

Registered number: 10647453

Potteries Educational Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2023



Potteries Educational Trust
(A Company Limited by Guarantee)

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Potteries Educational Trust
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Reference and Administrative Details

Members

M Herbert (resigned 31 January 2023)
M Jones
T McMillan
A Rogers (appointed 1 February 2023)
C Shanahan (appointed 1 February 2023)
L Barnes (resigned 31 January 2023)

Trustees

M Jones, Chair³
M Kent, Chief Executive^{1,4}
C Freeman^{1,3,4}
P Gavin^{2,3}
M Johnstone⁴
R Johnstone⁴
M Astley (resigned 10 November 2022)⁴
P Mangnall²
C Mayer²
J Smart¹
K Smith⁴
J Hunter¹
R Jones¹
K Spelman Miller⁴

¹ Finance and Resources Committee
² Audit and Risk Committee
³ Remuneration Committee
⁴ Quality of Education Committee

**Company registered
number**

10647453

Company name

Potteries Educational Trust

**Principal and registered
office**

Leek Road
Stoke-On-Trent
Staffordshire
ST4 2RU

Company secretary

S Hawley

**Senior management
team**

M Kent, Chief Executive Officer and Principal of City of Stoke-On-Trent Sixth Form College
E Robinson, Headteacher - Biddulph High School
D Robinson, Headteacher - Moorside High School
P McLauchlan, Headteacher - Werrington Primary School
H McLachlan, Deputy CEO and Director of Educational Improvement
E Wortley-Shotton, Chief Financial Officer
S Hawley, Company Secretary/Governance Professional

Potteries Educational Trust
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2023

Independent auditors	Dains Audit Limited Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Etruria Stoke-on-Trent ST1 5RQ
Bankers	Lloyds Bank Fountain Square Hanley Stoke-On-Trent ST1 1LE
Solicitors	Eversheds Sutherland LLP Two New Bailey 6 Stanley Street Salford

Potteries Educational Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2023

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

The Potteries Educational Trust, going forward referred to as 'the trust' operates four academies in Stoke-on-Trent and Staffordshire. These were the City of Stoke-on-Trent Sixth Form College, Biddulph High School, Moorside High School and Werrington Primary School. Its academies have a combined student capacity of 4,270 students and had a roll of 3,581 in the college and school census returns in October 2023. The sixth form college also provides a foundation degree programme for around a further 110 students from Staffordshire University.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of the Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Potteries Educational Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as Directors of the academy Trust.

d. Method of recruitment and appointment or election of Trustees

Eligibility to act as a Trustee of the Trust is within the Constitutional Framework and Clauses 45-80 of the Articles of Association.

Up to eight Trustees are appointed by the Members and other Trustees are co-opted by the Trust Board. The Trust Board has Trustees available that can convene when there is a requirement to attract, recruit and appoint new trustees with a range of skills and background to provide the Trust with the best possible advice and support. Elected parents, staff or students are appointed to serve the Local Governing Bodies.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The majority of training and induction provided for each new Trustee will be based on a core programme and induction pack supplemented by additional content depending on their existing skills and experience and where necessary will provide training on charity, educational, legal and financial matters. In-house training with specialist staff is provided prior to trustee meetings. An annual strategic development day is held to update trustees and governors on latest developments in the sector and the possible impact on the Trust policies and priorities. Skills audits are undertaken on a regular basis to identify gaps and techniques implemented to review effective governance.

f. Organisational structure

The Trustees are responsible for setting general policy, adopting a three-year annual strategic plan and budget which is reviewed annually, monitoring performance and appointment of Senior Postholders. The Chief Executive Officer, the Deputy Chief Executive Officer, the Headteachers, the Chief Financial Officer and the Governance Professional to the Trust Board are deemed to be Senior Postholders for the purposes of pay decisions by the Trust Remuneration Committee.

Each school and college across the Trust has its own Senior Management Team (SMT) and Middle Management Team as appropriate for the needs of the establishment.

Each SMT control their own academy within the Trust at a leadership level, adhering to the scheme of delegation, implementing policies laid down by the Trustees and reporting back to them. As a group they are responsible for the authorisation of spending within approved budgets and the appointment of staff.

Middle Managers consisting of curriculum and support managers, in addition to the SMT, have delegated responsibilities and encourage decision making at all levels. This group also reviews Risk Management within the organisation.

The Trust's Executive Group provides strategic leadership and the consideration of trust wide policies and curriculum delivery across the trust. The Executive Group comprises the Chief Executive Officer, the Deputy Chief Executive Officer / Director of Educational Improvement, the Headteachers of the member academies and Chief Financial Officer. The Executive Group is supported by the Governance Professional.

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

Trustees make decisions on pay levels for senior postholders upon the recommendation of the Remuneration Committee. These are based on national and sector benchmarks as well as performance of individuals. Levels of pay for other senior leaders are also based on the same criteria. Pay for Headteachers is considered by the Remuneration Committee on the recommendation of the Local Governing Body. Pay decisions for other senior leaders are made by the Principal or Headteacher through the performance management processes.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	1
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	630
Total pay bill	18,968,774
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

The Potteries Educational Trust works in partnership with local schools and colleges and in particular SASCAL, a headteachers group within the City of Stoke-on-Trent.

Additional schools are actively being sought and further growth of the trust is anticipated over the next three years.

The Potteries Educational Trust recognises the importance of relationships with all of these bodies as well as a range of stakeholders and engages with them on a regular basis.

j. Engagement with employees (including disabled persons)

The Trust keeps its employees informed regarding matters affecting them through the PET joint development days, staff briefings, weekly bulletins, e-mails and departmental meetings. With regards to disabled individuals under the employment of the Trust, the trust has an Equal Opportunities Policy that it adheres to.

Structure, governance and management (continued)

k. Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust works with both internal and external stakeholders in accordance with the "Seven Principals of Public Life", these being: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. The Trust relies on external suppliers for the provision of key services and these suppliers are treated on the same basis to establish and maintain a good working relationship.

The Trust's procurement policy is dealt with in accordance with the provision of its Financial Framework, which sets out the correct process to be followed and the relevant financial delegations applying across all trust academies. The Trust aims to achieve best value for money and the best price possible from all suppliers given that a large proportion will be paid with public funds. The Trust is required to maintain the integrity of those funds whilst ensuring that a fair process is published and followed.

Communicating with students and parents/carers has been established through the use of letters, texts, e mail, social media and management information systems including CEDAR, BROMCOM, Arbor and ParentPay.

Objectives and activities

a. Objects and aims

Our focus is to provide the very best education for every child and young person within the Trust, offering a high quality, broad, academic education for the children and young people of Stoke-on-Trent, North Staffordshire and beyond. Working with like-minded partners, the Potteries Educational Trust centres on the development of the very best practice in teaching, learning and assessment. We will provide teaching and learning in a nurturing, supportive environment with a broad range of opportunities and extra-curricular activities available for all within the Trust.

As a learning and caring community, we share common values and principles which are embraced at every academy within the Trust. These values form the foundations of everything that we do and achieve as a Trust with one outcome in mind, to create a caring community that delivers excellence and inspires futures.

Each school and college has its own Local Governing Body so that decisions are made at a local level specific to the individual needs of each academy. Each establishment has its own individual character and uniqueness. It is important for our Trust to celebrate our diversity whilst working to our common values and principles.

We offer a vast range of opportunities through the curriculum and extra curriculum activities to develop our young people for life experiences and promote high aspirations. The Trust has extensive links with regional and national businesses and universities. We provide wide ranging continuous professional development opportunities for all staff.

We are proud of being a Trust that successfully promotes the highest of aspirations in all our students as evidenced by the multiple opportunities available to meet leading professionals and academics, explore their vocation, experience educational visits across the globe and apply successfully for the most competitive of destinations.

Through our current values:

- We strive for excellence in both academic achievement and life experiences to provide a rich education and opportunities beyond just a set of qualifications.
- We seek to inspire our children and young people, raising their aspirations to be the best they can be and to make a positive contribution to our local and national community.
- We believe in the added value of working partnerships across all phases of education and the benefits and opportunities it brings to our students and staff.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Objectives and activities (continued)

- We will maintain an open access policy ensuring that admission is not based on academic success, within the context of the available curriculum in each academy.
- The Trust will promote a broad, holistic education for all our children and young people who seek to broaden their understanding of the world.
- All partners in the Trust have an equal place and will work together with honesty, transparency and fairness. We will learn from each other to add value to our practices and to the children and young people and communities we serve.

By working together and learning from each other to add value to our practices and to the children and young people and communities we serve, we have championed the following core principles:

- The safety and wellbeing of the children and young people we serve in every action taken by the Trust and its academies
- A caring, community centered ethos throughout the Trust, cherishing every individual child and young person.
- Excellence in academic terms but also in providing a broad education beyond qualifications – to be 'Outstanding' in all we do.
- We will ensure the effective use of resources for the benefit of all children and young people in the Trust.
- We are committed to every child and young person in the Trust; we celebrate diversity and will work to narrow any gaps in aspiration, achievement or attainment within our community.

We have reviewed our Strategic Plan for 2023-2028 which includes six strategic objectives:

- All learners will master a broad, enriched curriculum – As a result, achievement in all academies is consistently above national average in all areas for all learners
- Every learner will have regular experiences/encounters with industry/university/employers every year, supported by specialist careers advice, which also help to meet local skills gaps – As a result, PET is nationally recognised as a national leader in careers and employment experiences for young people
- All academies will use creative, digital technologies to improve learning and support innovative curriculum delivery - As a result, PET staff and learners are confident users of digital technology to innovate and master the curriculum, and PET is a beacon of excellence in the use of digital technologies for learning.
- 'Employer of choice' – As a result, employees likelihood to recommend exceeds 90% and at least 95% of staff agree that PET offers both high quality professional development and cares about staff wellbeing
- The PET will attract academies to our trust and add value to the lives of learners – As a result, the PET has more primary academies (including Middle and First Schools).
- All PET academies will become carbon neutral, sustainable institutions – As a result, PET academies achieve 40% reduction in direct and indirect emissions, reducing our overall PET carbon footprint.

Our Big Hairy Audacious Goal over the next 5 to 25 years is to be the highest performing trust and system leader for creative, digital, educational innovation in the Midlands and beyond.

We are a vibrant Learning Community working hard in the areas that we serve to maintain and develop excellent and innovative teaching and learning.

Our identity is as a caring community, delivering excellence and inspiring futures.

Objectives and activities (continued)

Our values have been reviewed and from September 2023 include:

Innovation - To embrace creativity in all its forms

Respect - To respect and celebrate the uniqueness of each of our academies and their communities

Community - To be the heartbeat of our communities

Aspiration - To inspire our young people to follow their dreams

Integrity - To be honest, ethical and trustworthy

Excellence - To strive for excellence in all we do

b. Financial Objectives

The Trust sets annual financial objectives in order to continue to maintain high standards of education and support for learners by the efficient use of funding allocated to the Trust's academies.

In addition, the Trust intends to remain financially sound so as to:

- Maintain and further develop the very highest levels of teaching and learning for all its students. We seek to be the centre for academic excellence in the region and to work to support colleagues in feeder schools in developing their practice also – working in a collegiate way that acknowledges we can learn as much from them as they from us and for the betterment of all young people's lives in the area.
- Protect itself from unforeseen adverse changes in enrolments and learner activity levels. It should be noted that although the concept of the current funding methodology reduces the risk of in year reconciliation any under achievement of targets in one year could lead to rebasing of allocations and reduced funding in future years.
- Provide a safe, pleasant and secure working environment for all learners and staff.
- Generate sufficient income to enable maintenance and improvement of its accommodation and equipment.
- Develop staff to their full potential to enable them to motivate learners to achieve their goals.

The Trust wishes to maintain the confidence of funders, suppliers, bankers and auditors whilst also raising the awareness of trust staff of the financial environment under which it operates.

c. Public benefit

The Potteries Educational Trust is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company are disclosed on page 1.

In setting and reviewing the Trust's objectives, the trustees had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Trust provides the following identifiable public benefits through the advancement of education:

- High quality teaching and learning
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs)

Strategic report

Achievements and performance

The results of the trust have seen an overall improvement, in contrast to the national trend in 2023 which has shown a national decline. The government returned to 2019 grade boundary standards for both A Level and GCSE courses in England, although some vocational courses have not been affected as significantly due to exams taken in previous years. PET results are, taken as a whole, above the 2019 results for our academies and in some cases, well above 2019 and even above 2022 outcomes.

Key Stage 5 Achievement

At Key Stage 5 at Stoke Sixth Form College, high grades in A Level (50%) and Vocational Courses (52%) were above 2019 results and above West Midlands. Pass rates in A Level and Vocational Courses, at both the Stoke Sixth Form College (99%) and Biddulph High School (100%) were above national averages. T Level high grades results at the Stoke Sixth Form College (76.1%) were above national average as was T Level course retention. Biddulph High School high grades in Vocational Courses (50%) were above 2022 but no comparison can be made with 2019 as they had no vocational results that year.

GCSE resit data continues to be a strength of our trust with GCSE resits in Maths above national average at both Biddulph High School and Stoke Sixth Form College in 2023. GCSE resits in English at Stoke Sixth Form College were above national average for the second year in a row, well above the local GCSE English and Maths outcomes.

Key Stage 4 Achievement

We are particularly proud of the impact that our Year 11 Strategy has had in Year 11 Achievement across the trust. Strategies included the identification and support for students at risk of underachievement, high expectations of attendance to revision sessions and examinations and support to remove barriers to learning in exam attendance for vulnerable students. As a result, progress 8 scores have improved significantly at both Biddulph High School (-0.24) and Moorside High School (+0.9) improving from -0.64 and -0.26 respectively. Overall, the progress of disadvantaged (DA) learners has also improved at both secondary academies, partly due to our engagement with the RADY programme and the hard work of our staff. This programme raised expectations for DA learners to level the learning landscape, raising targets, prioritising support and ensuring the highest expectations for DA learners.

English, Maths, Science, History and MFL have all improved across the trust but remains a focus area with our larger number of pupils entered on the EBACC curriculum pathways. EBACC entry at Moorside High School highlights our ambition as a trust with 70% learners entered and 38% achieving a grade 4 in all EBAC subjects, well above national results.

Key Stage 2 Achievement

At Werrington Primary School, SATs results (60%) were above national average in RWM and in Writing (78%) and Maths (75%) and significantly above in SPAG (82%). This is the second year in a row Werrington pupils have achieved above national and local averages. Improvements in Maths reflect the changes to Maths Mastery curriculum delivery and have been sustained for the past 2 years in a row above national and local averages.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Key Stage 1 and EYFS Achievement

KS1 outcomes follow a similar pattern with the majority of learners achieving Age Related Expectations and the Phonics check results are in line with local averages although there is a slight decline from 2022. Early Years Foundation Stage (EYFS) pupils are achieving prime goals in line with local authority averages. The number of EYFS pupils achieving a good level of development has slightly declined from last year which is indicative of the impact of COVID on our youngest pupils in the trust, many of whom were supported with school readiness and speech and language help upon entry to Reception, including this September.

Key performance indicators

The Trust continues to monitor the performance of its academies through regular monitoring by the CEO and Senior Management Teams within each academy. Specialist resources are targeted to specific areas as necessary.

The Trust operates in line with the requirements of its Funding Agreement with the Education and Skills Funding Agency (ESFA) and manages its reserves in line with the Trust's financial policies.

a. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue 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.

b. Promoting the success of the company

The Trust provides systems, structures and external networks to support the work in the Trust's academies to enable them to prioritise their time on teaching, learning strategies and outcomes for their schools. The Trust believe that this allows schools leadership and local committees to focus on the needs of the children and young people in their schools / college within a supportive framework.

The Trust works hard to ensure that each academy environment is fit for purpose and that environmental impact is considered when decisions are made regarding trust infrastructure. Recent building projects at the trust's schools and college have used both local and regional workforces and ecological standards have been observed.

The professional conduct of our trustees, governors, staff and visitors is of the utmost importance to the Trust. All are expected to abide by relevant codes of conduct and trust policies.

Financial review

The Trust receives the majority of its funding from the Education and Skills Funding Agency (ESFA) in the form of recurrent grant paid on a monthly basis. The grant received during the period is shown as 'Restricted Funds' in the Statement of Financial Activities.

The Trust also benefits from a Devolved Formula Capital Grant which is used for maintenance projects and investment in resources.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Strategic report (continued)

The Trust has fixed assets of £54,830,582, cash of £2,462,123 and short-term investment balances of £1,907,549. The Trust has accumulated reserves and cash balances in order to create a contingency fund for future capital development.

Restricted fixed asset funds total £55,291,839 and movements during the year are shown in note 22 to the financial statements.

The Trust has reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants.

a. Reserves policy

The Board of Trustees recognise the importance of reserves in the financial stability of any organisation and ensures there are adequate reserves to support the Trusts' core activities. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trust aims to continue to accumulate reserves and cash balances to enable future capital developments and cushion the effects of any further decreases in real terms funding levels. Discussions are also taking place with partner organisations to develop further sports facilities for the City of Stoke-on-Trent Sixth Form College to replace those at Fenton Manor following either the end of the current period or early termination outside of the control of the Trust.

Any schools joining the Trust will adhere to the Trust's reserves policy which states that reserves will not be pooled. The Board of Trustees and each academy's Local Governing Body will decide on how their respective academy reserves will be spent in consultation from the Chief Executive Officer and Chief Financial Officer.

Upon review of the Trust reserves position at 31 August 2023, the current balance of restricted general funds (excluding pensions and enhanced pension reserves) is £715,312 plus a £1,519,444 balance on unrestricted reserves funds.

The reserves currently held are slightly above the Trust's target which is contained within the Reserves Policy. For confirmation this is £1,679,000 which broadly represents 7.5% of total annual funding. The Trust continues to set out to steadily increase reserves each year, with capital investment projects targeted across the Trust for use of these funds when necessary and suitable funds permit.

b. Investment policy

Treasury management is the management of the Trust's cash flows, banking and money market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with the associated risks. The Trust has a separate investment policy in place.

During the period there was no short-term borrowing for temporary revenue purposes and the Trust has no bank loans. Any borrowing requires the authorisation of the Trustees and must comply with the requirements of the Funding Agreement agreed with the ESFA.

c. Principal risks and uncertainties

The Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

Based on the strategic plan, the Senior Management and Executive Team undertake regular comprehensive reviews of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to annual reviews, the Senior Management and Executive Team also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

A detailed risk register is maintained at both Trust and academy level which is reviewed at least termly by the Audit and Risk Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the Trust.

Outlined below is a description of the principal risk factors that could affect the Trust although not all of the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

Government Funding

The Trust has considerable reliance on continued government funding through the education sector funding bodies. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Demographic trends also have a significant impact on recurrent funding.

Fundraising

The Trust does not use external fundraisers. Fundraising is monitored at a local level by individual academies.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Streamlined energy and carbon reporting

The Trust's greenhouse gas emissions and energy consumption are as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	4,207,531	4,208,475
Energy consumption breakdown (kWh):		
Gas	2,447,503	2,450,046
Electricity	1,743,010	1,745,124
Transport fuel	17,018	13,305
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	446	447
Owned transport	4	4
Total scope 1	450	451
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	361	337
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	3	3
Total gross emissions (in tonnes of CO2 equivalent):	814	791
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.22	0.21

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil (based on the autumn census), the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have smart meters in place at our academy sites and have also significantly increased the amount of video conferencing technology now in use across the Trust, in order to reduce the need for travel between sites and for travel to sites for some governance meetings.

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Trustees' Report (continued)
For the Year Ended 31 August 2023

Plans for future periods

The Trust remains concerned that future austerity plans along with high inflation and high energy costs will continue to impact negatively on the education sector.

The challenges faced by the sector include:

- Developing the curriculum to meet the needs of learners with the introduction of linear courses
- Meeting the challenge of continued restrictions in funding
- Increases in high inflationary employer payroll costs
- Maintaining the quality and experience for students despite real terms funding cuts
- National challenges with recruitment and retention in certain subject areas
- Growth of the trust and continued collaboration with schools and academies in the best interests of learners.
- Uncertainty in medium and long-term energy costs

Resources

The Trust has resources that it can deploy in pursuit of its strategic objectives:

- Established and well-trained staff
- Excellent ICT infrastructure
- Its reputation as an organisation that achieves excellent results, together with high quality learner support
- Excellent facilities and physical resources

Events after the End of the Reporting Period

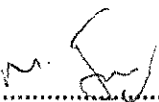
There have been no significant or material events to report after the period end.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *14 December 2023* and signed on its behalf by:


.....
M Jones
Chair of Trustees

Potteries Educational Trust
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Governance Statement

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Potteries Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year (2 meetings were called as extra-ordinary meetings).

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

Trustee	Meetings attended	Out of a possible
M Jones, Chair	6	6
M Kent, Chief Executive	6	6
C Freeman, Vice Chair	5	6
P Gavin	4	6
M Johnstone	3	6
R Johnstone	2	6
M Astley (resigned 10 November 2022)	1	1
P Mangnall	5	6
C Mayer	5	6
J Smart	5	6
K Smith	5	6
J Hunter	6	6
R Jones	5	6
K Spelman Miller	5	6

Conflicts of Interest

The Trust maintain a register of interests which contains any business or pecuniary interests that trustees and leaders have. These are reviewed as least annually. A specific agenda item is added to the autumn trust board meeting which is available on the Trust website. It is also a standing item on each board meeting agenda for trustees and leaders to declare any conflicting interests they may have in agenda items.

Governance Review

The most recent trust skills audit was undertaken in the summer term 2022. The outcome and results of the audit were scrutinised for any gaps in the skills and experience of the current board. The skills and experience will continue to be reviewed on a regular basis and in particular, when the membership of the Board changes.

Governance Statement (continued)

Governance (continued)

An external governance review commenced in Autumn Term 2023 with a planned Governance and Leadership review during each Term. Biddulph High School and Moorside High School were reviewed in the Autumn Term 2022 and Spring Term 2023 respectively and action plans developed. The planned review for the City of Stoke-on-Trent Sixth Form College was postponed from the Summer Term 2023 following a successful Ofsted inspection. Plans will be made for the external review to be completed in the Spring Term 2024. The review for Werrington Primary School will be planned for Spring Term 2024 following changes to the senior leadership team which took effect from September 2023. The reviews will culminate in a review for the Trust Board and its other committees.

The Finance and Resources Committee is a committee of the main board of trustees. The Committee has met three times during the year. Its purpose is to assist the Board through regular monitoring of its financial performance, approving capital projects and the monitoring of other key performance indicators.

During the 2022-2023 financial year the Committee continued to monitor the progress and financial management of the budget for the Trust. Variations to budget were evaluated closely following a budget re-forecast at the start of the Autumn Term 2022.

The Committee approved the procurement of a Trust catering contract and a cleaning contract which would be accessed by City of Stoke-on-Trent Sixth Form College, Moorside High School and Werrington Primary School. The contract values were in excess of the OJEU limits. An external consultancy was engaged to support the procurement process and add capacity for the central team. Pay awards for 2022 were approved for implementation.

Moorside High School were accepted for the School Rebuilding Programme, however, a decision was made to decline the acceptance due to impact on Condition Improvement applications which were deemed a more immediate priority to ensure that the academy was compliant with fire safety and other safeguarding requirements.

The Committee received reports outlining the redundancy proposals for Biddulph High School and the subsequent deficit recovery plan.

Approval was granted for the development of the Early Years Foundation Unit accommodation at Werrington Primary School and approval granted for a subsequent change to the original plan due to spiralling costs. A revised plan was approved to reconfigure the internal accommodation at a substantially reduced cost and subsequently approved requests for use of reserves for other purposes.

Following the retirement of the Headteacher of Werrington Primary School, with effect from 31 August 2023, appointments were made to the appointment of a new headteacher and deputy headteacher for the academy with effect from 1 September 2023.

Estate condition improvements were evaluated, and approval granted for applications for Condition Improvement Funding to be made with appropriate match funding from academy reserves. CIF fundings applications were successful for our academies and work has proceeded appropriately over the academic year.

The STEM Learning Science Learning Partnership contract, Computing Hub and Digital School House contracts were reviewed and a revised contract agreed from March 2023.

Central Service Team capacity was reviewed and a recommendation made to the Board to increase the academy central contribution to 3.5% to enable appropriate capacity across central service to support academies successfully.

Chairs of Local Governing Body Finance and Resources sub-committees were invited to be in attendance at the committee with effect from Summer Term 2023.

Potteries Educational Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Freeman	3	3
J Hunter	1	3
R Jones	2	3
M Kent	3	3
J Smart	2	3

The Audit and Risk Committee is a committee of the main board of trustees. The Committee has met three times during the year. Its purpose is to ensure statutory compliance and assist the Board in ensuring the adequacy and effectiveness of control systems and procedures and in considering audit and other reports.

During the 2022-2023 financial year the Committee continued to regularly review the risk register and made recommendations as appropriate to the Trust Board and oversee compliance with statutory requirements.

The committee continues to receive reports from the Data Protection Officer and the PET Chief Information Officer.

The committee continues to receive compliance reports and review recommendations from external and internal audit reports.

The committee oversee the process for review of effective governance on behalf of the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Gavin	3	3
P Magnall	3	3
C Mayer	2	3
J Gething (Co-opted)	3	3

The Remuneration Committee is a committee of the main board of trustees. The Committee has met once during the year, its purpose is to consider and advise on:

- the performance of the holders of senior posts as determined by the Board.
- the remuneration, other terms and conditions of the holders of senior posts as determined by the Board.
- the appraisal of the holders of senior posts as determined by the Board.
- the staff development the holders of senior posts as determined by the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Freeman	1	1
P Gavin	1	1
M Jones	1	1

Potteries Educational Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Governance (continued)

The Quality of Education Committee is a committee of the main board of trustees. The Committee has met four times during the year. Its purpose is to assist the board in the discharge of its responsibilities for:

- monitoring the quality of the educational provision at the academies of the Potteries Educational Trust;
- monitoring the quality of teaching, learning and assessment within the Trust;
- monitoring the inclusiveness of the educational activities of the Trust.

The committee focusses on quality assurance, evaluation of strategic priorities, professional growth, student and staff wellbeing, impact of COVID19 pandemic and preparation for external assessments and examinations. The Trust wide structure for Teaching Learning and Assessment was reviewed and subsequently the committee reviewed to include teaching and learning link governors from each of the academies to be in attendance at the Committee. The strategic focus for the year was on the impact of VIPERS reading strategy and Maths Mastery, together with implementation of leadership development and coaching programmes and curriculum progression framework project and provision for children and young people with Special Educational Needs. A significant increase in Education Health Care Plans was evident across the Trust. Chairs of Local Governing Body Quality of Education sub-committees are invited to be in attendance at the PET Quality of Education Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Astley (resigned 10 November 2022)	0	1
C Freeman	4	4
M Johnstone	2	4
R Johnstone	3	4
M Kent	4	4
K Smith	4	4
K Spelman Miller	2	4

Local Governing Body

Each Academy has a Local Governing Body which is a committee of the Trust Board. The constitution, membership and proceedings of the Local Governing Body is determined by the Trust Board and through the Scheme of Delegation. The Trust operates on the basis of subsidiarity and where legally possible decisions are made at Local Governing Body level. The Local Governing Bodies may operate subcommittees as appropriate: Quality of Education and Finance and Resources. The LGB and the subcommittees focus on the detailed scrutiny and holding the executive to account for the relevant academy.

Potteries Educational Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of value for money

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

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

- A trust wide contracts database continues to be further developed and monitored with all Trust members to identify joint procurement opportunities to ensure savings and best value is applied to all future contract purchasing across the Trust.
- Strong procurement support within estates capital projects, and energy contract costs in order to maximise the value for money for our investment

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Potteries Educational Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2022 to 31 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to employ Beever and Struthers as internal auditor.

Potteries Educational Trust
(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework (continued)

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period include:

- Risk Management
- Risk Register development
- 16-19 bursary funding

There were no material control issues reported by the internal auditor during the year.

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

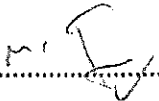
Review of effectiveness

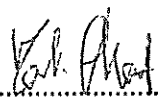
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

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


.....
M Jones
Chair of Trustees
Date: 14 December 2023


.....
M Kent
Accounting Officer

Potteries Educational Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Potteries Educational Trust, 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 Academy 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 all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 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.



M Kent
Accounting Officer

Date: 14 / 12 / 23

Potteries Educational Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2023

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

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

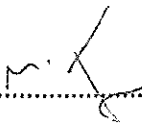
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

The Trustees are responsible 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 and signed on its behalf by:


.....
M Jones
Chair of Trustees
Date: 14-12-23

Potteries Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust

Opinion

We have audited the financial statements of Potteries Educational Trust (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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Potteries Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Potteries Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the financial reporting legislation, Academies Act 2010, Companies Act 2006, Academies Accounts Direction, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Potteries Educational Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Trust's legal advisors.

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

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

Use of our report

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



Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains Audit Limited

Chartered Accountants
Statutory Auditor

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke-on-Trent
ST1 5RQ

Date: 14.12.23

Potteries Educational Trust
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Potteries Educational Trust
and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 7 October 2022 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 Potteries Educational Trust during the year 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 Potteries Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Potteries Educational Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Potteries Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Potteries Educational Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Potteries Educational Trust's funding agreement with the Secretary of State for Education dated 26 March 2021 and the Academy 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 year 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 Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Potteries Educational Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Potteries Educational Trust
and the Education & Skills Funding Agency (continued)

Conclusion

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



Dains Audit Limited

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke-on-Trent
ST1 5RQ

Date: 14.12.23

Potteries Educational Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
	Note					
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		2,050	6,472	2,685,054	2,693,576	3,307,206
Other trading activities	5	61,079	81,684	-	142,763	298,083
Investments	6	36,019	9,000	-	45,019	3,049
Charitable activities	4	255,566	24,428,471	-	24,684,037	22,637,646
Total income		354,714	24,525,627	2,685,054	27,565,395	26,245,984
Expenditure on:						
Raising funds	7	-	5,412	-	5,412	178,756
Charitable activities	8	251,968	24,418,484	1,290,685	25,961,138	24,964,109
Total expenditure	7	251,968	24,423,896	1,290,685	25,966,549	25,142,865
Net income		102,746	101,731	1,394,369	1,598,846	1,103,119
Transfers between funds	22	-	(345,458)	345,458	-	-
Net movement in funds before other recognised gains		102,746	(243,727)	1,739,827	1,598,846	1,103,119
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	30	-	766,000	-	766,000	11,541,000
Net movement in funds		102,746	522,273	1,739,827	2,364,846	12,644,119

Potteries Educational Trust
(A Company Limited by Guarantee)

Statement of financial activities (Incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset fund 2023 £	Total funds 2023 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2022</i> <i>£</i>
Reconciliation of funds:					
Total funds brought forward	1,416,698	(328,397)	53,552,012	54,640,312	41,996,193
Net movement in funds	102,746	522,273	1,739,827	2,364,846	12,644,119
Total funds carried forward	1,519,444	193,876	55,291,839	57,005,159	54,640,312

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

The notes on pages 34 to 67 form part of these financial statements.

Potteries Educational Trust
(A Company Limited by Guarantee)
Registered number: 10647453


Balance Sheet
As at 31 August 2023

		2023 £	As restated 2022 £
	Note		
Fixed assets			
Tangible assets	14	54,830,582	51,801,074
		<u>54,830,582</u>	<u>51,801,074</u>
Current assets			
Stocks	15	52,970	55,596
Debtors	16	1,304,498	2,830,620
Investments	17	1,907,549	2,182,949
Cash at bank and in hand		2,462,123	2,232,402
		<u>5,727,140</u>	<u>7,301,567</u>
Creditors: amounts falling due within one year	18	(2,937,171)	(3,099,109)
Net current assets		<u>2,789,969</u>	<u>4,202,458</u>
Total assets less current liabilities		<u>57,620,551</u>	<u>56,003,532</u>
Creditors: amounts falling due after more than one year	19	(93,956)	(86,521)
Provisions for liabilities		(162,436)	(191,698)
Net assets excluding pension liability		<u>57,364,159</u>	<u>55,725,313</u>
Defined benefit pension scheme liability	30	(359,000)	(1,085,000)
Total net assets		<u><u>57,005,159</u></u>	<u><u>54,640,313</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	22	55,291,839	53,552,012
Restricted income funds	22	552,876	756,603
Restricted funds excluding pension asset	22	55,844,715	54,308,615
Pension reserve	22	(359,000)	(1,085,000)
Total restricted funds	22	<u>55,485,715</u>	<u>53,223,615</u>
Unrestricted income funds	22	<u>1,519,444</u>	<u>1,416,698</u>
Total funds		<u><u>57,005,159</u></u>	<u><u>54,640,313</u></u>

Potteries Educational Trust
(A Company Limited by Guarantee)
Registered number: 10647453

Balance Sheet (continued)
As at 31 August 2023

The financial statements on pages 29 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



M Jones
Chair of Trustees
Date: 14/12/23

The notes on pages 34 to 67 form part of these financial statements.

Potteries Educational Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	24	40,015	1,225,686
Cash flows from investing activities	26	180,305	(1,351,402)
Cash flows from financing activities	25	9,401	(30,758)
Change in cash and cash equivalents in the year		229,721	(156,474)
Cash and cash equivalents at the beginning of the year		<u>2,232,402</u>	<u>2,388,876</u>
Cash and cash equivalents at the end of the year	27, 28	<u>2,462,123</u>	<u>2,232,402</u>

The notes on pages 34 to 67 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Potteries Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

1. Accounting policies (continued)

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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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 Capital Grants' 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. Accounting policies (continued)

1.4 Expenditure

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

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 on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Over the life of the lease
Furniture and equipment	- 12.5% straight line
Office equipment	- 12.5 to 25% straight line

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

1. Accounting policies (continued)

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Provisions

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

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

1.11 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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. Accounting policies (continued)

1.12 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.

1.13 Pensions

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

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

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

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

1.14 Operating leases

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

1. Accounting policies (continued)

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Land and Buildings Valuation

The freehold land and buildings within the accounts relates to the academy premises which were donated to the Academy Trust on conversion. The land and buildings were valued using an independent valuer. These are being depreciated in accordance with the depreciation policies set out in note 1.

Potteries Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations					
Donations	2,050	6,472	-	8,522	14,308
Capital Grants	-	-	2,685,054	2,685,054	3,292,898
	<u>2,050</u>	<u>6,472</u>	<u>2,685,054</u>	<u>2,693,576</u>	<u>3,307,206</u>
<i>Total 2022</i>	<u>(2,050)</u>	<u>16,358</u>	<u>3,292,898</u>	<u>3,307,206</u>	

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

4. Funding for the Trust's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,837,890	9,837,890	9,490,181
Other DfE/ESFA grants				
Sixth Form Funding	-	10,508,125	10,508,125	9,372,291
Pupil Premium	-	321,750	321,750	323,660
Universal Infant Free School Meals	-	70,517	70,517	60,995
Rates Reclaim	-	94,609	94,609	96,444
Teachers Pay Grant	-	2,573	2,573	136,865
Teachers Pension Grant	-	390,853	390,853	386,747
Other DfE/ESFA Grants	-	691,222	691,222	252,839
	-	21,917,539	21,917,539	20,120,022
Other Government grants				
SEN Funding	-	420,153	420,153	379,418
Other Government Grants	-	330,950	330,950	390,704
	-	751,103	751,103	770,122
Other income from the Trust's educational operations	255,566	1,594,296	1,849,862	1,523,161
COVID-19 additional funding (DfE/ESFA)				
Covid Recovery Premium	-	58,705	58,705	44,171
Covid Workforce Fund	-	-	-	8,634
Covid Tuition Fund	-	106,828	106,828	171,536
	-	165,533	165,533	224,341
	255,566	24,428,471	24,684,037	22,637,646
Total 2022	87,817	22,549,829	22,637,646	

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Hire of Facilities	61,079	-	61,079	52,733
Other Income	-	81,684	81,684	245,350
	<u>61,079</u>	<u>81,684</u>	<u>142,763</u>	<u>298,083</u>
<i>Total 2022</i>	<u>52,733</u>	<u>245,350</u>	<u>298,083</u>	

6. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment Income	36,019	-	36,019	3,049
Pension income	-	9,000	9,000	-
	<u>36,019</u>	<u>9,000</u>	<u>45,019</u>	<u>3,049</u>
<i>Total 2022</i>	<u>3,049</u>	<u>-</u>	<u>3,049</u>	

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	5,412	5,412	178,756
Educational Operations:					
Direct costs	15,500,908	-	2,625,526	18,126,434	17,118,360
Allocated support costs	3,832,634	1,644,672	2,357,398	7,834,704	7,845,749
	<u>19,333,542</u>	<u>1,644,672</u>	<u>4,988,336</u>	<u>25,966,550</u>	<u>25,142,865</u>
<i>Total 2022</i>	<u>19,254,811</u>	<u>1,024,749</u>	<u>4,863,305</u>	<u>25,142,865</u>	

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations	18,126,434	7,834,704	25,961,138	24,964,109
<i>Total 2022</i>	<i>17,118,360</i>	<i>7,845,749</i>	<i>24,964,109</i>	

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	15,500,908	14,794,367
Educational supplies	353,417	339,218
Examination fees	490,793	405,302
Staff development and other staff costs	68,551	69,246
Technology costs	340,223	390,853
Educational consultancy	114,398	90,872
Other costs	1,144,897	938,840
Staff related insurance	7,602	3,801
Recruitment and other staff expenses	105,645	85,861
	18,126,434	17,118,360

Potteries Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Pension finance costs	-	195,000
Staff costs	3,832,635	4,460,444
Depreciation	1,290,685	1,290,371
Catering	228,712	197,673
Staff training and development	74,103	47,472
Consultancy	118,451	71,860
Other support costs	277,773	259,829
Building maintenance	358,176	226,918
Cleaning and caretaking	229,766	196,027
Rates	95,592	91,418
Energy costs	928,186	484,146
Legal and professional	176,138	149,128
Transport costs	106,464	90,154
Pension costs	(18,706)	(55,469)
Other premises costs	128,544	117,658
Governance costs	8,185	23,120
	7,834,704	7,845,749

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

9. Net income

Net income for the year includes:

	2023 £	2022 £
Operating lease rentals	23,885	28,841
Depreciation of tangible fixed assets	1,293,978	1,290,371
Fees paid to auditors for:		
- audit	15,000	15,000
- other services	2,725	2,725
	<u>2,725</u>	<u>2,725</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	14,300,327	13,326,837
Social security costs	1,442,316	1,378,837
Pension costs	3,388,676	4,313,058
	<u>19,131,319</u>	<u>19,018,732</u>
Agency staff costs	175,344	210,326
Staff restructuring costs	26,879	25,753
	<u>19,333,542</u>	<u>19,254,811</u>

	2023 £	2022 £
Redundancy payments	20,592	-
Severance payments	6,287	25,753
	<u>26,879</u>	<u>25,753</u>

b. Severance payments

The Trust paid 1 severance payments in the year (2022 - 2), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	1	2

Potteries Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

10. Staff (continued)

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £6,287 (2022: £25,753). Individually, the payments were £6,287.

d. Staff numbers

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

	2023 No.	2022 No.
Teachers	209	203
Administration and support	196	233
Management	20	24
	<u>425</u>	<u>460</u>

e. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	10	9
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	4	3
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

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 £772,017 (2022 - £664,247).

Potteries Educational Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2023

11. Central services

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

- Educational Support
- Trust CPD
- Financial Management
- Audit Services
- Financial Software
- Payroll
- Human Resources
- Employee Assistance Programme
- Governance services
- Data Protection Officer services

The Trust charges for these services on the following basis:

The Trust charges for these services based on 2.3%-3.3% of GAG income.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
City of Stoke-On-Trent Sixth Form College	305,130	159,007
Biddulph High School	96,511	83,970
Moorside High School	98,720	86,496
Werrington Primary School	38,751	32,167
Total	539,112	361,640

12. Trustees' remuneration and expenses

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

		2023 £	2022 £
M Kent	Remuneration	120,000 - 125,000	110,000 - 115,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

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

13. 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 academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Assets under construction £	As restated Total £
Cost or valuation						
At 1 September 2022	26,689,802	26,804,060	195,078	790,389	2,355,866	56,835,195
Additions	-	243,450	-	72,770	4,014,330	4,330,550
Disposals	-	(1,325)	-	(14,394)	-	(15,719)
Transfers between classes	3,271,835	1,193,703	235,279	302,126	(5,002,943)	-
At 31 August 2023	29,961,637	28,239,888	430,357	1,150,891	1,367,253	61,150,026
Depreciation						
At 1 September 2022	2,459,232	1,921,214	58,111	595,564	-	5,034,121
Charge for the year	509,577	669,526	26,618	88,257	-	1,293,978
On disposals	-	-	-	(8,655)	-	(8,655)
At 31 August 2023	2,968,809	2,590,740	84,729	675,166	-	6,319,444
Net book value						
At 31 August 2023	26,992,828	25,649,148	345,628	475,725	1,367,253	54,830,582
At 31 August 2022	24,230,570	24,882,846	136,967	194,825	2,355,866	51,801,074

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

15. Stocks

	2023	2022
	£	£
First Bus Tickets	52,970	55,596

16. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	87,771	115,762
Other debtors	130,368	136,401
Prepayments and accrued income	727,488	2,176,061
Tax recoverable	358,872	402,396
	<u>1,304,498</u>	<u>2,830,620</u>

17. Current asset investments

	2023	2022
	£	£
Long term interest accounts	<u>1,907,549</u>	<u>2,182,949</u>

Potteries Educational Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2023

18. Creditors: Amounts falling due within one year

	2023 £	As restated 2022 £
Other loans	18,753	16,787
Trade creditors	816,199	1,125,399
Other taxation and social security	326,246	310,317
Other creditors	421,672	373,004
Accruals and deferred income	1,354,301	1,273,602
	<u>2,937,171</u>	<u>3,099,109</u>

	2023 £	As restated 2022 £
Deferred income at 1 September 2022	1,025,590	1,615,088
Resources deferred during the year	762,111	1,025,590
Amounts released from previous periods	(1,025,590)	(1,615,088)
	<u>762,111</u>	<u>1,025,590</u>

The deferred income is made up of the following:

£762,111 (2022: £1,025,590) relates to DfE/ESFA grants in advance and funds received in relation to trips.

Included in other loans are salix loans totalling £18,753 which are interest free loans repayable in fixed installments over 8-10 years, starting January 2019.

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

	2023 £	As restated 2022 £
Other loans	93,956	86,521

Included in other loans are salix loans totalling £93,956 which are interest free loans repayable in fixed installments over 8-10 years, starting January 2019.

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20. Provisions

	Enhanced pensions £
At 1 September 2022	191,698
Amounts used	(29,262)
	<u>162,436</u>

The enhanced pension provision relates to the cost of staff who already left the Trust's employment and commitments for reorganisation costs from which the academy cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with guidance issued by the funding bodies.

21. Prior year adjustment

During the year, management have reviewed technical guidance around the lease of the playing fields and consider the legal agreement constitutes a finance lease rather than an operating lease. Therefore, the premium received should be recognised within Income and Expenditure, and subsequently the Restricted Fixed Asset Fund, on the conversion to Academy Status.

As a result, a profit on disposal of the playing fields of £591,539 has been recognised as a prior period adjustment to funds brought forward within the financial statements, with tangible fixed assets reduced by £180,000 and creditors falling due after more than one year reduced by £771,539.

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22. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds	1,416,698	354,714	(251,968)	-	-	1,519,444
Restricted general funds						
General Annual Grant (GAG)	176,762	9,837,890	(9,725,421)	(115,770)	-	173,461
Sixth Form Funding	771,539	10,508,146	(10,508,146)	(229,688)	-	541,851
Pupil Premium	-	321,750	(321,750)	-	-	-
Universal infant free school meals	-	70,517	(70,517)	-	-	-
Rates Reclaim	-	94,609	(94,609)	-	-	-
Teachers Pay Grant	-	2,573	(2,573)	-	-	-
Teachers Pension Grant	-	390,853	(390,853)	-	-	-
Other DfE/ESFA Grants	-	678,583	(678,583)	-	-	-
Other Government Grant	-	751,103	(751,103)	-	-	-
Covid Recovery	-	58,705	(58,705)	-	-	-
Covid Tuition Fund	-	106,828	(106,828)	-	-	-
Other Income/Donati ons	-	1,704,071	(1,704,071)	-	-	-
Enhanced Pension Provision	(191,698)	-	29,262	-	-	(162,436)
Pension reserve	(1,085,000)	-	(40,000)	-	766,000	(359,000)
	<u>(328,397)</u>	<u>24,525,628</u>	<u>(24,423,897)</u>	<u>(345,458)</u>	<u>766,000</u>	<u>193,876</u>

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22. Statement of funds (continued)

	Restated Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted fixed asset funds						
DFE/ESFA Grants	4,267,918	2,685,054	(1,290,685)	345,458	-	6,007,745
Transferred on conversion	49,284,094	-	-	-	-	49,284,094
	<u>53,552,012</u>	<u>2,685,054</u>	<u>(1,290,685)</u>	<u>345,458</u>	<u>-</u>	<u>55,291,839</u>
Total Restricted funds	<u>53,223,615</u>	<u>27,210,682</u>	<u>(25,714,582)</u>	<u>-</u>	<u>766,000</u>	<u>55,485,715</u>
Total funds	<u>54,640,313</u>	<u>27,565,396</u>	<u>(25,966,550)</u>	<u>-</u>	<u>766,000</u>	<u>57,005,159</u>

22. Statement of funds (continued)

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

Unrestricted General Funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the trustees.

Restricted General Funds

This fund represents grants received for the Trust's operational activities and development.

Pension Reserve

This fund represents the Trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received by the ESFA to carry out works of a capital nature and also the donation of leasehold land, buildings and playing fields from the local authority on a 125 year lease and a small amount of capital expenditure from GAG and other sources of income.

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

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22. Statement of funds (continued)

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

	<i>As restated Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds	1,485,358	141,549	(156,922)	(53,287)	-	1,416,698
Restricted general funds						
General Annual Grant (GAG)	4,211	9,490,181	(8,988,543)	(329,087)	-	176,762
Sixth Form Funding	771,539	9,372,291	(9,419,098)	46,807	-	771,539
Pupil Premium	-	323,660	(323,660)	-	-	-
Universal infant free school meals	-	60,995	(60,995)	-	-	-
Rates Reclaim	-	96,444	(96,444)	-	-	-
Teachers Pay Grant	-	136,865	(136,865)	-	-	-
Teachers Pension Grant	-	386,747	(386,747)	-	-	-
Other DfE/ESFA Grants	-	252,839	(252,839)	-	-	-
Other Government Grant	-	770,122	(770,122)	-	-	-
Covid Workforce fund	-	8,634	(8,634)	-	-	-
Covid Recovery	-	44,171	(44,171)	-	-	-
Covid Tuition Fund	-	171,536	(171,536)	-	-	-
Other Income/Donations	-	1,697,053	(1,697,053)	-	-	-
Enhanced Pension reserve	(261,833)	-	70,135	-	-	(191,698)
Pension reserve	(11,217,000)	-	(1,409,000)	-	11,541,000	(1,085,000)
	<u>(10,703,083)</u>	<u>22,811,538</u>	<u>(23,695,572)</u>	<u>(282,280)</u>	<u>11,541,000</u>	<u>(328,397)</u>

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22. Statement of funds (continued)

	<i>As restated Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2022 £</i>
Restricted fixed asset funds						
DFE/ESFA Grants	1,517,210	3,292,898	(877,757)	335,567	-	4,267,918
Transferred on conversion	49,696,708	-	(412,614)	-	-	49,284,094
	<u>51,213,918</u>	<u>3,292,898</u>	<u>(1,290,371)</u>	<u>335,567</u>	<u>-</u>	<u>53,552,012</u>
Total Restricted funds	<u>40,510,835</u>	<u>26,104,436</u>	<u>(24,985,943)</u>	<u>53,287</u>	<u>11,541,000</u>	<u>53,223,615</u>
Total funds	<u>41,996,193</u>	<u>26,245,985</u>	<u>(25,142,865)</u>	<u>-</u>	<u>11,541,000</u>	<u>54,640,313</u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	<i>As restated 2022 £</i>
City of Stoke-on-Trent Sixth Form College	1,432,527	1,160,776
Biddulph High School	(471,048)	(220,704)
Moorside High School	294,980	431,745
Werrington Primary School	623,552	738,188
Central	192,309	63,296
	<u>2,072,320</u>	<u>2,173,301</u>
Total before fixed asset funds and pension reserve	<u>2,072,320</u>	<u>2,173,301</u>
Restricted fixed asset fund	55,291,839	53,552,012
Pension reserve	(359,000)	(1,085,000)
Total	<u>57,005,159</u>	<u>54,640,313</u>

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22. Statement of funds (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Biddulph High School	<u><u>(471,049)</u></u>

The Trust is taking the following action to return the academy to surplus:

The Trust Central Services team continues to work in conjunction with leaders from Biddulph High School on a financial recovery plan through to the 2026-27 year when it is expected the school will have returned to a cumulative surplus position. This also takes into consideration the revisions needed for the high inflationary factors linked to staff pay, energy costs and other non-staffing expenditure areas. All parties continue to be fully invested in the recovery process.

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Notes to the Financial Statements
For the Year Ended 31 August 2023

22. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
City of Stoke-on-Trent Sixth Form College	6,437,058	1,551,630	44,007	2,447,676	10,480,371	9,627,717
Biddulph High School	3,816,582	971,716	67,215	797,929	5,653,442	5,125,363
Moorside High School	3,449,239	753,001	194,849	863,900	5,260,989	4,860,327
Werrington Primary School	1,557,139	188,290	46,805	405,255	2,197,489	1,935,985
Central services	240,890	318,998	540	474,145	1,034,573	894,102
Trust	15,500,908	3,783,635	353,416	4,988,905	24,626,864	22,443,494

Unallocated amounts of £49,000 (2022 - £1,409,000) relates to LGPS pension movements.

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	54,830,582	54,830,582
Current assets	1,532,084	3,733,799	461,257	5,727,140
Creditors due within one year	(12,640)	(2,924,531)	-	(2,937,171)
Creditors due in more than one year	-	(93,956)	-	(93,956)
Provisions for liabilities and charges	-	(521,436)	-	(521,436)
Total	1,519,444	193,876	55,291,839	57,005,159

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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	51,801,074	51,801,074
Current assets	1,274,286	4,276,343	1,750,938	7,301,567
Creditors due within one year	142,412	(3,241,521)	-	(3,099,109)
Creditors due in more than one year	-	(86,521)	-	(86,521)
Provisions for liabilities and charges	-	(1,276,698)	-	(1,276,698)
Total	1,416,698	(328,397)	53,552,012	54,640,313

24. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	1,598,846	1,103,119
Adjustments for:		
Depreciation	1,293,978	1,290,371
Capital grants from DfE and other capital income	(2,685,054)	(3,292,898)
Interest receivable	(36,018)	(3,049)
Defined benefit pension scheme cost less contributions payable	49,000	1,214,000
Defined benefit pension scheme finance cost	(9,000)	195,000
Decrease/(increase) in stocks	2,626	(2,626)
Decrease in debtors	7,990	25,967
(Decrease)/increase in creditors	(163,647)	765,937
Increase / (decrease) in provisions	(18,706)	(70,135)
Net cash provided by operating activities	40,015	1,225,686

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25. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	34,640	-
Repayments of borrowing	(25,239)	(30,758)
Net cash provided by/(used in) financing activities	9,401	(30,758)

26. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	36,018	3,049
Purchase of tangible fixed assets	(4,334,300)	(2,334,642)
Purchase of investments	275,400	(677,149)
Capital grants from DfE Group	4,203,187	1,657,340
Net cash provided by/(used in) investing activities	180,305	(1,351,402)

27. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	2,462,123	2,232,402
Total cash and cash equivalents	2,462,123	2,232,402

28. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,232,402	229,721	2,462,123
Debt due within 1 year	(16,787)	(1,966)	(18,753)
Debt due after 1 year	(86,521)	(7,435)	(93,956)
	2,129,094	220,320	2,349,414

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29. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>587,721</u>	<u>3,716,727</u>

30. Pension commitments

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

Contributions amounting to £366,194 were payable to the schemes at 31 August 2023 (2022 - £350,741) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

30. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,253,003 (2022 - £2,130,289).

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

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

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 £1,339,000 (2022 - £1,207,000), of which employer's contributions totalled £1,075,000 (2022 - £975,000) and employees' contributions totalled £264,000 (2022 - £232,000). The agreed contribution rates for future years are 26.2 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.5	3.45-3.60
Rate of increase for pensions in payment/inflation	3.0	3.05-3.20
Discount rate for scheme liabilities	5.2	4.25
Inflation assumption (CPI)	3.0	3.05-3.20

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

	2023 Years	2022 Years
<i>Retiring today</i>		
Males	18.4-21.5	21.20
Females	23.7-24.2	23.80
<i>Retiring in 20 years</i>		
Males	19.8-20.7	22.20
Females	24.8-25.3	25.50

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30. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(368,000)	(402,000)
Discount rate -0.1%	368,000	402,000
Mortality assumption - 1 year increase	648,000	687,000
Mortality assumption - 1 year decrease	(648,000)	(687,000)
CPI rate +0.1%	331,000	371,000
CPI rate -0.1%	(331,000)	(371,000)
Salary increase +0.1%	46,000	33,000
Salary increase -0.1%	(46,000)	(33,000)

Share of scheme assets

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

	At 31	At 31 August
	August 2023	2022
	£	£
Equities	12,510,000	12,536,000
Corporate bonds	4,294,000	2,786,000
Property	1,494,000	1,567,000
Cash and other liquid assets	373,000	522,000
Total market value of assets	18,671,000	17,411,000

The actual return on scheme assets was £747,000 (2022 - £388,000).

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

	2023	2022
	£	£
Current service cost	(1,038,000)	(2,189,000)
Interest income	757,000	286,000
Interest cost	(748,000)	(481,000)
Total amount recognised in the Statement of Financial Activities	(1,029,000)	(2,384,000)

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30. Pension commitments (continued)

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

	2023 £	<i>Restated</i> 2022 £
At 1 September	17,159,000	28,088,000
Current service cost	1,038,000	2,189,000
Interest cost	748,000	481,000
Employee contributions	233,000	232,000
Actuarial gains	(2,606,000)	(13,572,000)
Benefits paid	(359,000)	(259,000)
At 31 August	16,213,000	17,159,000

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

	2023 £	<i>Restated</i> 2022 £
At 1 September	16,074,000	16,871,000
Interest income	757,000	286,000
Actuarial losses	(1,840,000)	(2,031,000)
Employer contributions	989,000	975,000
Employee contributions	233,000	232,000
Benefits paid	(359,000)	(259,000)
At 31 August	15,854,000	16,074,000

31. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	9,100	23,885
Later than 1 year and not later than 5 years	-	9,100
	9,100	32,985

32. 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.

33. Related party transactions

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

No related party transactions, other than Trustees' remuneration and expenses are already disclosed in note 12, have occurred during the year.

34. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the financial year ended 31 August 2023 the trust received £250,631 and disbursed £444,239 from the fund. An amount of £80,836 is included in other creditors relating to undistributed funds that is being carried forward for distribution in 2023/4.

