

Company Registration Number: 10221189 (England & Wales)

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Antony Knight Ms Carol White Ms Dawn Whiteley MBE Mr Timonthy Wilkes Mr Julius Cameron O'Dor (Resigned 20 December 2021)
Trustees	Ms Susan White, Chair of Trustees (resigned 20 July 2022) Ms Dawn Whiteley MBE, Vice Chair Ms Jayne Marion Copley, Chief Executive Officer (appointed 1 May 2022) Ms Ann Andrew, Chief Executive Officer (appointed 1 January 2022, resigned 30 April 2022) Ms Amanda Costello, Chief Executive Officer (resigned 31 December 2021) Ms Airam Neesa Mr Iain Gray Ms Til Wright (appointed 30 November 2021) Mr David Wilkinson (resigned 6 January 2022) Ms Emily Perry (resigned 20 July 2022) Ms Joan Haines, Chair of Trustees (from 15 September 2022) (resigned 7 December 2022) Ms Linda Mary O'Neill (resigned 30 September 2021) Mr Steve Hodsmen, Chair of Trustees (from 12 December 2022) (appointed 12 December 2022)
Company registered number	10221189
Company name	Interaction and Communication Academy Trust Limited
Principal and registered office	Castle Hill School Newsome Road South Huddersfield West Yorkshire HD4 6JL
Chief executive officer	Jayne Marion Copley (also known as Jayne Clarke)
Senior management team	Jayne Marion Copley (also known as Jayne Clarke), Chief Executive Officer Amanda Jane Rawson, Chief Financial Officer Nicola Roys, Director of Operations Andrew Greg Firth, Director of IT Steven Perren, Principal of Castle Hill School Ann Andrew, Principal of High Park School
Bankers	Lloyds Bank plc 1 Westgate Huddersfield HD1 2DN

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors Harrison Clark Rickerby Limited
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Trustees of Interaction and Communication Academy Trust Limited are also the directors of the charitable company for the purposes of company law.

The charitable company is known as .

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- up to 9 Trustees who are appointed by the Members;
- any number of parent Trustees who are elected by parents of registered pupils at the Academy Trust.
- The Articles require at least two parent trustees if there are not at least two parent governors on each Local Governing Body. Currently each LGB has one parent governor, each school is in the process of recruiting 1 new parent governor to their Local Governing Body
- any number of staff Trustees appointed by the Members (provided that the total number of Trustees, including the Chief Executive, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees);
- any number of co-opted Trustees who are appointed by the Board of Trustees; and
- the Chief Executive 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 Chief Executive Officer who will be appointed on an Ex-Officio basis. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

An annual skills audit of trustees is undertaken. When appointing new Trustees, the Board of Trustees considers the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, statutory governance information and other any other documentation they may need to undertake their role as a Trustee.

An induction is provided by the Director of Operations and is specifically tailored to the individual. Advantage is taken of relevant courses offered by various external and online organisations as appropriate.

The Chair of Directors meets annually with each Trustee to discuss training and development. The outcomes inform an annual development programme which includes training sessions prior to each full Board meeting. A Trustee information pack has been developed and has been shared with all new Trustees as well as existing Trustees. The information pack includes links to relevant websites, ICAT specific information and all the legal documentation required to fulfil the duties of a Trustee.

Trustees can also take advantage of full access to the National Governors Association website, CST updates and courses, The Key for Governors and Educare which is an E-Provider of education related modules. Directors are asked to complete the Safeguarding, Prevent Duty Health and Safety, and Child Protection Refresher modules as a minimum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Organisational structure

At 31st August 2022, the Academy Trust comprised the following individual academies:

- Castle Hill School (joined on 1st September 2016)
- High Park School (joined on 1st April 2017)
- Milton School (joined on 1st March 2018)

There is no specific catchment area, all 3 schools take pupils from their own authority and neighbouring authorities as places as allocated by the authority and not the academies themselves.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet 4 times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 3 committees of the Board of Trustees as follows:

- Resource, Audit and Risk Committee
- Academic and Safeguarding Committee
- Remuneration Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure
- to appoint or remove the Chair and/or Vice Chair
- to appoint and/or consider the performance management of the Senior Management Team including the CEO and ICAT Central Team

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Management Team ('SMT'), which is led by the Chief Executive. The SMT comprises the Chief Executive and the Central ICAT Team; the Trust Director of Finance, the Trust Director of Operations, the Trust IT Lead. The Chief Executive Officer is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The SMT implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates several functions to the Local Governing Bodies ('LGB') for each of the Trust's Academies. Each LGB reviews annual Academy Trust plans and budgets, monitors progress against targets and OFSTED standards and oversees parent and community liaison.

The Trust has a strict Scheme of Delegation that determine the above delegated powers.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Senior Management Team as the staff who are in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee has received any remuneration.

The pay of the Chief Executive is reviewed annually by the Board of Trustees based on the annual performance management process for the Chief Executive and in line with the Trust's pay policy, which references the set point scale for the role as outlined in the CEO contract. An annual performance management review is undertaken by 2 Trustees, who also review the CEO's remuneration levels and make recommendations to the remuneration committee who then refer to the Board of Trustees for approval.

The pay of the ICAT Central Team is reviewed annually by the Board of Trustees based on the annual performance management process and in line with the Trust's pay policy. An annual performance management review is undertaken by the CEO and Chair of Trustees, who also review the team's remuneration levels and make recommendations to the Board of Trustees for approval.

The pay of the Principals is reviewed annually by the Board of Trustees based on the annual performance management process and in line with the Trust's pay policy, which references the set point scale for the role as outlined in the respective contracts. An annual performance management review is undertaken by the CEO, Chair of the LGB and one other member, who also review the Principals remuneration levels and make recommendations to the Board of Trustees for approval.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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h. Related parties and other connected charities and organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Interaction & Communication Academy Trust.

i. Engagement with employees (including disabled persons)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance. During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of the areas in which the Academies are situated and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

More specifically, the vision and aims of the academy trust, during the period ended 31 August 2022, are summarised below:

The Multi Academy Trust has been developed to share our ideas, strengths and expertise to provide the best possible learning opportunities for all our pupils. We can extend our networks for all our children and families and collectively offer a wide range of opportunities.

- provide an atmosphere where all young people achieve to their full potential
- respect, trust and value ourselves and each other
- aim for our personal best and share in our successes
- hear every voice
- see change as a chance to grow
- make learning fun
- promote a climate of high expectation in which the achievements and successes are celebrated
- ensure pupils have a voice in all aspects of school life
- prepare our pupils for adulthood in order for them to become caring, confident and responsible citizens in the community

ICAT specialises in meeting the educational needs of children and young people aged 3-19 with a range of learning difficulties. We are a family of schools who are led by our Trust Members and Board of Directors, to blend the best educational and therapeutic practice. Our team approach ensures we work closely with families, carers and a wide multi-professional team to identify and meet all the needs of our young people.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trust's Development Plan which is available from the CEO.

The key activities of the Academy Trust for the year ended 31 August 2022 were focused as follows:

- develop a strategic and operational Covid-19 recovery plan for the trust and its schools to ensure a continuum of education for its pupils
- develop a robust living with Covid-19 strategy
- successful harmonization and implementation of HR policies across the Trust
- robust HR processes bringing significant changes across the Trust
- enhanced recruitment and retention processes to ensure quality appointments
- develop and enhance the learning environment at Milton School through SEND Sufficiency and CIF bid funding
- develop a project team to design and construct an Eco-Build at Castle Hill School to support and promote provision and learning opportunities
- work collaboratively across the Trust to share best practice to support outcomes for pupils

Previous Covid-19 restrictions left legacy issues with projects such as delays on materials for building projects and restricting face-to-face meetings causing some delays to projects. However, several projects and improvement priorities are now significantly underway.

Despite the pandemic making network challenging, the growth of the Trust and new network links have since been refocused as a priority.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in the areas where the Academies are situated, and the surrounding areas, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 6th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2022 was 388, this is increasing year on year due to demand for places across the Trust.

The Academy Trust is committed to continual improvement, which is achieved in several ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

- The Trust successfully appointed an experienced CEO
- The Trust successfully bid for and received funding to significantly upgrade fire safety throughout Milton school, initial works were completed during the 2022 Summer break. In addition, the school have received funding to upgrade safeguarding features to the front of the school. Planning permission has been sought and the project will take place in the next academic year.
- Works started on the ReWorks project at Castle Hill School, the project will be used as a work-based learning environment for post-16 pupils. The project is due to be completed in December 2022.

a. Key performance indicators

The Academy Trust uses several benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the number of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £1,935,397, (2021: £1,936,008). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The total number of pupils during the year ended 31 August 2022 were 388, which is an increase from the previous year.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 95.3% (2021: 83.6%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 97.3% (2021: 84.6%).

b. 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 within the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, working with external bodies/agencies to support our pupils.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations. The EcoBuild Recycling Unit at Castle Hill School is an example of the Trust's commitment. The Trust has also committed to an Estates Management Strategy which includes plans to reduce the Trust and its schools emissions.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders.

The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

Our people

The Academy Trust's key asset is its people. It employs over 330 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Our Members

The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards. They receive regular communications from the Trust, including the central team and the Chair of Directors. They attend the AGM and are invited to Trust events as appropriate.

Maintaining a reputation for high standards

The Academy Trust has been in existence for 6 years, and is committed to continual improvement, which it achieves in several ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including developing new partnerships with schools, adding Early Years provision at Milton School, and further improving relationships with our suppliers.

The information in the "Achievements and Performance" section of the Trustees' report above provide details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

Financial review

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants and the net assets transferred on conversion / net assets transferred from academies joining the Trust in the year) was £10,638,480 (2021: £10,083,153) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £10,259,466 (2021: £9,470,784), resulting in a net operating surplus / deficit for the year of £379,014 (2021: £612,369).

This deficit, which had been expected by the Trustees due to [insert particular reasons if applicable], has been funded from the Academy Trust's reserves. The balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £1,935,397 (2021: £1,936,608).

The net book value of fixed assets at 31 August 2022 were £14,456,750. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £1,904,000 (2021: £11,333,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 27 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, CEO, Senior Management Team, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Gifts and Hospitality, Expenses, Charging, Fixed Asset & Depreciation Policy, Pay and Fraud and Corruption.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of operating reserves should aim to be approximately 5% of the overall income. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of operating reserves at 31 August 2022 is £1,935,397 (2021: £1,936,008), which is made up of restricted income reserves of £727,164 (2021: £1,167,787) and unrestricted funds of £1,208,233 (2021: £768,221).

Although the current level of operating reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development of the Multi-Academy Trust, including the need to retain key staff in light of the increasing cost pressures in future years and the need to fund ongoing capital projects and developments.

The value of the restricted fixed asset fund at 31 August 2022 is £14,515,451 (2021: £14,468,935), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2022 of £1,904,000, which represents the deficit in the LGPS at the balance sheet date. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £500,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community. The Trust school have seen a year-on-year increase in pupil numbers and the Trust believes that pupil numbers will not decrease from the current figures due to the specialist provision offered and the high need for SEN places in each authority.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Leadership

A key area of uncertainty has been the long-term absence, and resignation of the Chief Executive Officer and Principal of Milton School. In mitigation the Trust made immediate interim acting up arrangements and drew on the expertise of staff across the Trust to ensure the high standards of education and support were maintained. Following the resignation of the former Chief Executive Officer in December 2021, the Trust recruited and appointed an experienced senior leader with significant education experience.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and Local Authority. In the year, approximately 98% of the Academy Trust's income excluding amounts transferred on conversion from the Local Authority or amounts transferred from other academies joining the Trust was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Schemes, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Chair of Directors examines the financial health of the Academy Trust formally every month and the Resource, Audit and Risk Committee meet 4 times a year, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee

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TRUSTEES' REPORT (CONTINUED)
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meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Staffing

The success of the Academy Trust is reliant on the quality of its staff, so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. A Continuous Development policy has recently been formulated for the Trust ensuring oversight of all professional development opportunities.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds. The Trust Board has an annual training programme with statutory training requirements to ensure compliance with statutory obligations. The Trustees regularly review their effectiveness to ensure they are fulfilling their duties and there are no skill gaps across the Board. Due to recent resignations at the end of the academic year, the Trust are in the process of replacing lost expertise.

Due to concerns raised during a Trust directed governance review, Milton school's Local Governing Body was disbanded in May 2022 and was replaced by an Academy Improvement Board (AIB). The AIB members have been selected by the Trust team based on their vast skills and experience to ensure rapid school improvement.

However, Milton School has recently received an Inadequate judgement by Ofsted. Whilst the Board appreciate that the Ofsted outcome is disappointing considerable work has taken place to address the weaknesses identified. Both Jayne Clarke, CEO and Jill Walker, Principal at Milton school were appointed recognising the improvements that need to be made and have both worked tirelessly since their appointments in May and September respectively to ensure rapid school improvement. Much work and interventions have taken place at Milton to improve the areas of development.

Fraud and mismanagement of funds

The Academy Trust has engaged Moorlands Learning Trust to perform a program of internal work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents and no professional fundraisers or commercial participators work with the Trust currently.

Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities and the general complaints policy of the Trust would be applicable if so.

However, Covid-19 has significantly impacted on the Trust's ability to fundraise and host fundraising events. Therefore, fundraising has been limited during 2021-22.

Plans for future periods

The Academy Trust's plans for future periods are:

The ICAT Trust strives to continually improve levels of attainment for all pupils, equipping them with the skills and/or qualifications necessary for adulthood. Our aim is for each pupil to achieve their full potential and be prepared for the next stage in their life, whether that be further education, employment, or care in the community. This is achieved through rigorous quality assurance of teaching and learning, underpinned by continuous staff development.

The Trust has recently developed a new Strategic Plan 2021/24 which sets out the Trust's key objectives and priorities for the next three years. Our experience over the last three years shows only a modest appetite from special schools to join Multi Academy Trusts such as ours. Whilst we remain open to applications to join the Trust, our main areas of growth will be through the development of new business partnerships and alliances with schools which have high numbers of SEND pupils. The Trust will continue to promote and develop the work of the Pennine Teaching School both locally and nationally. We will focus on our key strength which is our expertise in SEND.

The Trust has set ambitious targets within the Strategic Plan 2021/24, for the academic attainment and progress of pupils attending the Trust Schools. These targets will be measured against key performance indicators. In addition, improvement plans will be in place to drive school improvement across the Trust.

The Trust has also worked hard through School Condition surveys to develop a robust and meaningful 5-year estates plan.

Following the easing of Covid-19 restrictions and the recruitment of a new CEO, the Trust has refocused its efforts on Trust growth.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

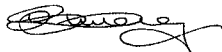
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

Cooper Parry Group Limited resigned as auditors during the year and Sagars Accountants Limited were appointed in their place. Sagars Accountants Limited have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



Ms Dawn Whiteley MBE
Trustee

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Ms Susan White, Chair of Trustees	3	3
Ms Dawn Whiteley MBE, Vice Chair	6	6
Ms Jayne Marion Copley, Chief Executive Officer	6	6
Ms Ann Andrew, Chief Executive Officer	2	2
Ms Amanda Costello, Chief Executive Officer	0	0
Ms Airam Neesa	0	2
Mr Iain Gray	0	6
Ms Til Wright	5	6
Mr David Wilkinson	6	6
Ms Emily Perry	4	4
Ms Joan Haines, Chair of Trustees (from 15 September 2022)	0	2
Ms Linda Mary O'Neill	4	5
Mr Steve Hodsman, Chair of Trustees (from 12 December 2022)	0	0

Over the last year the composition of the Board of Trustees has changed in the following ways: Ann Andrew was appointed interim Accounting Officer on 1st January 2022, Jayne Clarke joined the Board as Accounting Officer on 1st May 2022, Til Wright joined the Board on 30th November 2021, Dawn Whiteley became interim Chair of Directors from 20th July 2022.

The Board of Trustees reviewed the Academy Trust's governance structure during the year to evaluate its impact and effectiveness, which was achieved through a governance focussed internal audit and DfE directed governance review. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Academy Trust.

The Board of Directors have maintained effective financial oversight and governance through the Full Board meetings and the formal work undertaken by the Resource, Audit and Risk Committee and the Academic and Safeguarding Committee as detailed further below. These are sub-Committees of the Board of Trustees and they met 3 times respectively during the year. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

Further informal meetings were regularly held with the Senior Management Team and members of the Board of Directors.

The Resource, Audit and Risk Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, risk, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance during the year at meetings was as follows:

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
Ann Andrew	2	2
Jayne Clarke	1	1
Dawn Whiteley	3	3
Sue White	2	2
Iain Gray	2	2
Airam Neesa	3	3

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic period, 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 value for money during the year by:

- Shared use of Director of Finance, Director of Operations and MAT IT Lead
- Continued development and implementation of a strong and sustainable Reserves Policy
- Combined purchasing
- Trust oversight and scrutiny of individual Academy finances

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 Interaction and Communication Academy Trust Limited for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 Resource, Audit and Risk Committee of reports which indicate financial

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Moorlands Learning Trust. Moorlands Learning Trust internal audit service disbanded during the 2021-22 academic year and the Trust appointed Clive Owen LLP auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current year included governance, finance and payroll.

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

The internal auditor has delivered their program of work during the year ended 31 August 2022 as planned. A number of internal control weaknesses were identified and the Trustees and management have developed an action plan to address the weaknesses and improve internal controls. The key remedial actions being undertaken by the Academy Trust are:

- further training provided to the relevant/key staff
- a review and implementation of all policies held across the Trust
- a more centralised approach to all governance

A final report has been created by Moorlands Learning Trust in July 2022, reviewing the progress of the identified development areas. The report found that the majority of the weaknesses had been or would shortly be resolved.

Review of effectiveness

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

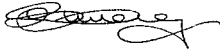
- the work of the ;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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



Dawn Whiteley MBE
Trustee



Jayne Clarke
Accounting Officer

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the ICAT I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material 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.

Jayne Clarke

Jayne Clarke
Accounting Officer
Date: 12 December 2022

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

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

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

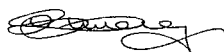
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Ms Dawn Whiteley MBE
12/12/2022

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the academy trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Accounts Direction and Academies Handbook issued by the Education & Skills Funding Agency, Companies Act 2006, together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the academy trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the academy trust for fraud.

The laws and regulations we considered in this context were Regulations from the Education & Skills Funding Agency and requirements from funders.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and donation income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing funding documents and carrying out detailed substantive testing on the completeness of income,

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED (CONTINUED)**

- reading minutes of meetings of those charged with governance; and
- reviewing any regulatory correspondence with the Education & Skills Funding Agency.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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

Susan Seaman

Susan Seaman BA, FCA, CIOT (Senior statutory auditor)

for and on behalf of
Sagars Accountants Limited

Statutory Auditor
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

12 December 2022

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated [enter date here] 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 Interaction and Communication Academy Trust Limited during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Interaction and Communication Academy Trust Limited's
accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Interaction and Communication Academy Trust Limited's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- Review of the systems and assessment of the design and operational effectiveness of the internal controls
- Detailed testing based on our assessment of risk of income and expenditure
- Making appropriate enquires of the Accounting Officer

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Sagars

Reporting Accountant
Sagars Accountants Limited

Statutory Auditor

Date: 12 December 2022

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	8,786	-	81,271	90,057	463,870
Investments	5	261	-	-	261	178
Charitable activities	4	430,965	10,024,676	-	10,455,641	9,848,574
Teaching schools		-	85,247	-	85,247	148,090
Total income		440,012	10,109,923	81,271	10,631,206	10,460,712
Expenditure on:						
Charitable activities	7	-	11,767,626	341,895	12,109,521	11,342,749
Teaching schools		-	99,840	-	99,840	127,440
Total expenditure		-	11,867,466	341,895	12,209,361	11,470,189
Net income/(expenditure)		440,012	(1,757,543)	(260,624)	(1,578,155)	(1,009,477)
Transfers between funds	19	-	(307,140)	307,140	-	-
Net movement in funds before other recognised gains/(losses)		440,012	(2,064,683)	46,516	(1,578,155)	(1,009,477)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	11,037,000	-	11,037,000	(585,000)
Net movement in funds		440,012	8,972,317	46,516	9,458,845	(1,594,477)
Reconciliation of funds:						
Total funds brought forward		768,221	(10,165,213)	14,468,935	5,071,943	6,666,420
Net movement in funds		440,012	8,972,317	46,516	9,458,845	(1,594,477)
Total funds carried forward		1,208,233	(1,192,896)	14,515,451	14,530,788	5,071,943

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

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

The notes on pages 37 to 66 form part of these financial statements.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 10221189

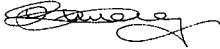
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	14,446,750	14,424,555
		<u>14,446,750</u>	<u>14,424,555</u>
Current assets			
Debtors	16	175,323	114,149
Cash at bank and in hand		2,400,028	1,954,220
		<u>2,575,351</u>	<u>2,068,369</u>
Creditors: amounts falling due within one year	17	(579,272)	(87,981)
Net current assets		<u>1,996,079</u>	<u>1,980,388</u>
Total assets less current liabilities		<u>16,442,829</u>	<u>16,404,943</u>
Creditors: amounts falling due after more than one year	18	(8,041)	-
Net assets excluding pension liability		<u>16,434,788</u>	<u>16,404,943</u>
Defined benefit pension scheme liability	27	(1,904,000)	(11,333,000)
Total net assets		<u><u>14,530,788</u></u>	<u><u>5,071,943</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	14,515,451	14,468,935
Restricted income funds	19	711,104	1,167,787
		<u>15,226,555</u>	<u>15,636,722</u>
Restricted funds excluding pension asset	19	15,226,555	15,636,722
Pension reserve	19	(1,904,000)	(11,333,000)
Total restricted funds	19	<u>13,322,555</u>	<u>4,303,722</u>
Unrestricted income funds	19	1,208,233	768,221
Total funds		<u><u>14,530,788</u></u>	<u><u>5,071,943</u></u>

The financial statements on pages 32 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 10221189

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022



Ms Dawn Whiteley MBE
Trustee
Date: 12 December 2022

The notes on pages 37 to 66 form part of these financial statements.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	729,475	720,494
Cash flows from investing activities	23	(282,558)	(214,826)
Cash flows from financing activities	22	(1,109)	10,250
Change in cash and cash equivalents in the year		445,808	515,918
Cash and cash equivalents at the beginning of the year		1,954,220	1,438,302
Cash and cash equivalents at the end of the year	24, 25	<u>2,400,028</u>	<u>1,954,220</u>

The notes on pages 37 to 66 form part of these financial statements

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 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 i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future 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.

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

1.4 Expenditure

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies (continued)

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line (land is over the 125 year lease period)
Furniture and equipment	-	10% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	15% reducing balance

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Agency arrangements

The Academy Trust acts as an agent in distributing the 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy trust does not have control over the charitable application of the funds. Further details of the transactions are set out in the agency arrangement note.

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 the funders where the asset acquired or created is held for a specific purpose.

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

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

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	8,786	-	-	8,786	436,409
Capital Grants	-	-	81,271	81,271	27,461
	<u>8,786</u>	<u>-</u>	<u>81,271</u>	<u>90,057</u>	<u>463,870</u>
<i>Total 2021</i>	<u>16,113</u>	<u>70,198</u>	<u>377,559</u>	<u>463,870</u>	

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,843,637	3,843,637	3,749,997
Other DfE/ESFA grants				
Pupil Premium	-	199,288	199,288	176,505
PE Sport Grant	-	49,450	49,450	49,470
Other DfE Group grants	-	119,793	119,793	11,327
	-	4,212,168	4,212,168	3,987,299
Other Government grants				
SEN Funding	-	5,480,179	5,480,179	5,220,023
Teachers pay and pension grant	-	324,926	324,926	251,075
Other Local Authority grants	-	4,146	4,146	-
	-	5,809,251	5,809,251	5,471,098
Other income from the Academy Trust's educational operations	430,965	1,277	432,242	262,914
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	102,615
Winter Support grant	-	1,980	1,980	1,528
	-	1,980	1,980	104,143
COVID-19 additional funding (non-DfE/ESFA)				
Mass testing grants	-	-	-	23,120
	-	-	-	23,120
	430,965	10,024,676	10,455,641	9,848,574
<i>Total 2021</i>	<i>119,148</i>	<i>9,729,426</i>	<i>9,848,574</i>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £nil (2021: £102,615) of funding for COVID catch-up premium and costs incurred in respect of this funding totalled £nil (2021: £86,694).

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	261	261	178

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational operations					
Direct costs	8,567,979	-	438,166	9,006,145	8,058,708
Allocated support costs	1,325,390	712,539	1,065,447	3,103,376	3,284,041
Teaching school	86,062	-	13,778	99,840	127,440
	<u>9,979,431</u>	<u>712,539</u>	<u>1,517,391</u>	<u>12,209,361</u>	<u>11,470,189</u>
<i>Total 2021</i>	<u>9,041,627</u>	<u>642,558</u>	<u>1,786,004</u>	<u>11,470,189</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	-	12,109,521	12,109,521	11,342,749
<i>Total 2021</i>	<u>173,196</u>	<u>11,169,553</u>	<u>11,342,749</u>	

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2022 £	Premises 2022 £	Other costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	9,893,369	341,895	1,874,257	12,109,521	11,342,749
<i>Total 2021</i>	<u>8,956,821</u>	<u>342,870</u>	<u>2,043,058</u>	<u>11,342,749</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	9,006,145	3,103,376	12,109,521	11,342,749
<i>Total 2021</i>	<u>8,058,708</u>	<u>3,284,041</u>	<u>11,342,749</u>	

Analysis of direct costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	8,567,978	8,567,978	7,760,412
Technology costs	2,803	2,803	79,886
Other costs	435,364	435,364	218,410
	<u>9,006,145</u>	<u>9,006,145</u>	<u>8,058,708</u>

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension finance costs	-	-	159,000
Staff costs	1,325,391	1,325,391	1,196,409
Depreciation	341,895	341,895	342,870
Technology costs	150,234	150,234	107,572
Premises costs	711,522	711,522	642,556
Other costs	568,700	568,700	342,073
Governance costs	5,634	5,634	23,026
Loss on disposal of fixed assets	-	-	470,535
	<u>3,103,376</u>	<u>3,103,376</u>	<u>3,284,041</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021 £</i>
Operating lease rentals	301,224	279,438
Depreciation of tangible fixed assets	341,895	342,870

10. Auditors' remuneration

	2022 £	<i>2021 £</i>
Fees payable to the Academy Trust's auditor for the audit of the Academy Trust's annual accounts	12,500	8,000
Fees payable to the Academy Trust's auditor in respect of: All non-audit services not included above	6,000	8,400

11. Staff

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
(A company limited by guarantee)

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

11. Staff (continued)

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	6,857,008	6,385,154
Social security costs	524,003	496,266
Pension costs	2,578,619	2,134,214
	<u>9,959,630</u>	<u>9,015,634</u>
Agency staff costs	10,334	7,470
Staff restructuring costs	9,467	18,523
	<u>9,979,431</u>	<u>9,041,627</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	9,467	18,523
	<u>9,467</u>	<u>18,523</u>

b. Severance payments

The Academy Trust paid 6 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	<u>6</u>

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

c. Staff numbers

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

	2022	2021
	No.	No.
Teachers	36	37
Administration and support	283	282
Management	21	23
	<u>340</u>	<u>342</u>

d. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

e. 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 employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £469,556 (2021 - £519,668).

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Central services

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

- School Improvement
- HR
- Finance
- IT

The Academy Trust charges for these services on the following basis:

For all full time pupil places, 8% of GAG income.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Castle Hill School	99,200	99,200
High Park School	91,200	91,200
Milton School	112,800	96,800
Total	303,200	287,200

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£	£
Ms Amanda Costello, Chief Executive Officer (resigned 31 December 2021)	Remuneration	25,000 - 30,000	90,000 - 95,000
	Pension contributions paid	5,000 - 10,000	20,000 - 25,000
Ms Ann Andrew, Chief Executive Officer (appointed 1 January 2022, resigned 30 April 2022)	Remuneration	25,000 - 30,000	
	Pension contributions paid	5,000 - 10,000	
Ms Jayne Marion Copley, Chief Executive Officer (appointed 1 May 2022)	Remuneration	20,000 - 25,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2022, travel expenses totalling £683 were reimbursed or paid directly to 2 Trustees (2021 - £58 to 1 Trustee).

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FOR THE YEAR ENDED 31 AUGUST 2022

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim (2021 - £10,000,000). It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	15,349,178	-	186,428	121,644	131,903	15,789,153
Additions	102,273	111,637	150,180	-	-	364,090
At 31 August 2022	<u>15,451,451</u>	<u>111,637</u>	<u>336,608</u>	<u>121,644</u>	<u>131,903</u>	<u>16,153,243</u>
Depreciation						
At 1 September 2021	1,195,495	-	61,403	64,023	43,677	1,364,598
Charge for the year	281,657	-	22,919	24,329	12,990	341,895
At 31 August 2022	<u>1,477,152</u>	<u>-</u>	<u>84,322</u>	<u>88,352</u>	<u>56,667</u>	<u>1,706,493</u>
Net book value						
At 31 August 2022	<u><u>13,974,299</u></u>	<u><u>111,637</u></u>	<u><u>252,286</u></u>	<u><u>33,292</u></u>	<u><u>75,236</u></u>	<u><u>14,446,750</u></u>
At 31 August 2021	<u><u>14,153,683</u></u>	<u><u>-</u></u>	<u><u>125,025</u></u>	<u><u>57,621</u></u>	<u><u>88,226</u></u>	<u><u>14,424,555</u></u>

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

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	22,973	4,685
Other debtors	82,798	48,413
Prepayments and accrued income	69,552	61,051
	175,323	114,149

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	1,100	10,250
Trade creditors	24,684	2,909
Other creditors	26,433	9,901
Accruals and deferred income	527,055	64,921
	579,272	87,981

Other loans is in relation to a CIF loan from the ESFA in respect of capital expenditure

	2022 £	2021 £
Deferred income at 1 September 2021	5,967	44,812
Resources deferred during the year	43,206	5,967
Amounts released from previous periods	(5,967)	(44,812)
	43,206	5,967

Deferred income relates to funding received in advance for universal Infant Free School Meals, which will be utilised during the year end 31 August 2023.

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

	2022 £	2021 £
Other loans	8,041	-

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FOR THE YEAR ENDED 31 AUGUST 2022

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

2022	2021
£	£

Other loans is in relation to a CIF loan from the ESFA in respect of capital expenditure.

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

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	768,221	440,012	-	-	-	1,208,233
Restricted general funds						
General Annual Grants (GAG)	914,914	3,843,637	(3,991,955)	(307,140)	-	459,456
Pupil Premium	-	199,288	(199,288)	-	-	-
PE Sports Grant	-	49,450	(49,450)	-	-	-
Other DfE/ ESFA grants	15,551	119,793	(106,425)	-	-	28,919
Teaching School	221,401	85,247	(99,840)	-	-	206,808
Other income	15,921	5,423	(5,423)	-	-	15,921
SEN funding	-	5,480,179	(5,480,179)	-	-	-
Teachers pay and pension grant	-	324,926	(324,926)	-	-	-
Other DfE/ESFA COVID grants	-	1,980	(1,980)	-	-	-
Pension reserve	(11,333,000)	-	(1,608,000)	-	11,037,000	(1,904,000)
	<u>(10,165,213)</u>	<u>10,109,923</u>	<u>(11,867,466)</u>	<u>(307,140)</u>	<u>11,037,000</u>	<u>(1,192,896)</u>
Restricted fixed asset funds						
Capital grants	44,380	81,271	-	(56,950)	-	68,701
Fixed assets	14,424,555	-	(341,895)	364,090	-	14,446,750
	<u>14,468,935</u>	<u>81,271</u>	<u>(341,895)</u>	<u>307,140</u>	<u>-</u>	<u>14,515,451</u>
Total Restricted funds	<u>4,303,722</u>	<u>10,191,194</u>	<u>(12,209,361)</u>	<u>-</u>	<u>11,037,000</u>	<u>13,322,555</u>
Total funds	<u><u>5,071,943</u></u>	<u><u>10,631,206</u></u>	<u><u>(12,209,361)</u></u>	<u><u>-</u></u>	<u><u>11,037,000</u></u>	<u><u>14,530,788</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with its funding agreement

Other DfE/ESFA grants, which include UIFSM grants, Free School Meals grants, PE Sport grants, all Local Authority funding, all DfE/ESFA COVID related funding and all other COVID relating funding are all used in accordance with the restrictions of the individual grants or funding which are all for the provision of the education to pupils of the Academy Trust.

Teaching Schools funding are provided for the Teaching School activities undertaken by the Castle Hill School.

Other restricted income and donations are all used in accordance with the specific restrictions of the individual funding and donations provided.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

The pension reserve represents the Local Government Pension Scheme deficit.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	662,083	135,439	(14,196)	(15,105)	-	768,221
Restricted general funds						
General Annual Grants (GAG)	506,793	3,749,997	(3,277,781)	(64,095)	-	914,914
Pupil Premium	-	176,505	(176,505)	-	-	-
PE Sports Grant	-	49,470	(49,470)	-	-	-
Other DfE/ ESFA grants	15,551	11,327	(11,327)	-	-	15,551
Teaching School	200,751	148,090	(127,440)	-	-	221,401
Other income	17,661	213,964	(215,704)	-	-	15,921
SEN funding	-	5,220,023	(5,220,023)	-	-	-
Teachers pay and pension grant	-	251,075	(251,075)	-	-	-
Pension reserve	(9,562,000)	-	(1,186,000)	-	(585,000)	(11,333,000)
	<u>(8,821,244)</u>	<u>9,820,451</u>	<u>(10,515,325)</u>	<u>(64,095)</u>	<u>(585,000)</u>	<u>(10,165,213)</u>
Restricted fixed asset funds						
Capital grants	180,184	27,461	-	(163,265)	-	44,380
Fixed assets	14,645,397	350,098	(813,405)	242,465	-	14,424,555
	<u>14,825,581</u>	<u>377,559</u>	<u>(813,405)</u>	<u>79,200</u>	<u>-</u>	<u>14,468,935</u>
Total Restricted funds	<u>6,004,337</u>	<u>10,198,010</u>	<u>(11,328,730)</u>	<u>15,105</u>	<u>(585,000)</u>	<u>4,303,722</u>
Total funds	<u><u>6,666,420</u></u>	<u><u>10,333,449</u></u>	<u><u>(11,342,926)</u></u>	<u><u>-</u></u>	<u><u>(585,000)</u></u>	<u><u>5,071,943</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Castle Hill School	1,153,739	1,428,125
High Park School	260,902	290,491
Milton School	381,714	78,213
Central fund	122,982	139,179
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,919,337	1,936,008
Restricted fixed asset fund	14,515,451	14,468,935
Pension reserve	(1,904,000)	(11,333,000)
	<hr/>	<hr/>
Total	14,530,788	5,071,943

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Castle Hill School	2,730,383	423,297	121,722	587,653	3,863,055	3,536,897
High Park School	2,629,821	586,958	99,894	255,286	3,571,959	3,437,072
Milton School	2,045,169	208,238	41,330	400,870	2,695,607	2,454,735
Central fund	1,437,668	106,897	-	192,280	1,736,845	329,280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	8,843,041	1,325,390	262,946	1,436,089	11,867,466	9,757,984

INTERACTION AND COMMUNICATION ACADEMY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	(68,701)	14,515,451	14,446,750
Current assets	1,208,233	1,367,118	-	2,575,351
Creditors due within one year	-	(579,272)	-	(579,272)
Creditors due in more than one year	-	(8,041)	-	(8,041)
Provisions for liabilities and charges	-	(1,904,000)	-	(1,904,000)
Total	1,208,233	(1,192,896)	14,515,451	14,530,788

Analysis of net assets between funds - prior year

	<i>Unrestricted</i> <i>funds</i> 2021 £	<i>Restricted</i> <i>funds</i> 2021 £	<i>Restricted</i> <i>fixed asset</i> <i>funds</i> 2021 £	<i>Total</i> <i>funds</i> 2021 £
Tangible fixed assets	-	-	14,424,555	14,424,555
Current assets	768,221	1,245,518	54,630	2,068,369
Creditors due within one year	-	(77,731)	(10,250)	(87,981)
Provisions for liabilities and charges	-	(11,333,000)	-	(11,333,000)
Total	768,221	(10,165,213)	14,468,935	5,071,943

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

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	<u>(1,578,155)</u>	<u>(1,009,477)</u>
Adjustments for:		
Depreciation	341,895	342,870
Capital grants from DfE and other capital income	(81,271)	(27,461)
Interest receivable	(261)	(178)
Defined benefit pension scheme cost less contributions payable	1,417,000	1,027,000
Defined benefit pension scheme finance cost	191,000	159,000
(Increase)/decrease in debtors	(61,174)	145,330
Increase/(decrease) in creditors	500,441	(37,027)
Donated fixed assets	-	(350,098)
Loss on disposal of fixed assets	-	470,535
Net cash provided by operating activities	<u><u>729,475</u></u>	<u><u>720,494</u></u>

22. Cash flows from financing activities

	2022 £	2021 £
Cash inflows from new borrowing	-	10,250
Repayments of borrowing	(1,109)	-
Net cash (used in)/provided by financing activities	<u><u>(1,109)</u></u>	<u><u>10,250</u></u>

23. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	261	178
Purchase of tangible assets	(364,090)	(592,563)
Capital grants from DfE Group	81,271	27,461
Donated fixed assets	-	350,098
Net cash used in investing activities	<u><u>(282,558)</u></u>	<u><u>(214,826)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,400,028	1,954,220
Total cash and cash equivalents	2,400,028	1,954,220

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,954,220	445,808	2,400,028
Debt due within 1 year	(10,250)	9,150	(1,100)
Debt due after 1 year	-	(8,041)	(8,041)
	1,943,970	446,917	2,390,887

26. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	342,338	-
	342,338	-

27. Pension commitments

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 City of Bradford Metropolitan Council & South Yorkshire Pensions Authority. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £7,245 were payable to the schemes at 31 August 2022 (2021 - £7,245) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £516,740 (2021 - £535,896).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £876,000 (2021 - £778,000), of which employer's contributions totalled £652,000 (2021 - £579,000) and employees' contributions totalled £224,000 (2021 - £199,000). The agreed contribution rates for future years are 14.9 per cent for employers and 20.6 per cent for employees.

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

Principal actuarial assumptions

Both the West Yorkshire and South Yorkshire assumptions include an adjustment to the CPI assumption to reflect the likely significant inflationary increase to the LGPS benefits in April 2023

West Yorkshire Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.85
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.70	2.60

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.9
Females	24.6	24.7
<i>Retiring in 20 years</i>		
Males	22.5	22.6
Females	25.7	25.8

South Yorkshire Pension Fund

	2022	2021
	%	%
Rate of increase in salaries	4.05	4.05
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.70
Inflation assumption (CPI)	3.05	2.9

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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
<i>Retiring today</i>		
Males	22.6	22.5
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	24.1	24.0
Females	27.3	27.2

Sensitivity analysis

West Yorkshire Pension Fund (change in reported value of defined benefit obligations)	2022 £000	2021 £000
Discount rate +0.1%	(300)	(503)
Discount rate -0.1%	311	521
Mortality assumption - 1 year increase	(311)	(707)
Mortality assumption - 1 year decrease	311	707
CPI rate +0.1%	256	428
CPI rate -0.1%	(256)	(410)

South Yorkshire Pension Fund (change in reported value of defined benefit obligations)	2022 £000	2021 £000
Discount rate +0.1%	-	(83)
Discount rate -0.1%	54	85
Mortality assumption - 1 year increase	81	107
Mortality assumption - 1 year decrease	-	(104)
CPI rate +0.1%	44	86
CPI rate -0.1%	-	(84)

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27. Pension commitments (continued)

Share of scheme assets

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

	2022 £	2021 £
Equities	7,852,000	8,190,000
Government bonds	629,000	929,000
Corporate bonds	423,000	508,000
Property	383,000	467,000
Cash and other liquid assets	393,000	220,000
Other	147,000	391,000
Total market value of assets	9,827,000	10,705,000

The actual return on scheme assets was (£176,000) (2021 - £1,598,000).

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

	2022 £	2021 £
Current service cost	(2,071,000)	(1,603,000)
Interest income	187,000	149,000
Interest cost	(376,000)	(308,000)
Total amount recognised in the Statement of Financial Activities	(2,260,000)	(1,762,000)

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

	2022 £	2021 £
At 1 September	22,039,000	17,950,000
Current service cost	2,071,000	1,603,000
Interest cost	376,000	308,000
Employee contributions	224,000	199,000
Actuarial (gains)/losses	(11,213,000)	2,184,000
Benefits paid	(358,000)	(205,000)
At 31 August	13,139,000	22,039,000

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	10,706,000	8,388,000
Interest income	187,000	149,000
Actuarial (losses)/gains	(176,000)	1,599,000
Employer contributions	652,000	579,000
Employee contributions	224,000	199,000
Benefits paid	(358,000)	(205,000)
Administration expenses	-	(3,000)
At 31 August	11,235,000	10,706,000

28. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	306,894	291,548
Later than 1 year and not later than 5 years	1,277,668	1,213,029
Later than 5 years	1,393,303	1,694,766
	2,977,865	3,199,343

The Academy Trust has an ongoing financial commitment under an agreement with Kirklees Council for annual service charge payments in relation to the Private Finance Initiative agreement for Castle Hill School. The commitments above include £2,938,571 (2021: £3,178,160) which is payable over the next 10 years

29. Members' liability

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

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

30. Related party transactions

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

31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022, the Trust received £3,939 (2021: £3,522) and distributed £3,430 (2021: £3,522) from the fund. An amount of £16,060 is included in other creditors. £15,551 was brought forward included in a restricted fund which has been reallocated in the year to other creditors.