>	<u>(537,306)</u>	<u>961,829</u>	<u>28,515,550</u>
Total restricted funds	<u>24,171,602</u>	<u>8,426,471</u>	<u>(8,885,031)</u>	<u>1,082,829</u>	<u>24,795,871</u>
Unrestricted funds					
General funds	<u>1,096,682</u>	<u>2,054,623</u>	<u>(1,368,797)</u>	<u>(961,829)</u>	<u>820,679</u>
Total funds	<u>25,268,284</u>	<u>10,481,094</u>	<u>(10,253,828)</u>	<u>121,000</u>	<u>25,616,550</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	27,331,365	27,331,365
Current assets	1,668,259	588,190	3,559,555	5,816,004
Current liabilities	(416,289)	(577,030)	-	(993,319)
Non-current liabilities	-	(11,160)	-	(11,160)
Pension scheme liability	-	(468,000)	-	(468,000)
Total net assets	1,251,970	(468,000)	30,890,920	31,674,890

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	1,072	-	27,623,759	27,624,831
Current assets	1,054,545	831,401	891,791	2,777,737
Current liabilities	(234,938)	(693,276)	-	(928,214)
Non-current liabilities	-	(13,804)	-	(13,804)
Pension scheme liability	-	(3,844,000)	-	(3,844,000)
Total net assets	820,679	(3,719,679)	28,515,550	25,616,550

21 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire 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 that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

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% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £ 892,741 (2021: £847,731).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2022 £	2021 £
Employer's contributions	203,000	197,000
Employees' contributions	67,000	64,000
Total contributions	<u>270,000</u>	<u>261,000</u>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.70	3.70
Rate of increase for pensions in payment/inflation	2.70	3.70
Discount rate for scheme liabilities	4.10	1.70
CPI inflation	2.70	2.70

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	22.9	23.1
- Females	25.4	25.5
Retiring in 20 years		
- Males	24.7	24.8
- Females	27.1	27.3

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

	2022 £	2021 £
Discount rate + 0.1%	6,243,000	
Discount rate - 0.1%	6,537,000	
Mortality assumption + 1 year	6,563,000	
Mortality assumption - 1 year	6,217,000	
Salary rate +0.1%	6,403,000	
Salary rate -0.1%	6,377,000	
Pensions rate +0.1%	6,524,000	
Pensions rate -0.1%	6,262,000	

Defined benefit pension scheme net liability	2022 £	2021 £
Scheme assets	5,922,000	6,149,000
Scheme obligations	(6,390,000)	(9,993,000)
Net liability	(468,000)	(3,844,000)

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2022 Fair value £	2021 Fair value £
Equities	3,429,000	3,530,000
Government bonds	900,000	-
Gilts	-	1,113,000
Cash	53,000	43,000
Property	462,000	375,000
Other assets	1,078,000	1,088,000
	<hr/>	<hr/>
Total market value of assets	5,922,000	6,149,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £(457,000) (2021: £950,000).

Amount recognised in the statement of financial activities	2022 £	2021 £
Current service cost	590,000	509,000
Interest income	(106,000)	(87,000)
Interest cost	170,000	147,000
	<hr/>	<hr/>
Total operating charge	654,000	569,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of defined benefit obligations	2022 £
At 1 September 2021	9,993,000
Current service cost	590,000
Interest cost	170,000
Employee contributions	67,000
Actuarial (gain)/loss	(4,390,000)
Benefits paid	(40,000)
	<hr/>
At 31 August 2022	6,390,000
	<hr/> <hr/>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2022 £
At 1 September 2021	6,149,000
Interest income	106,000
Actuarial loss/(gain)	(563,000)
Employer contributions	203,000
Employee contributions	67,000
Benefits paid	(40,000)
	<hr/>
At 31 August 2022	5,922,000
	<hr/> <hr/>

22 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
	Notes	
Net income for the reporting period (as per the statement of financial activities)	2,231,340	227,266
Adjusted for:		
Capital grants from DfE and other capital income	(2,935,957)	(340,493)
Investment income receivable	6 (2,846)	(1,516)
Defined benefit pension costs less contributions payable	21 387,000	312,000
Defined benefit pension scheme finance cost	21 64,000	60,000
Depreciation of tangible fixed assets	585,587	557,694
Decrease in stocks	1,040	-
(Increase) in debtors	(2,577,529)	(382,171)
Increase in creditors	68,878	50,866
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(2,178,487)	483,646
	<hr/> <hr/>	<hr/> <hr/>

23 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,436,738	(40,108)	1,396,630
Loans falling due within one year	(2,644)	-	(2,644)
Loans falling due after more than one year	(13,804)	2,644	(11,160)
	<hr/>	<hr/>	<hr/>
	1,420,290	(37,464)	1,382,826
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE MOUNTBATTEN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

24 Long-term commitments

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	9,041	46,405
Amounts due in two and five years	34,476	26,468
Amounts due after five years	-	3,761
	<u>43,517</u>	<u>76,634</u>

25 Capital commitments

	2022 £	2021 £
Expenditure contracted for but not provided in the Financial Statements	176,000	-
	<u>176,000</u>	<u>-</u>

At 31 August 2022 the Trust was committed to completing a project to replace the boiler and heating system with total expected costs of £290k funded by CIF grant. Grant income was received in the current year of £337k with costs incurred of £161k at 31 August 2022.

26 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period.

Youth in Romsey – a company in which Mrs Jane Elspeth Christine THOMPSON (a trustee) is a director. The academy trust purchased counselling services from Youth in Romsey amounting to £17,778 (2021: £nil) during the current year.

27 Members' liability

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