



**The Hive College
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year ended 31st August 2023

**Company Registration Number
09687904
(England and Wales)**

Charity Registration Number 1168589

**Feltons' Chartered Accountants
Birmingham
B1 3JR**

The Hive College
Financial Statements
Year Ended 31st August 2023

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The Hive College

Reference and Administration Details

Year Ended 31st August 2023

Members / Trustees

Mr S Hughes	Appointed 15/07/2015	Resigned 07/07/2023
Mr J Harris	Appointed 01/01/2022	Accounting Officer
Mrs D Rush	Appointed 15/07/2015	Resigned 01/06/2023
Mr C Hussey	Appointed 06/07/2017	Chair of Trust Board
Mr D Bennett	Appointed 13/07/2018	
Ms A Lofthouse	Appointed 16/10/2020	
Mr I Lang	Appointed 01/06/2023	

Senior Leadership Team

Chief Executive Officer	Mr J Harris	
College Principal	Mrs K Everton	
College Assistant Principals	Ms D Bryan Williams	
	Mr M Shieber	
Chief Finance and Operations Officer	Miss H Mandleberg	Appointed 01/09/2022

Company Name	The Hive College
Registered Office	Perry Common Road Erdington Birmingham B23 7AT
Company Registration Number	09687904 (England and Wales)
Charity Registration Number	1168589

Auditors	Feltons (Bham) Ltd 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
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Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
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Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU
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The Hive College

Trustees' Report

Year Ended 31st August 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2022 to 31st August 2023. The annual report serves the purposes of both a trustees' report and directors' report under company law.

The Independent Specialist college catered for c.115 High Needs pupils aged 19 to 25 in 2022/2023.

Structure, Governance and Management

Constitution

The college is a company limited by guarantee and an exempt charity. The Charitable Company's Articles of Association and the Funding Agreement are the primary governing documents of the college.

The Trustees of The Hive College are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Hive College.

The Hive College became a wholly-owned subsidiary of Education Impact Academy Trust on 1st September 2022. As a result, Education Impact Academy Trust became the sole Member of The Hive College.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charity 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 £1, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the college has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on college business. The insurance provides Trustee Liability cover up to £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall comprise of no less than 3 but no more than 9. Trustees may be re-elected for consecutive periods not exceeding in aggregate 12 years from the date of their original appointment. Co-opted Trustees may only hold office for 1 year.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training for all Trustees is tailored around their existing experience and skills and is arranged on an individual basis dependant on their specific training needs.

All Trustees have access to information via the college member website which holds paperwork relating to past meetings and schedule of future meetings.

One of the Trustees is appointed as the safeguarding Trustee, reviews safeguarding in the schools and provides feedback on the reviews to the Trust Board.

Organisational Structure

The governance of the college is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trustees have established a schedule of 6 meetings per year with designated content at each meeting.

This will be reviewed annually but specifically includes setting the college's policies, adopting the Self-Assessment Report (SAR) and budget, monitoring performance against these plans and making decisions regarding curriculum, achievements and welfare of students and staffing/spending levels.

The Trustees have appointed an internal auditor to give assurance that the college's Financial Procedures are being adhered to and funds are being expended appropriately.

Arrangements for setting pay and remuneration of key management personnel

Pay increments for all staff are subject to successful Performance Management. Staff have to meet specified targets, set and monitored by line managers in line with the college Quality Improvement Plan (QIP), and specified Trustees in the case of the college principal. All staff are paid within ranges on nationally agreed pay scales.

The Hive College

Trustees' Report (continued)

Year Ended 31st August 2023

Related parties and other Connected Charities and Organisations

All members and Trustees complete a business interest declarations form on an annual basis. The declaration sets out any relationship with businesses, other educational establishments, Trustees or college staff. Each individual is required to declare a potential "conflict of interest" if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, the Trust has the following relationships:

- The Trust shares some of its facilities with other site users, including James Brindley Special School and Wilson Stuart School, and thus shared costs.
- Education Impact Academy Trust is the sole Member of The Hive College.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2018 is as follows:

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£nil
Total pay bill	£1,870,572
Facility time as percentage of total pay bill	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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Objectives and Activities

Objectives and Aims

The college's objective is to advance education for children aged 19-25 years, promote independent living and access to paid employment or volunteering.

Objectives, Strategies and Activities

The main objectives for the period ending 31st August 2023 are detailed below:

- To raise the standard of educational achievement of all students, ensuring every student receives high quality education with equal access to resources and teaching
- To improve the effectiveness of the college by keeping the curriculum and organisational structure under continual review
- To provide value for money of the funds expended
- To comply with all appropriate statutory and curriculum requirements

The Hive College

Trustees' Report (continued)

Year Ended 31st August 2023

- To conduct the college's business in accordance with the highest standards of integrity and openness

The strategies adopted for achieving these objectives are:

- Monitoring and evaluating the college QIP ensuring it meets its aims
- Driving Best Value and VFM when procuring goods/works/services
- Scrutiny of and reporting to the Trust Board

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

- Work placements for students to promote independence
- Partnerships with outside agencies and collaboration with universities and other schools
- Funding bids to outside agencies including Education Skills Funding Agency (ESFA) and Local Authority

Public Benefit

In setting our objectives and planning our activities, the Trust Board has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

The Hive College is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance 2023-24

Key Performance Indicators

LIVE Study Programme

Subject	No of learners	Passed	Pass rate
English	26	23	88%
Maths	26	21	81%
ICT	26	21	81%
Preparation for Work	25	22	88%

4 students were on Supported Internships, 1 (25%) has taken up an apprenticeship and 3 (75%) have taken up volunteering roles

Student Destinations

12 leavers: Paid Employment 0 Apprenticeship 3 Volunteering 7 Social Destination 0 Education 1
NEET 1

Key Performance Indicators

THRIVE Study Programme

Subject	No of learners	Passed	Pass rate
English	31	25	81%
Maths	31	22	71%
ICT	31	22	71%
Preparation for Adulthood	31	22	71%

Student Destinations

8 leavers Social Destination 3 Volunteering 1 Education 3 NEET 1

The Hive College
Trustees' Report (continued)
Year Ended 31st August 2023

STRIVE Study Programme

Strive Learners Progress and Destination Case Study 2022-23

Student	Start points	Finish points	Targets	Destination
Student 1	<ul style="list-style-type: none"> No functional communication method 	<ul style="list-style-type: none"> Independent PECS user 	100% achieved	Makadown day centre
Student 2	<ul style="list-style-type: none"> No functional communication method 	<ul style="list-style-type: none"> Independent PECS user 	100% achieved	Applying for Care first
Student 3	<ul style="list-style-type: none"> No functional communication method Low engagement 	<ul style="list-style-type: none"> Communicating more/no more consistently using symbols/body language Increased level of engagement 	100% achieved	Family home
Student 4	<ul style="list-style-type: none"> Low engagement No functional communication method 	<ul style="list-style-type: none"> Making choices from 2 Higher level of engagement across curriculum 	100% achieved	Extended PA hours
Student 5	<ul style="list-style-type: none"> No functional communication method Lacked in confidence in groups Full support in the bathroom and wearing pads 	<ul style="list-style-type: none"> Independent PECS user Confident engaging with a range of people individually and in groups No longer using pads and able to indicate a need to use the bathroom 	50% achieved	Moved to London
Student 6	<ul style="list-style-type: none"> Low engagement 	<ul style="list-style-type: none"> Improved engagement Making choices from 2 	100% achieved	SENSE
Student 7	<ul style="list-style-type: none"> Very low attendance due to health Sociable Low engagement 	<ul style="list-style-type: none"> Engaging with more of the curriculum when in college Placement ended due to lack of availability for carers to attend college 	50% achieved	Home
Student 8	<ul style="list-style-type: none"> High levels of anxiety No functional communication method 	<ul style="list-style-type: none"> Improved behaviour Independent PECS user 	100% achieved	Care first
Student 9	<ul style="list-style-type: none"> No functional communication method Sociable Low engagement due to low level communication 	<ul style="list-style-type: none"> Uses PECS with eye gaze board Higher level of engagement 	100% achieved	The Ark
Student 10	<ul style="list-style-type: none"> Very low attendance 	<ul style="list-style-type: none"> Withdrawn due to attendance 	0% achieved	NEET
Student 11	<ul style="list-style-type: none"> Low level engagement High sensory needs 	<ul style="list-style-type: none"> Good relationships with key workers Shows preferences to stimulus 	100% achieved	Focus Birmingham
Student 12	<ul style="list-style-type: none"> High sensory needs Low level anxiety 	<ul style="list-style-type: none"> Shows preferences to stimulus 	100% achieved	Current care home
Student 13	<ul style="list-style-type: none"> Very low attendance due to health 	<ul style="list-style-type: none"> Withdrawn due to health 	0% achieved	Current care home
Student 14	<ul style="list-style-type: none"> Low level engagement 	<ul style="list-style-type: none"> Shows preferences to stimulus Positive relationships with key workers 	100% achieved	Day center

The Hive College

Trustees' Report (continued)

Year Ended 31st August 2023

Student 15	<ul style="list-style-type: none"> • Sociable • Engaged with stimuli 	<ul style="list-style-type: none"> • Make choices from 2 objects • Withdrawn due to moving back to family home 	0% achieved	Moved to family home in Poland
Student 16	<ul style="list-style-type: none"> • Low level engagement • Very sociable 	<ul style="list-style-type: none"> • Using communication book to support signing and verbal communication • High level of engagement 	100% achieved	Makadown day centre
Student 17	<ul style="list-style-type: none"> • Low level of engagement with communication book • High anxiety within college – low level behaviour • Sociable 	<ul style="list-style-type: none"> • Higher level of engagement with communication book - communication device brought • Higher level of engagement in the curriculum • Better attitude towards college 	100% achieved	Brias barn
Student 18	<ul style="list-style-type: none"> • No functional communication • Limited social skills due to lack of communication • Low engagement 	<ul style="list-style-type: none"> • Moved to higher ability class • Able to communicate using communication book • Very sociable 	100% achieved	Care first
Student 19	<ul style="list-style-type: none"> • High level of anxiety • No functional communication 	<ul style="list-style-type: none"> • Withdrawn due to behaviour 	0% achieved	Social worker support
Student 20	<ul style="list-style-type: none"> • Attended for 2 weeks only 	<ul style="list-style-type: none"> • Other FE placement after tribunal 	0% achieved	Victoria College

Student Destinations

20 leavers Social Destination 11 Education 8 NEET 1

Attendance for the academic year

LIVE – 87% THRIVE – 89% STRIVE – 82% Total average – 86%

Retention for the academic year

89%

- Direct costs as a percentage of total costs were 53.1% (2022 : 50.6%)
- Support costs as a percentage of total costs were 46.9% (2022 : 49.4%)
- Total payroll costs as a percentage of recurring income were 63.6% (2022 : 63.7%)

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the college 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.

The Hive College

Trustees' Report (continued)

Year Ended 31st August 2023

Financial Review

The financial results of The Hive College are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy Trust Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the college.

During the year ended 31 August 2023 the college received total funding of £2,939,598 compared to total resources expended of £2,695,347 to give a surplus for the year of £244,251 which included depreciation of £112,887.

Reserves Policy

The Trustees continually monitor the reserves of the college. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves. It is the Trust Board's general policy to continue to build reserves which can be used for future educational purposes.

The college had total funds at 31st August 2023 of £2,717,769 which included £821,744 restricted funds not available for general purposes of the college, £13,980 of free reserves defined as unrestricted funds available for general purposes and £1,872,045 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £835,724.

In addition, the surplus on the restricted pension fund of £10,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves to ensure the college is sustainable and monitor the number of months the reserves can fund.

Investment Policy

The college does not have an investment policy but follows the guidelines of the Academy Trust Handbook. The school reviews investing funds in a high interest account on a regular basis depending on interest rates. At 31st August 2023, the college had no funds invested in a high interest deposit account.

Principal Risks and Uncertainties

The Trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters. During the Covid pandemic electronic procedures were introduced for all business and operational systems which will be retained going forward.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Outlined below is a description of the principal risk factors that may affect the college. However, not all factors are within the college's control and other factors besides those listed below may also adversely affect the college.

1. Government funding

The college has considerable reliance on continued government funding through the ESFA and the Local Authority (LA).

This risk has and will be mitigated in a number of ways:

- Considerable focus and investment is placed on maintaining and managing key relationships with various funding bodies;
- Focus on priority sectors which will continue to benefit from public funding;
- Contingency planning is embedded into the academy budget process.

The Hive College

Trustees' Report (continued)

Year Ended 31st August 2023

2. *Funding pension liabilities*

The financial statements report the share of the local government pension scheme deficit on the college's balance sheet in line with the requirements of FRS 17.

The college takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. *Student strategy*

The college attracts prospective students by:

- Delivering high quality education;
- Maintaining outstanding success rates and good inspection outcomes;
- Investing in staffing and resources.

With ongoing commitment to quality, the college provides high quality learning environments for all the students.

Fundraising

The college does not use external fundraisers. All fundraising undertaken during the period was monitored by the Trustees.

Streamlined Energy and Carbon Reporting

The Energy and Carbon Reporting Regulations came into force on 1 April 2019. As the Trust consumes more than 40,000 kWh of energy, we report below our energy consumption for the year to 31 August 2023.

UK greenhouse gas emissions and energy use data	2022/2023	2021/2022
Energy consumption used to calculate emissions (kWh)	574,715	579,840
Energy consumption break down (kWh) (optional)		
- Gas	489,184	493,288
- Electricity	4,500	4,500
- Transport fuel	81,031	82,052
<u>Scope 1: emissions in metric tonnes CO₂e</u>		
Gas consumption	89.31	89.87
Owned transport - minibuses	20.18	20.18
Total	109.49	110.95
<u>Scope 2: emissions in metric tonnes CO₂e</u>		
Purchased electricity	0.93	0.82
<u>Scope 3: emissions in employee-owned vehicles</u>	0.13	0.14
Total gross emissions in metric tonnes CO₂e	110.55	111.91
<u>Intensity ratio</u>		
Tonnes CO ₂ e per student	0.93	1.09
Student numbers	119	103

Quantification and Reporting Methodology

We follow the Government's 2019 Environmental Reporting Guidelines and 2020 Conversion Factors for Company Reporting, as well as the GHG Protocol Corporate Accounting and Reporting Standard. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per student, the recommended ratio for the sector.

The Hive College
Trustees' Report (continued)
Year Ended 31st August 2023

Measures Taken to Improve Energy Efficiency

The Trust is starting to develop an overarching decarbonisation strategy and has the ambition to move towards renewable energy sources such as solar power over the next five years. We are about to embark on comprehensive site surveys to investigate the extent to which we can embrace this source of energy.

Plans for Future Periods

The college's student numbers have increased steadily from 10 in September 2013 to 103 in September 2022. In September 2023 the number of commissioned places is 120. The college facilities will continue to be developed and further capital investment will be sought to facilitate this expansion.

Funds held as Custodian Trustee on behalf of others

Neither The Hive College nor the Trust Board is acting as third party custodian trustees.

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of trustees, as the

Company directors, on 8 December 2023 and signed on the board's behalf by:

Signed: _____

C. Hussey
Chair of Trustees

The Hive College

Governance Report

Year Ended 31st August 2023

Scope of Responsibility

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

The Trust Board 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 The Hive College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and the Statement of Governors' responsibilities. The Trust Board has met formally 4 times during the period to 31st August 2023. Attendance during the year at meetings of the Trust Board was as follows:

Trustee	Category	Meetings Attended	Out of a Possible
Steve Hughes	Trustee	4	4
Jon Harris	CEO & Trustee	4	4
Debbie Rush	Trustee	2	3
Calvin Hussey	Trustee	4	4
Dave Bennett	Trustee	4	4
Alex Lofthouse	Trustee	4	4
Ian Lang	Trustee	3	3

A review of governance was undertaken during the year which identified that 1 Trustee had missed 1 meeting. Therefore there was 96.2% attendance by Trustees who contributed to the discussions and acted as a critical friend.

Subsequent to this the following actions were taken:

- Attendance of Trustees attendance is published on the college Trust website
- Valid reasons are obtained for any meetings missed
- Non-attendance at meetings was dealt with swiftly

The Trust Board met 4 times during the year. Management accounts are posted to the Trust Board portal to ensure the Board have maintained effective oversight of funds with fewer than 6 recommended meetings per year. Trustees are invited to view and comment on the accounts and the months reviewed is minuted at each meeting.

Conflicts of interest are largely avoided by maintaining an up-to-date register of Business Interests so Trustees are aware.

The Hive College
Governance Report (continued)
Year Ended 31st August 2023

Review of value for money

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

The CEO considers how the college's use of resources has provided good VFM during each academic year, and reports to the Board of Trustees where VFM can be improved, including the use of benchmarking data where available. The CEO has delivered improved VFM during the year by:

- Embedding best value and VFM in all staff in the college to drive efficiencies and economies.
- Review expenditure and contracts in line with the QIP, making adjustments based on effectiveness of strategies introduced in previous years
- Continuous review of the staffing structure;
- Securing external funding for specific and identified projects; and
- Appointing an internal auditor to provide assurance that the college has sound internal controls;

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the college for the period ended 31st 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 college is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the college's significant risks that has been in place for the year to 31st August 2023 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 college'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 Trustees;
- Regular reviews by the Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Trustees have considered the need for a specific internal audit function and have decided to appoint S4S as an internal auditor. The internal auditor's role includes giving advice on financial and operational matters and performing a range of checks on the college's financial systems. In particular the checks carried out in the current period included:

- A comprehensive review of data protection practices.

The internal auditor produces biannual reports which are presented to Trustees on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

There were no material control issues included in the internal audit reports prepared and presented to the Trustees during the year. The external auditor will present the Statutory Accounts in November of each year.

The Hive College
Governance Report (continued)
Year Ended 31st August 2023

Review of Effectiveness

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

- The work of the internal auditor throughout the period;
- The work of the external auditor; and
- The work of the Leadership Team 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 Trust Board and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 8 December 2023 and signed on its behalf by:

Signed:  _____

C. Hussey
Chair of Trustees

Signed:  _____

Jon Harris
Accounting Officer

The Hive College
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance
for the period ended 31 August 2023

As accounting officer of The Hive College, I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the trust Handbook 2022, including responsibilities for estates safety and management.

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

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



..... Jon Harris – Accounting Officer

8 December 2023

**The Hive College
(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities
for the period ended 31 August 2023**

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

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

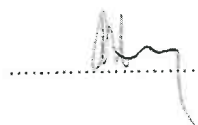
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state **whether** applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 8 December 2023 and signed on its behalf by:

 C. Hussey – Chair of Trustees

**The Hive College
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
The Hive College**

Opinion

We have audited the financial statements of The Hive College (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the trust's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

The Hive College
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of The Hive College

(continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- 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.

The Hive College
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Independent Auditor's Report on the Financial Statements to the Members of The Hive College

(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 14], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We reviewed the trust's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the trust's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

The Hive College
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Independent Auditor's Report on the Financial Statements to the Members of The Hive College

(continued)


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

20 December 2023

The Hive College
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Hive College and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hive College during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Hive College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Hive College's funding agreement with the Secretary of State for Education dated 1 August 2016 and the trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the trust's funding agreement
- Review and evaluation of the trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

The Hive College
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Hive College and the Education and Skills Funding Agency (continued)

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

20 December 2023

The Hive College
(A Company Limited by Guarantee)

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

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2022/23 £	Total 2021/22 £
Income from :							
Donations and capital grants	2	150	-	-	89,652	89,802	68,152
Charitable activities :	3						
Funding for the trust's educational operations		29,126	-	2,820,460	-	2,849,586	2,872,028
Investments	4	210	-	-	-	210	157
Total		29,486	-	2,820,460	89,652	2,939,598	2,940,337
Expenditure on :							
Charitable activities:							
The Trust educational operations	5,6	28,189	52,000	2,502,271	112,887	2,695,347	2,532,516
Total		28,189	52,000	2,502,271	112,887	2,695,347	2,532,516
Net income/(expenditure) before transfers		1,297	(52,000)	318,189	(23,235)	244,251	407,821
Transfers between funds	13	-	-	(808,719)	808,719	-	-
Net income/(expenditure) after transfers		1,297	(52,000)	(490,530)	785,484	244,251	407,821
Other recognised gains/(losses)							
Actuarial gains on defined benefit pension schemes	22	-	230,000	-	-	230,000	792,000
Net movement in funds		1,297	178,000	(490,530)	785,484	474,251	1,199,821
Reconciliation of funds							
Total funds brought forward	13	12,683	(168,000)	1,312,274	1,086,561	2,243,518	1,043,697
Total funds carried forward		13,980	10,000	821,744	1,872,045	2,717,769	2,243,518

The statement of financial activities includes all gains and losses recognised in the year.

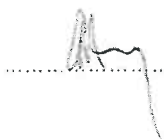
All of the trust's activities derive from continuing operations during the above two financial periods.

The Hive College
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Company number : 09687904
Balance sheet as at 31 August 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		1,821,506		1,068,469
Current assets					
Debtors	11	251,424		347,253	
Cash at bank and in hand		<u>3,068,662</u>		<u>2,072,625</u>	
		3,320,086		2,419,878	
Liabilities					
Creditors: amounts falling due within one year	12	<u>2,433,823</u>		<u>1,076,829</u>	
Net current assets			886,263		1,343,049
Total assets less current liabilities			<u>2,707,769</u>		<u>2,411,518</u>
Defined benefit pension scheme asset/(liability)	22		10,000		(168,000)
Total net assets			<u>2,717,769</u>		<u>2,243,518</u>
Funds of the trust :					
Restricted funds					
Fixed asset fund	13	1,871,506		1,086,561	
Restricted income fund	13	822,283		1,312,274	
Pension reserve	13	<u>10,000</u>		<u>(168,000)</u>	
Total restricted funds			2,703,789		2,230,835
Unrestricted income funds	13		13,980		12,683
Total funds			<u>2,717,769</u>		<u>2,243,518</u>

The financial statements on pages 21 to 44 were approved by the trustees, and authorised for issue on 8 December 2023 and are signed on their behalf by:



C. Hussey - Chair of Trustees

The Hive College
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2023

	Notes	2022/23 £	2021/22 £
Cash flows from operating activities			
Net cash provided by operating activities	17	1,772,099	1,309,326
Cash flows from investing activities	18	(776,062)	(564,623)
Change in cash and cash equivalents in the reporting period		<u>996,037</u>	<u>744,703</u>
Cash and cash equivalents at 1 September 2022		2,072,625	1,327,922
Cash and cash equivalents at 31 August 2023	19	<u>3,068,662</u>	<u>2,072,625</u>

Notes to the financial statements for the year ended 31 August 2023

1. Accounting policies

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

1.1 Basis of preparation

The financial statements of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the trust has provided the goods or services.
- **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'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.4 Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.5 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 over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Furniture and equipment	- 20% straight line
Computer hardware	- 33% straight line
Motor vehicles	- 20% straight line

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

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.

1.6 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.

1.7 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.

1.8 Liabilities

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

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.9 Leased assets

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

1.10 Financial instruments

The trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the trust and their measurement basis are as follows :

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

1.11 Taxation

The trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

1.12 Pension benefits

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

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

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.12 Pension benefits (continued)

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

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

1.13 Fund accounting

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

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

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

1.14 Critical accounting estimates and areas of judgement

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

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Hive College
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

1.15 Agency arrangements

The trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

The Hive College
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2023 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	-	89,652	89,652	63,582
Other donations	150	-	-	150	4,570
	<u>150</u>	<u>-</u>	<u>89,652</u>	<u>89,802</u>	<u>68,152</u>
2022 total	<u>4,570</u>	<u>-</u>	<u>63,582</u>	<u>68,152</u>	

3. Funding for the trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2022/23 Total £	2021/22 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,261,235	-	1,261,235	1,171,954
Other DfE/ESFA grants					
Teachers pension grant	-	26,870	-	26,870	18,743
Others	-	18,662	-	18,662	10,551
	<u>-</u>	<u>1,306,767</u>	<u>-</u>	<u>1,306,767</u>	<u>1,201,248</u>
Other government grants					
Local authority grants	-	1,513,693	-	1,513,693	1,614,747
	<u>-</u>	<u>1,513,693</u>	<u>-</u>	<u>1,513,693</u>	<u>1,614,747</u>
Other income from the trust's educational operations	29,126	-	-	29,126	30,356
Covid-19 additional funding (DfE/ESFA)					
Other DfE/ESFA Covid-19 funding	-	-	-	-	25,677
	<u>29,126</u>	<u>1,513,693</u>	<u>-</u>	<u>1,542,819</u>	<u>1,670,780</u>
	<u>29,126</u>	<u>2,820,460</u>	<u>-</u>	<u>2,849,586</u>	<u>2,872,028</u>
2022 total	<u>19,977</u>	<u>2,393,146</u>	<u>-</u>	<u>2,413,123</u>	

4. Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	210	-	210	157
2022 total	<u>157</u>	<u>-</u>	<u>157</u>	

The Hive College
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Notes to the financial statements for the year ended 31 August 2023 (continued)

5. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2022/23 Total £	2021/22 Total £
Trust's educational operations					
Direct costs	1,209,308	16,934	205,064	1,431,306	1,282,169
Allocated support costs	661,264	267,397	335,380	1,264,041	1,250,347
	<u>1,870,572</u>	<u>284,331</u>	<u>540,444</u>	<u>2,695,347</u>	<u>2,532,516</u>
2022 total	<u>1,873,303</u>	<u>199,896</u>	<u>459,317</u>	<u>2,532,516</u>	

Net income/(expenditure) for the period includes :

		2022/23 £	2021/22 £
Operating leases	- plant and machinery	-	592
Depreciation		112,887	89,340
Fees payable to auditor	- audit	<u>4,700</u>	<u>4,450</u>

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2022/23 Total £	2021/22 Total £
Educational operations					
Direct costs					
Educational operations	6,823	-	1,424,483	1,431,306	1,282,169
Support costs					
Educational operations	<u>21,366</u>	<u>52,000</u>	<u>1,190,675</u>	<u>1,264,041</u>	<u>1,250,347</u>
	<u>28,189</u>	<u>52,000</u>	<u>2,615,158</u>	<u>2,695,347</u>	<u>2,532,516</u>
2022 total	<u>28,922</u>	<u>297,000</u>	<u>2,206,594</u>	<u>2,532,516</u>	

	Educational operations £	2022/23 Total £	2021/22 Total £
Analysis of support costs			
Support staff costs	661,264	661,264	792,505
Depreciation	95,953	95,953	76,105
Technology costs	8,625	8,625	10,290
Premises costs	196,444	196,444	109,963
Professional costs	117,777	117,777	101,558
Other support costs	179,278	179,278	155,476
Governance costs	4,700	4,700	4,450
Total support costs	<u>1,264,041</u>	<u>1,264,041</u>	<u>1,250,347</u>
2022 total	<u>1,250,347</u>	<u>1,250,347</u>	

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Notes to the financial statements for the year ended 31 August 2023 (continued)

7. Staff

a) Staff costs

Staff costs during the period were:

	2022/23 £	2021/22 £
Wages and salaries	1,352,434	1,196,535
Social security costs	97,161	92,458
Pension costs	344,859	534,547
	<u>1,794,454</u>	<u>1,823,540</u>
Agency staff costs	72,618	49,763
Staff restructuring costs	3,500	-
	<u>1,870,572</u>	<u>1,873,303</u>

Staff restructuring costs comprise :

Severance payments	3,500	-
	<u>3,500</u>	<u>-</u>

b) Severance payments

The trust paid one severance payment in the year, disclosed in the following bands:

	2022/23 Number	2021/22 Number
£0 - £25,000	<u>1</u>	<u>-</u>

c) Special staff severance payments

Included in staff restructuring costs is a special severance payment of £3,500 (2022: £nil).

d) Staff numbers

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

	2022/23 Number	2021/22 Number
Teachers	10	10
Administration and support	73	69
Management	3	2
	<u>86</u>	<u>81</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

7. Staff (continued)

e) Higher paid staff

	2022/23 Number	2021/22 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

f) Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £237,913 (2022: £170,909).

8. Related Party Transactions - Trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from an employment with the trust.

During the year ended 31 August 2023, no travel and subsistence expenses were reimbursed or paid directly to any trustees.

Other related party transactions involving the trustees are set out in note 23.

9. Trustees' and officers' insurance

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Notes to the financial statements for the year ended 31 August 2023 (continued)

10. Tangible fixed assets

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022	653,008	308,010	166,636	78,552	184,072	1,390,278
Additions	789,140	28,370	34,197	14,217	-	865,924
Transfers in year	(1,442,148)	1,442,148	-	-	-	-
At 31 August 2023	-	1,778,528	200,833	92,769	184,072	2,256,202
Depreciation						
At 1 September 2022	-	21,445	119,080	58,546	122,738	321,809
Charge for the year	-	34,567	28,799	19,824	29,697	112,887
At 31 August 2023	-	56,012	147,879	78,370	152,435	434,696
Net book values						
At 31 August 2023	-	1,722,516	52,954	14,399	31,637	1,821,506
At 31 August 2022	653,008	286,565	47,556	20,006	61,334	1,068,469

Cost or valuation at 31 August 2023 is represented by :

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Motor vehicles £	Total £
Cost	-	1,778,528	200,833	92,769	184,072	2,256,202
	-	1,778,528	200,833	92,769	184,072	2,256,202

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Notes to the financial statements for the year ended 31 August 2023 (continued)

11. Debtors

	2023	2022
	£	£
Debtors from operations	76,549	29,629
VAT recoverable	24,506	62,611
Prepayments and accrued income	149,483	255,013
Other debtors	886	-
	<u>251,424</u>	<u>347,253</u>

12. Creditors

	2023	2022
	£	£
Amounts falling due within one year :		
Creditors from operations	529,073	789,297
Accruals and deferred income	225,617	97,358
Other creditors	1,679,133	190,174
	<u>2,433,823</u>	<u>1,076,829</u>

Deferred income

Deferred income at 1 September 2022	42,263	36,516
Resources deferred in the year	47,203	42,263
Amounts released from previous years	(42,263)	(36,516)
Deferred income at 31 August 2023	<u>47,203</u>	<u>42,263</u>

At the balance sheet date the trust was holding funds received in advance for School Condition Allowance, Devolved Formula Capital grant and Tuition Funding.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

13. Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	1,312,274	1,261,235	(943,046)	(808,719)	821,744
Other grants	-	1,559,225	(1,559,225)	-	-
	<u>1,312,274</u>	<u>2,820,460</u>	<u>(2,502,271)</u>	<u>(808,719)</u>	<u>821,744</u>
Restricted fixed asset funds					
DfE Group capital grants	172,310	89,652	(12,880)	-	249,082
Capital expenditure from GAG	914,251	-	(100,007)	808,719	1,622,963
	<u>1,086,561</u>	<u>89,652</u>	<u>(112,887)</u>	<u>808,719</u>	<u>1,872,045</u>
Pension reserve	<u>(168,000)</u>	<u>-</u>	<u>(52,000)</u>	<u>230,000</u>	<u>10,000</u>
Total restricted funds	<u>2,230,835</u>	<u>2,910,112</u>	<u>(2,667,158)</u>	<u>230,000</u>	<u>2,703,789</u>
Unrestricted funds					
Other income	12,683	29,486	(28,189)	-	13,980
Total unrestricted funds	<u>12,683</u>	<u>29,486</u>	<u>(28,189)</u>	<u>-</u>	<u>13,980</u>
Total funds	<u>2,243,518</u>	<u>2,939,598</u>	<u>(2,695,347)</u>	<u>230,000</u>	<u>2,717,769</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency.

The trust is not subject to GAG carried forward limits.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency where the asset acquired or created is held for a specific purpose.

The Hive College
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Notes to the financial statements for the year ended 31 August 2023 (continued)

13. Funds (continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,170,728	1,171,954	(447,535)	(582,873)	1,312,274
Other DfE/ESFA Covid-19 funding	-	25,677	(25,677)	-	-
Other grants	-	1,644,041	(1,644,041)	-	-
	<u>1,170,728</u>	<u>2,841,672</u>	<u>(2,117,253)</u>	<u>(582,873)</u>	<u>1,312,274</u>
Restricted fixed asset funds					
DfE Group capital grants	122,354	63,582	(13,626)	-	172,310
Capital expenditure from GAG	407,093	-	(75,715)	582,873	914,251
	<u>529,447</u>	<u>63,582</u>	<u>(89,341)</u>	<u>582,873</u>	<u>1,086,561</u>
Pension reserve	<u>(663,000)</u>	<u>-</u>	<u>(297,000)</u>	<u>792,000</u>	<u>(168,000)</u>
Total restricted funds	<u>1,037,175</u>	<u>2,905,254</u>	<u>(2,503,594)</u>	<u>792,000</u>	<u>2,230,835</u>
Unrestricted funds					
Other income	<u>6,522</u>	<u>35,083</u>	<u>(28,922)</u>	<u>-</u>	<u>12,683</u>
Total unrestricted funds	<u>6,522</u>	<u>35,083</u>	<u>(28,922)</u>	<u>-</u>	<u>12,683</u>
Total funds	<u>1,043,697</u>	<u>2,940,337</u>	<u>(2,532,516)</u>	<u>792,000</u>	<u>2,243,518</u>

14. Analysis of net assets between funds

Fund balances at 31 August 2023
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	1,821,506	1,821,506
Current assets	13,980	-	3,255,567	50,539	3,320,086
Current liabilities	-	-	(2,433,823)	-	(2,433,823)
	<u>13,980</u>	<u>-</u>	<u>821,744</u>	<u>1,872,045</u>	<u>2,707,769</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	10,000	-	-	10,000
Total net assets	<u>13,980</u>	<u>10,000</u>	<u>821,744</u>	<u>1,872,045</u>	<u>2,717,769</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

14. Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	1,068,469	1,068,469
Current assets	12,683	-	2,389,103	18,092	2,419,878
Current liabilities	-	-	(1,076,829)	-	(1,076,829)
	<u>12,683</u>	<u>-</u>	<u>1,312,274</u>	<u>1,086,561</u>	<u>2,411,518</u>
Creditors due after one year	-	-	-	-	-
Pension scheme liability	-	(168,000)	-	-	(168,000)
Total net assets	<u>12,683</u>	<u>(168,000)</u>	<u>1,312,274</u>	<u>1,086,561</u>	<u>2,243,518</u>

15. Capital commitments

	2023	2022
	£	£
Contracted for but not provided in the financial statements	<u>12,805</u>	<u>812,976</u>

16. Commitments under operating leases

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

	Total 2023	Total 2022
	£	£
Amounts due within one year	-	444
	<u>-</u>	<u>444</u>

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022/23	2021/22
	Total	Total
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	244,251	407,821
Adjusted for :		
Depreciation (note 11)	112,887	89,340
Capital grants from DfE and other capital income	(89,652)	(63,582)
Interest receivable (note 5)	(210)	(157)
Defined benefit pension scheme cost less contributions payable (note 24)	44,000	284,000
Defined benefit pension scheme finance cost/(income) (note 24)	8,000	13,000
Decrease / (increase) in debtors	95,829	(178,164)
Increase / (decrease) in creditors	1,356,994	757,068
Net cash provided by / (used in) operating activities	<u>1,772,099</u>	<u>1,309,326</u>

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Notes to the financial statements for the year ended 31 August 2023 (continued)

18. Cash flows from investing activities

	2022/23	2021/22
	Total	Total
	£	£
Interest received	210	157
Purchase of tangible fixed assets	(865,924)	(628,362)
Capital grants from DfE Group	89,652	63,582
Net cash provided by / (used in) investing activities	<u>(776,062)</u>	<u>(564,623)</u>

19. Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2023	2022
	£	£
Cash at bank and in hand	<u>3,068,662</u>	<u>2,072,625</u>
	<u>3,068,662</u>	<u>2,072,625</u>

20. Analysis of changes in net debt

	At	Cash	Other	At
	31 August	flows	non-cash	31 August
	2022	£	changes	2023
	£	£	£	£
Cash at bank and in hand	<u>2,072,625</u>	996,037	-	3,068,662
	<u>2,072,625</u>	<u>996,037</u>	<u>-</u>	<u>3,068,662</u>

21. Members' liability

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

22. Pension and similar obligations

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. 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 2022.

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

Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in 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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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 is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £97,486 (2022 : £87,467).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £221,000 (2022 : £148,000), of which employer's contributions totalled £178,000 (2022 : £113,000) and employees' contributions totalled £43,000 (2022 : £35,000). The agreed contribution rates for future years are 22.2% for employers and between 5.5% and 6.5% for employees.

Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 30 years.

Principal actuarial assumptions

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.95%	4.05%
Rate of increase for pensions in payment / inflation	2.95%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%
Inflation assumption (CPI)	2.95%	3.05%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	At 31 August 2023 £'000s	At 31 August 2022 £'000s
Discount rate +0.1%	(27)	(24)
Discount rate -0.1%	27	24
Mortality assumption 1 year increase	35	34
Mortality assumption 1 year decrease	(35)	(34)
CPI rate +0.1%	27	24
CPI rate -0.1%	(27)	(24)

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

	At 31 August 2023	At 31 August 2022
Retiring today		
Males	20.6	21.2
Females	23.5	23.6
Retiring in 20 years		
Males	20.3	22.9
Females	24.7	25.4

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2023 £	31 August 2022 £
Equities	598,000	453,000
Bonds	188,000	142,000
Property	71,000	54,000
Cash and other liquid assets	36,000	27,000
Total market value of assets	893,000	676,000

The actual negative return on scheme assets was 1.2% (2022 : 3.3% negative).

	2022/23 £	2021/22 £
Amount recognised in the statement of financial activities		
Current service cost	222,000	397,000
Interest income	(33,000)	(11,000)
Interest cost	41,000	24,000
Total amount recognised in the SoFA	230,000	410,000

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

	2022/23 £	2021/22 £
At 1 September 2022	844,000	1,211,000
Current service cost	222,000	397,000
Interest cost	41,000	24,000
Employee contributions	43,000	35,000
Actuarial gains/(losses) - financial assumptions	(341,000)	(822,000)
Actuarial gains/(losses) - demographic assumptions	(36,000)	(5,000)
Actuarial gains/(losses) - experience gains/losses	110,000	4,000
At 31 August 2023	883,000	844,000

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Notes to the financial statements for the year ended 31 August 2023 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2022/23 £	2021/22 £
At 1 September 2022	676,000	548,000
Interest income	33,000	11,000
Return on assets less interest	(42,000)	(31,000)
Employer contributions	178,000	113,000
Employee contributions	43,000	35,000
Actuarial gains/(losses) - experience gains/losses	5,000	-
At 31 August 2023	893,000	676,000
Net pension scheme asset/(liability)	10,000	(168,000)

23. Related party transactions

Owing to the nature of the trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

Expenditure and income related party transactions

Education Impact Academy Trust

Charitable company in which S Hughes (resigned 7 July 2023) and J Harris (accounting officer) are trustees	2023 £	2022 £
Services recharged to related company during the period	6,000	24,487
Purchases from related company during the period	318,041	376,116
Amount due to related company at period end	1,666,632	190,174

The trust made the purchase at arm's.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Trust Handbook.

24. Agency arrangements

The trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the trust received £16,515 (2022 : £12,874) and disbursed £13,740 (2022 : £11,587) from the fund. An amount of £11,787 (2022 : £9,012) is included in other creditors relating to undistributed funds that is repayable to ESFA.

Notes to the financial statements for the year ended 31 August 2023 (continued)

25. Contingent liabilities

Following the recent decision in the Harpur Trust vs Brazel case the trust is considering the potential liability in respect of this. At this time it is not possible to quantify any liability, if any, and no provision has been made in these accounts.