

Hodgson Academy
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2023

Hodgson Academy

Annual Report and Financial Statements

Year Ended 31st August 2023

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Hodgson Academy

Reference and Administrative Details

Year Ended 31st August 2023

Members

Mr C McConnachie – (Resigned 26th June 2023)
Mr A Walker
Mr C Jackson
Mrs N Galloway

Trustees

Mr C McConnachie – Member appointed
Mr A Walker – Member
Mr C Jackson – Member – (Resigned 12th September 2022)
Mrs N Galloway – Member appointed/Chair of Trustees
Mrs J Villa – Co-opted
Mr C Feeney – Co-opted
Mrs H Benwell – Co-opted/Vice Chair
Mrs A Preston – Parent - (Resigned 4th February 2023)
Mr I Lindsay – Parent - (Resigned 17th September 2022, Re-appointed 4th October 2022)
Miss M Collins - Parent
Mrs N Harwood – Parent – (Appointed 4th October 2022)
Mr I Siddall – Head teacher/Accounting Officer/Ex officio
Mrs J Harvey – Staff
Mr T Rimmer – Staff (Resigned 30th September 2023)

Secretary

Mr M Pickles – (Resigned 1st January 2023)
Mr S Stott – (Appointed 1st January 2023)

Strategic Leadership Team

Mr I Siddall – Head teacher
Ms F Bate – Deputy Head teacher
Mrs S Khan – Deputy Head teacher
Mr A Day – Associate Deputy Head teacher
Miss S Hetherington – Associate Deputy Head teacher
Miss I Aionesei – Senior Assistant Head teacher
Miss R Buckley – Assistant Head teacher / Senior Assistant Head teacher (w.e.f. 29th August 2023)
Mr L Jenkinson – Senior Assistant Head teacher
Mr C McCann – Assistant Head teacher / Senior Assistant Head teacher (w.e.f. 29th August 2023)
Miss J Morton – Assistant Head teacher / Senior Assistant Head teacher (w.e.f. 29th August 2023)
Mrs J Bristow – Assistant Head teacher
Mrs L Foley – Assistant Head teacher
Miss J Harvey – Director of HR and Operations (w.e.f. 4th January 2023)
Mr S Stott – Senior Assistant Head teacher / Director of Finance and Resources - (w.e.f. 1st January 2023)
Mr M Pickles – Finance Director – (Resigned 31st December 2022)

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Reference and Administrative Details

Year Ended 31st August 2023

Principal and Registered Office

Moorland Road
Poulton-le-Fylde
Blackpool
FY6 7EU

Company Registration Number

07604183

Independent Auditor

CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Bankers

Lloyds Bank PLC
Corporation Street
Blackpool
FY1 1EY

Hodgson Academy

Trustees' Report

Year Ended 31st August 2023

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

The Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area mainly in the Wyre and Blackpool districts. It has a pupil capacity of 1125 and had a roll of 1115 on the October 2023 school census. The Academy Trust was oversubscribed for places in the new Year 7 for September 2022 and during the course of year in excess of 30 appeals were held for places at the school.

Structure, Governance and Management

1.1 Constitution:

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

The Trustees of Hodgson Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hodgson Academy, Company Number 07604183.

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

1.2 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.

1.3 Trustees' Indemnities:

Since the incorporation of the Charitable Company on 14th April, 2011 the Trustees (Directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 11 to the Financial Statements the limit of this indemnity is £10,000,000.

1.4 Method of Recruitment and Appointment or Election of Trustees:

The processes for appointing or electing the various types of Trustee at Hodgson Academy are as follows:

1) *Member Trustees* – The Members (Trustees) of Hodgson Academy have the right to appoint up to SEVENTEEN Trustees.

2) *Parent Trustees* – The Articles of Association require that there shall be a minimum of FOUR Parent Trustees. Parents, including carers, of registered pupils at the School are eligible to stand as individuals for election as a Parent Trustee. They are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Trustee elections.

If insufficient parents stand for election, the Board of Trustees must appoint Parent Trustees to bring their number up to that required by the Articles of Association. Such appointed Parent Trustees would preferentially be parents or carers of registered pupils at the School. If, however, no such parents are willing to undertake the role then the Board of Trustees can appoint any person who is the parent or carer of one or more school-age children.

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3) *Staff Trustees* – Up to THREE Staff Trustees are elected by the School staff as individuals, representative of the staff of the School. Both teaching and support staff paid to work at the School are eligible for Staff Trusteeship.

At the present time first and third Staff Trustee places are reserved for teachers of the School. If, however, no teacher stands for election a member(s) of the support staff can be elected to take one or both of these places.

Additionally, the second Staff Trustee place is reserved for a member of the School's support staff, but if no member of the support staff stands for election, then a teacher can be elected to take that place.

Suitable procedures have been put in place for the conduct of Staff Trustee elections.

4) *Co-opted Trustees* – Up to THREE Co-opted Trustees can be appointed by the Board of Trustees because they have experience and/or expertise of particular benefit to the school. Following an identification of specific needs suitable candidates are identified by the Board of Trustees and approached accordingly.

A "Co-opted Trustee" means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

The Trustees may not appoint an employee of Hodgson Academy as a Co-opted Trustee if the number of Trustees who are employed by the School (including the Head teacher) would thereby exceed one third of the total number of Trustees.

5) The Head teacher is an *ex-officio Trustee*.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees:

Following their appointment / election, all new Trustees receive an introduction to their role from the Chair of the Board and the Head teacher. This introduction includes the opportunity to tour the school site and to meet other members of the Academy's Leadership Teams. An Induction Pack of relevant information is provided to each new Trustee. This is in line with our Governor Induction, Training and Development policy.

The Board of Trustees at Hodgson Academy is committed to providing adequate opportunities for Trustees to undertake and receive suitable training to enable them to undertake their role more effectively.

Training is available through the Local Authority and the academy has bought into training services supplied by the National Governance Association (NGA). Trustees also have access to the Key for Governors. All new Trustees are actively encouraged to take advantage of these training opportunities to gain a better understanding of the role and responsibilities of being a Trustee. Additionally, Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake bespoke training to support them in their role.

There is a nominated Trustee who takes responsibility for the training and development of Trustees.

1.6 Organisational Structure:

Before conversion to Academy status on 1st May 2011, Hodgson Academy was a maintained school as defined in the School Standards and Framework Act 1998.

The majority of the roles and responsibilities of the Board of Trustees were delegated to a small number of committees. The full Board of Trustees retained full responsibility for certain actions.

Upon conversion the Academy restructured its governing committees to reflect the roles and responsibilities of the Trustees. Three main committees, Business and Resources, Standards and Effectiveness and Audit and Risk Management met on a regular basis throughout the school year with all of them reporting back to the full Board of Trustees. The Committees had specific Terms of Reference, which were reviewed and renewed on an annual basis.

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This structure was ended during the financial year to 31st August 2016 with the Board of Trustees determining that it would meet on a more regular basis throughout the school year and that all business would be conducted through the Board rather than through sub committees. It was agreed that if Trustees attended all Board meetings there would be greater focus and greater awareness across all Trustees rather than duties / responsibilities being shared across Trustees via a committee-based structure. This remains the current organisational structure with the exception of the re-instatement of an Audit and Risk Management Committee which began its work in the Autumn Term of 2019.

Members of the Strategic Leadership Team (SLT), in addition to the Head teacher, attend the Trustees meetings as appropriate.

The role of the Board of Trustees is a strategic one with three key functions:

- Overseeing the financial performance of the school and making sure its money is well spent.
- Holding the Head teacher to account for the educational performance of the school and its pupils.
- Ensuring clarity of vision, ethos and strategic direction.

Operational management is the responsibility of the Head teacher. This is carried out at a number of levels i.e. by the Strategic Leadership Team and the Extended Leadership Team.

The Academy policies are developed by senior members of the Academy's staff, consulting as appropriate, to reflect both the strategic direction agreed by the Trustees and also by statutory requirements. These policies are approved and adopted by the Strategic Leadership Team or by the Board of Trustees where appropriate. They are then implemented as procedures and systems by the Strategic Leadership Team and other designated members of staff.

During the period 1st September 2022 to 31st August 2023 the full Board of Trustees has met 6 times.

To the very clear benefit of our students and their life chances in the modern world, our track record of strong and effective strategic leadership and governance has been a cornerstone of the continued improvements made at Hodgson Academy. The Board of Trustees remain extremely proud of these achievements and the Board will continue to work closely with the Strategic Leadership Team to maintain the standards that have been achieved.

Hodgson in partnership with Blackpool Sixth Form College was, ten years ago, designated one of the country's first 100 National Teaching Schools. Following our designation as The Fylde Coast Teaching School we built up a national profile for excellence in 'school to school support', leadership development and teacher training. In line with the continued excellent achievements of Hodgson Academy and our Teaching School, the Department of Education approached us to consider the sponsorship of a small number of local academies in the Fylde Coast area. After long and detailed discussions at all levels within the governing bodies and the leadership teams of both Hodgson and Blackpool Sixth Form College the academy agreed to this request. The Teaching School, via a newly created Trust, Fylde Coast Academy Trust (FCAT), took over the sponsorship of Unity Academy on 1st September 2013 and similar sponsorships of Aspire Academy and Montgomery School came into effect on 1st September 2014 and 1st October 2014 respectively. Subsequently a number of other primary and secondary schools have joined Fylde Coast Academy Trust. The Trust has opened a new free school, Armfield Academy, in September 2018.

In 2020 after much deliberation and with the agreement of the Regional Schools Commissioner it was determined that FCAT was in a position to stand alone as an academy sponsor.

Steps were therefore taken to end the sponsorship of FCAT by the Teaching School. This took place in the summer of 2020.

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Notwithstanding this, our commitment to the Teaching School remained as strong as ever and our relationship moving forward with FCAT and its constituent academies will continue to be one of mutual co-operation and support. As now determined at national level the Teaching School became, solely, a provider of initial teacher training. It was re-named as Fylde Coast SCITT Ltd to reflect its designated role as teacher training provider at both primary and secondary levels. During 2022/23 it did not achieve reaccreditation and in order to keep offering ITT it has sought partnership with Ambition Institute from September 2024, once again being renamed to North West SCITT to show the scope of its reach. Hodgson Academy will continue to support the North West SCITT to support learners not only on the Fylde coast, but the North West in general.

Underpinning all the above has been the governing body's determination to secure the very best on-going and future provision for Hodgson Academy students.

The academy's then Executive Head teacher and Head teacher both retired in 2019. Following a lengthy and rigorous external recruitment process, Mr Siddall, the Deputy Head teacher was appointed to the role of Head teacher. Mrs Khan, Mr Malone and Ms Bate were all appointed to the role of Deputy Head teacher with effect from the beginning of the 2021/22 academic year with responsibilities for teaching and learning, curriculum development and safeguarding respectively. Mr Malone subsequently took a role as a sole Deputy Head teacher at another school within Lancashire from the start of the 2022/23 academic year. Leadership structures have therefore been further re-aligned to reflect this move without the need to bring in an external replacement. Some of these roles were temporary and have now been made permanent as a result of a successful year in post.

In January 2023 Mr Pickles, the long serving Finance Director for Hodgson Academy, retired. From September 2022 he worked closely with his successors, Mr S Stott and Miss J Harvey, to ensure that the school continues to operate at the high standards that were in place during his tenure. Furthermore, he has continued to support the school post-retirement with advice for various aspects of the role he once held.

The Board of Trustees will continue to review leadership structures to ensure that Hodgson's leadership continues to have the necessary skills and leadership capacity to drive the academy forward in its pursuit of ongoing excellence.

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel:

The Board of Trustees determines the pay scales / ranges for key management personnel upon their appointment or if there is a change in responsibilities that warrant a review of such scales / ranges.

The Board consider the guidance in the School Teachers Pay and Conditions Document, any local factors or issues in relation to recruitment to ensure that the role attracts the calibre of staff required and guidance issued by the department for Education and the Education and Skills Funding Agency (ESFA).

The Board of Trustees is satisfied that the pay scales set in respect of key management personnel are fair and reasonable and would compare favourably with other maintained schools and academies.

Key management personnel in 2022/23 were deemed to be: -

Mr I Siddall, Head teacher

Ms F Bate, Deputy Head teacher

Mrs S Khan, Deputy Head teacher

Mr A Day, Associate Deputy Head teacher

Miss S Hetherington, Associate Deputy Head teacher

Miss I Aionesei, Senior Assistant Head teacher

Miss R Buckley, Assistant Head teacher / Senior Assistant Head teacher (w.e.f 29th August 2023)

Mr L Jenkinson, Senior Assistant Head teacher

Mr C McCann, Assistant Head teacher / Senior Assistant Head teacher (w.e.f 29th August 2023)

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Miss J Morton, Assistant Head teacher / Senior Assistant Head teacher (w.e.f 29th August 2023)

Mrs J Bristow, Assistant Head teacher

Mrs L Foley, Assistant Head teacher

Miss J Harvey, Director of HR and Operations (w.e.f 4th January 2023)

Mr S Stott, Senior Assistant Head teacher / Director of Finance and Resources (w.e.f. 1st January 2023)

Mr M Pickles, Finance Director (resigned 31st December 2022)

The following staff are staff trustees, having been duly elected.

Mrs J Harvey, Staff Trustee

Mr T Rimmer, Staff Trustee

They are paid only in respect of their staff role.

All Trustees are unpaid in respect of their role as Trustee. No expenses were paid to trustees in 2022/23 in respect of their role as Trustee.

The Board of Trustees have established an Appraisal Committee that undertakes the objective setting and review of the Head teacher. The Appraisal Committee then make recommendations to the Trustees' Pay Committee as to any pay progression in respect of these post-holders. No staff member is a member of these committees.

The Head teacher ensures that in line with the Academy's Appraisal Policy, objective setting and review processes are undertaken for teaching staff and that recommendations are made by appraisal reviewers, as to whether pay progression should then take place for teaching staff.

The Trustees' Pay Committee meets annually to listen to the recommendations for pay progression and determines as to whether any such progression takes place (an Appeals Committee will hear any appeals to their decisions).

Performance Management is rigorous, and staff are held fully accountable for their role within the Academy.

1.8 Related Parties and Other Connected Charities and Organisations:

- Hodgson Academy Parent, Teachers and Friends Association (PTFA) (Charity no. 1013056)
- Hodgson Academy Uniform Shop Limited (Company no. 05189176)
- Fylde Coast SCITT Ltd (Company no. 08058974)

1.9 Trade Union Facility Time:

During the 2022/23 period there were no trade union officials at Hodgson Academy and as such no time was spent by staff members on union matters.

2. Objectives and Activities

2.1 Objects and Aims:

The principal object and activity of the Charitable Company is the operation of Hodgson Academy to provide education for pupils between the ages of 11 and 16. The academy provides an education for pupils who are drawn from the area in which the academy is situated.

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Trustees' Report

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2.2 Objectives, Strategies and Activities:

The Academy Trust was set up on 14th April 2011 to advance, for the public benefit, education in the Wyre, Blackpool and Fylde area of the County of Lancashire by maintaining, operating and developing Hodgson Academy; a school with a history and tradition dating back to 1932. Hodgson Academy offers a broad-based curriculum.

The academy continues to review its curriculum offer on an annual basis to support the importance of pupils having a secure grounding to move forward with relevant and appropriate pathways into further and higher education, apprenticeships and training and of course ultimately gainful employment.

The Board of Trustees is determined to maintain the traditional ethos, values, standards and achievements of the academy, whilst continuing to work to fulfil the academy's longer term development plans.

The academy's ethos is friendly, positive and well disciplined. We have high expectations for every single student here, to ensure they strive to achieve to the very best of their ability.

The academy actively promotes the fundamental British values of democracy, the rule of law, individual liberty, and mutual respect and tolerance for those with different faiths and beliefs; We are committed to delivering the acronyms PAUSE and CARE, our agreed moral code. PAUSE and CARE remind us all of the most important rules of Hodgson:

- P** = Punctuality to Hodgson and to lessons
- A** = Attendance at Hodgson
- U** = Uniform worn in the correct manner each day
- S** = Safe & Sensible Behaviour
- E** = Effort leading to Examination Success

Care and Respect for Everyone

And by

- Promoting care and respect.
- Motivation and enjoyment.
- Inspiring a love of learning.
- Developing independence and creativity.
- Encouraging participation.
- Ensuring aspiration and achievement.
- Motivation and enjoyment.

We will achieve our School aims

- Through the Hodgson Experience our students will grow into confident, resilient and respectful young people ready for the next stage of their lives.
- In a calm and ordered environment our young people are hard-working, aspirational and independent learners.
- The Hodgson family creates a vibrant, supportive and prejudice free culture, in which all children will thrive.
- Inspirational and ethical leadership ensures that the Academy contributes to the raising of educational standards both in and beyond Hodgson.

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Year Ended 31st August 2023

Academy Plan 2022/23

Driven by highly effective leadership and management at all levels, there were four priorities for our Academy Plan in 2022/23:

- Quality of Teaching
- Quality of Curriculum
- Student Achievement
- Pastoral Care

Underpinning these were the themes of:

- Standards
- Expectations

Our Academy Plan objectives for the academic year 2022/23 were based on the following headings:

Quality of Teaching

1	Developing the strands for Questioning and Oracy, and Scaffolding and Teaching to the Top to grow experts in their practice.
2	Using the strands, teaching practice and strategies for Special Educational Needs and Disabilities (SEND) and disadvantaged students is improved which results in better outcomes.
3	Empower all staff to take a proactive role in their professional development.
4	To evaluate the performance of departments and cohorts within the academy.
5	Establishing a culture of excellence through innovative pedagogy.
6	Improving understanding on how students learn and retain information.
7	Continuing to support teacher training and the Early Career Framework (ECF) and develop the provision for Early Career Teachers (ECTs).

Student Achievement

1	To embed formative assessment within the classroom to allow for responsive teaching.
2	To develop assessment that enables learners to fully demonstrate their knowledge, skills, understanding.
3	To improve the use of data for impact.
4	Ensure the academic achievement of all students, including those with SEND needs and from disadvantaged backgrounds. Academic gaps created from the impact of COVID-19 are addressed.

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Quality of Curriculum

1	To align curriculum intent across the academy.
2	To develop students' understanding of the curriculum narrative.
3	To develop an ambitious curriculum across the academy.
4	To ensure an interleaving focus is embedded in Key Stage 4 in all school curricula.
5	To develop a refined approach to Year 9 across all school curriculum documentation.
6	Embed mathematical literacy initiative into the curriculum.
7	Develop and embed an ambitious reading and disciplinary literacy initiative across the curriculum.

Pastoral Care

1	Promoting Personal Development: Pause and Care, Vision, Student Leadership, PSHE, Academy of Excellence, Careers.
2	Enhance Parental Engagement.
3	Prioritise attendance.

2.3 Public Benefit:

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Hodgson Academy is the maintenance and development of the high-quality education provided by the Academy to the young people of Poulton le Fylde and the surrounding locality.

In doing this, Hodgson Academy not only offers a broad-based academic education but aims to educate the whole child. The Academy is proud of the personalisation that takes place with its curriculum so that all students regardless of academic ability have the opportunity to succeed. Individual curriculum pathways are constructed that incorporate academic and appropriate vocational education that ensures the engagement of our pupils and provides the platform for their entry into further education and employment.

A very wide range of extra-curricular activities and educational visits both locally, nationally, and internationally are offered and undertaken which form part of the overall Hodgson Experience.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

3. Strategic report

3.1 Achievements and Performance:

The academic year of 2022/23 made further progress towards returning to the school Hodgson Academy was prior to the pandemic, with some echoes of COVID-19 still lingering over the school.

The well-being and safeguarding of our students remained a major focus and much time was spent in contact with students, parents and carers throughout this period.

Catch Up / Recovery funding has been utilised to support students where significant need has been identified. Specific attention has been paid to the well-being of students with additional pastoral and mentoring support being provided as well as necessary academic intervention. This will continue into future years.

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The academy is proud of the way that the whole Hodgson family continued to come together to support each other through recent years and to ensure that the planning and risk assessing that was undertaken has allowed for the safe return to normal day to day routines.

Examination results for the academic year 2022/23

Hodgson Academy establishes challenging targets and monitors the progress of all students throughout their education. We ensure that intervention programmes are quickly established when there are signs that expected levels of progress are not being achieved and indeed when greater than expected levels of progress are not being achieved.

GCSE examinations were taken by our year 11 students in 2023. The government had stated and implemented a return to pre-pandemic standards with protection built into the grading that recognises the disruption that these students experienced throughout their time in secondary school

The results of the class of 2023 can be found at;

<https://www.find-school-performance-data.service.gov.uk/school/136717/hodgson-academy>

We are proud of these results. Our class of 2023 saw their efforts rewarded. Both attainment and progress were strong, and above the local authority average. It is recognised that comparison with recent years figures and with other schools is not as straightforward as usual due to the Covid-19 pandemic. That being said we are also aware that there are subject areas that have not performed as strongly as they have historically, and we begin this year with an aim to improve outcomes in these areas.

Achievement of identified groups

The academy continues to measure all performances in identified groups amongst our cohort of students. These groups are defined by amongst others, Sex, Race, Special Educational Need, Prior Attainment at Key Stage 2, Free School Meals (Pupil Premium) and Looked after Children. We recognise that there is work to be done to increase the performance of our Pupil Premium students and this will be a particular focus in 2022/23. We are committed to 'narrowing the gap' between all groups of students so that all students achieve as well as their peers and that they make outstanding progress relative to their starting points at the academy.

Our Pupil Premium Strategy Statement can be found on our website <https://www.hodgson.lancs.sch.uk/>

3.2 Key Performance Indicators:

- **Successful OFSTED Inspection.**

The academy was subject to an OFSTED inspection in 2022/23 and achieved the grade of "Good". The academy is satisfied with this outcome and has begun to act on the feedback it received to improve the education and life chances of the young people that it serves.

- **Continuation of investment towards enhancing the facilities and environment of the school and to make best use of reserves.**

A successful CIF bid has been achieved in 2022/23, with replacement of all internal doors across the site for modern fire safe doors to improve the safety of the site whilst also allowing us to ensure the upkeep of the site also improves the environment the stakeholders experience whilst at Hodgson Academy. This required an investment of 10% of the overall cost of the project which was in excess of £450,000.

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Improvements to our ICT facilities have also been implemented with new servers having been purchased to replace our old equipment that was at the end of its life span. This investment should ensure that stakeholders at the academy continue to experience state of the art technology whilst working at Hodgson. This has been completed in line with digital and technology standards laid out by the DfE and will allow us to improve our wireless network standards in the summer of 2024.

- **Financial sustainability - Ensuring that effective budget planning over a three-year period is taking into account increasing staff costs (National Insurance and pension costs), new staffing structures and new curriculum structures as well as the capital investment planned for improvements to our school site and buildings.**

Balanced Budgets were in place for 2023/24, 2024/25 and 2025/26. These budgets are under constant review and will continue to allow the academy to move forward and meet the significant financial challenges faced by all schools.

- **Examination performance.**

The Academy was pleased with the outcomes for students for 2022/23.

<https://www.find-school-performance-data.service.gov.uk/school/136717/hodgson-academy>

- **Sustaining student numbers at optimum levels.**

The Academy was comfortably over-subscribed for the September 2023 intake. We are confident that the current picture remains a healthy one providing Hodgson continues to offer the educational experience and achievements that parents and their children aspire to.

- **Embedding leadership structures to ensure the capacity remains available within Hodgson to support the activities of the SCITT.**

We are confident that our leadership structures allied to changes in roles and responsibilities will continue to provide the quality and capacity of leadership that is expected of us.

- **Ensuring that the Academy Governance offers a breadth of skills and knowledge and strongly holds the Academy to account for its performance.**

Training continues to be completed / organised by the Board of Trustees to enhance their skills and knowledge, so that they can continue to provide the necessary level of challenge and strategic overview to our school leaders. In what has been a very difficult year for all schools and academies the Board have remained a constant level of support for the academy leadership team.

3.3 Going Concern:

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements (note 1).

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Trustees' Report

Year Ended 31st August 2023

4. Financial Review

4.1 Operating and Financial Review:

The Academy remains in a strong financial position. Most of the Academy's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Academy also received Condition Improvement Funding (CIF) to help to support the replacement of the internal fire doors across the academy.

On conversion to an Academy on the 1st May 2011, all of the fixed assets of the predecessor school were transferred to the new Academy Trust and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

Our staffing position remains strong with almost all teaching positions filled during the academic year, with the need for an additional geography teacher moving forwards. Leadership structures are in place and budgeted for. Staffing costs continue to remain a clear focus moving forward as we continue to review our leadership capacity and our curriculum requirements for the coming years.

4.2 Reserves Policy:

Under its Funding Agreement with the Secretary of State for Education, Hodgson Academy is allowed to hold reserves at the year end of 2% of its General Annual Grant (GAG) for expenditure of a recurrent nature and a further 10% for expenditure of a capital nature, including maintenance and refurbishment of the academy's buildings and facilities.

The Academy Trust Handbook 2021 has clarified that these limits have been removed in certain circumstances but if there is a substantial surplus in evidence there must be a clear plan for how it will be used to benefit all pupils. The Trustees have reviewed our reserve levels and believe that they comfortably provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies such as urgent maintenance. Under normal circumstances the Governors would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

The Academy had, in its early years as an Academy, exercised a considerable degree of caution due to concerns over a possible reduction in student numbers due to historical falling birth rates. The Academy did not wish to commit to expenditure that would impact on reserve levels moving forward until we were satisfied that student numbers were sustainable and indeed improving. This resulted in higher GAG balances / reserves being held for a period of time pending the go ahead to embark on a capital investment programme for our school site / buildings. This investment programme re-commenced in 2020/21 and reserves have been utilised accordingly.

Further to this, £46,000 has been committed to the successful CIF bid as stated above for the improvement of the fire safety project in the 2023/24 accounts to ensure that there are adequate funds to complete this project over the coming months.

In March 2022 we had a three-year actuarial valuation summary of the Lancashire County Pension Fund. In this we had a change to our deficit contributions which have decreased, but the rate at which we pay employers was to increase. This will impact what the Academy will have to pay towards support staff pensions in future years but the drop in deficit contributions should broadly leave the payments in line with previous years. A review of Hodgson Academy's share of the Lancashire County Pension fund showed a surplus of £295,000.

(Continued)

Hodgson Academy

Trustees' Report

Year Ended 31st August 2023

It is pleasing to report that our GAG balance is still within the Funding Agreement (FA) limit. It is lower than the above mentioned 'cushion' but this is offset by the unrestricted funds available to the school which when added together with the GAG balance represents 5.2% of GAG funding in 2022/23.

4.3 Investment Policy:

Apart from the cash held for the operation of the Academy, Hodgson Academy has no realisable investments. With respect to its cash holdings the Board of Trustees has adopted a low risk strategy. In addition to the main current account the Academy maintained a 32 Day notice deposit account to generate additional interest throughout the financial year.

4.4 Principal Risks and Uncertainties:

Hodgson Academy has, since incorporation, undertaken a comprehensive assessment of possible risks to the future of the academy (Risk Register), with the chief risks currently identified as follows:

1. The retention and recruitment of quality staff.
2. Failure to ensure there is sufficient staff or resources to deliver services to the appropriate level.
3. The capacity of leadership throughout the academy.
4. Failure to have procedures in place to cover absence of the academy Head teacher or other SLT members.
5. Ensuring necessary succession planning is in place.
6. Performance Management and Pay Policies remaining rigorous, but fair, and reflecting the need to deliver the standards required of the academy as well as rewarding staff appropriately.
7. Examination results – the reputational risks if results are seen to be falling.
8. Examination results – the performance of separate cohorts and ensuring that gaps are narrowed on a year-by-year basis.
9. Risk of inaccurate student performance data.
10. Ofsted – the reputational risks if standards are seen to be falling as well as the impact on the Teaching School.
11. Failure to provide adequate safeguarding of pupils.
12. Leadership of Special Education Needs and Disability (SEND) and safeguarding.
13. Risk of an inappropriate or unwanted individual entering the school or occupying part of the school.
14. Risk to safety of pupils and staff on overseas trips.
15. The SCITT – the reputational risks if the academy's name is called into question by the appropriateness and success of our alliances.
16. Reputational risk of comments made about the school on social media and similar platforms.
17. Student Numbers – the risks of falling rolls as a result of a fall in our own standards / reputation or the increasing standards / reputation of competitor organisations.
18. The expertise / skill set of the Governing Body in overseeing the strategic direction of the academy, holding the academy to account and ensuring financial stability. Failure to recruit Governors who have the correct profile, skills and experience.
19. Failure to ensure that the academy has a robust organisational approach in place to deliver governance of the school.
20. Academy premises unavailable for a significant period of time. Robustness of contingency planning.
21. Inadequate insurance cover.
22. Loss of IT systems for a significant period of time.
23. Through negligence, a pupil, staff member or visitor is seriously injured whilst on academy premises or undertaking academy activity.
24. Failure of the school to have adequate financial management systems to prevent fraud.
25. Local Government Pension Scheme Deficit.
26. Data Protection.

(Continued)

Hodgson Academy

Trustees' Report

Year Ended 31st August 2023

This risk assessment is a dynamic, ongoing assessment. The Board of Trustees oversee the Risk Register and it is a standing item on all Board meetings. All risks are currently being managed satisfactorily and actions will be taken should it become necessary to do so.

4.5 Fundraising:

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

5. Plans for Future Periods

Over the near future the major focus of the Academy is threefold.

1. Transition fully from a 3 year Key Stage 4 to a 2 year in line with the national picture and better fitting the needs of the academy. Not only should there be academic benefits to this model, but the estimated cost reduction in a 2 year model are estimated at £100,000 each year, resulting in more efficient use of academy finances.
2. Continued maintenance and improvement of the site. 2023/24 will see the implementation of the fire door CIF bid with internal doors being replaced, as well as exploration of additional CIF bids for electrical upgrades needed to modernise the facilities in school and future proof the Academy moving forwards.
3. Progress made towards being a Multi Academy Trust (MAT). This work has been ongoing for several years and moves towards approval and the formal formation of the Trust. Navigating our way through this period mindfully is vital to ensure the security of the academy in future years.

6. Funds held as Custodian Trustee on behalf of others

During the year ending the 31st August 2023, Hodgson Academy did not hold any funds as a Custodian Trustee on behalf of any other charitable organisation.

7. Auditor

In so far as the Trustees are aware:

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

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

Mrs N Galloway
Chair of Trustees

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

1. Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hodgson Academy 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 Head teacher, 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 Hodgson Academy 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.

2. Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statements of Trustees' Responsibilities.

Full Board of Trustees

The Board of Trustees has met formally six times during the period ended the 31st August 2023. Attendance at meetings of the Full Board of Trustees in the period was as follows:

Trustee	Meetings Attended	Number of Possible Meetings
Mr C McConnachie	5	6
Mr A Walker	5	6
Mrs N Galloway	5	6
Mrs J Villa	4	6
Mr C Feeney	4	6
Mrs H Benwell	4	6
Mrs A Preston	2	3
Mr I Lindsay	4	6
Miss M Collins	2	6
Mrs N Harwood	5	5
Mr I Siddall	5	6
Mrs J Harvey	5	6
Mr T Rimmer	5	6
TOTAL	55	74

We were pleased to welcome a new parent governor to the Board in 2022/23. The academy is looking to appoint a new staff governor in 2023/24 and additional parent governors also. Elections will take place in November 2023 to fill these vacancies.

Governance, by way of meetings, took place in accordance with the agreed annual timetable and all meetings being held. Attendance at the meetings remained positive. Regular meetings took place between the Head teacher and the Chair of Governors and these were reported upon at the full governors' meetings.

(Continued)

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

The Board ensures that all aspects of the academies work is reviewed but a particular focus is made towards the three main functions of academy governance;

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation and making sure its money is well spent.

The Board has been satisfied with the data that has been presented to it by the Academy both from internal and external sources. This data includes:

- financial data in respect of budget setting / monitoring, annual accounts and audit reports along with benchmarking data.
- performance data issued by the DfE and other organisations such as SISRA and Fischer Family Trust.
- assessment data reflecting examination performance and monitoring / tracking data outlining expected progress being made of students prior to sitting external examinations.
- information on individual cohorts of students and their progress.

External data and reports have backed up the quality of the data presented to the Board.

The Board has endeavoured to evaluate its effectiveness during the year on an ongoing basis. Skills audits have been undertaken to support training and development plans and the recruitment of new Trustees.

A specific focus has been on ensuring that leaders are held to account and that they are challenged in a fair but constructive manner and with a sharp focus on ensuring that the academy is on track to meet objectives set.

3. Review of Value for Money

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

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

- Staff at Hodgson are fully accountable for student progress and achievement as well as delivering our Academy Plan. Rigorous performance management is the key driver. Investment in effective professional development and effective collaboration with others drives forward a culture of continuous improvement.
- Distributed leadership is a feature of our organisational structures. Hodgson is in partnership with Blackpool Sixth Form College with regards to Fylde Coast SCITT Ltd. Leadership capacity at Hodgson has been organised to meet the demands placed upon us and remains under constant review to ensure that we have the necessary capacity in place.

(Continued)

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

- Our curriculum is monitored and reviewed annually to ensure that it provides the necessary pathways for all of our student population. The school has returned to a two-year Key Stage 4 to reflect student and curriculum needs. Our staffing profile is structured to ensure that it meets the curriculum demand and maximises financial efficiency. Structures will continue to adapt accordingly to meet future needs. Investment in staffing has previously taken place in key subject areas such as Mathematics and English, supported by the Pupil Premium, to enhance provision and further improve the student's opportunities to succeed. Further investment has also been targeted at Science.
- In-school variation across subject areas is identified annually and acted upon with increased support put in place as necessary.
- Support staffing structures are continually reviewed to ensure that they reflect the needs of the Academy.
- Substantial resources are allocated to improving and maintaining our ICT infrastructure to support the demands of the curriculum and the tracking and monitoring of student progress. The availability of appropriately specified PC's, Laptops, Notebooks and iPads has been crucial to supporting students as well as the necessary back-office infrastructure. New servers have been sourced in order to ensure that facilities on site are at a high standard and we are exploring an update to the schools wireless network to future proof the school and its technological resources.
- Strong & effective intervention programmes and extensive revision and additional support programmes are budgeted for and provided to meet the demands of identified students and student groups. Catch Up and Recovery Funding as well as Pupil Premium Funding is used to support identified students.
- The Academy Plan identifies, where necessary, those specific cohorts that are identified as needing additional focus.
- All Cohorts are rigorously tracked. Line Management meetings throughout the organisation are focused on student progress.
- The Academy has continued to allocate resources to continue its work with feeder primary schools. Facing potential falling rolls within the locality some years ago, the importance of recruiting new students every year has been crucial to maintaining our income at the levels we expect. Although income was a crucial factor in this decision the increased activities have further enhanced our knowledge of students coming to Hodgson and improved their transition to us thus helping to get them off to a 'flying start'. Additional outlay within such transition work continues to pay for itself if student numbers are secured. This work continues even though admission numbers are now stable and building developments within the locality are further helping to secure population growth in the area.
- We are pleased with the results of the examination results of the academy. Our class of 2023 achieved results that were amongst the top performers in the local area and above national and county averages. Attainment was positive and progress in line with expectations. It is recognised that comparison with recent years figures is not straightforward due to the Covid-19 pandemic however are confident that these are results that stakeholders should be satisfied with.
- The Board of Trustees holds the school to account. Regular monitoring of the Academy's financial performance takes place and governors take a full interest in the Academy's expenditure plans.
- The Academy Plan drives forward the key priorities for the academic year and trustees take responsibility for the monitoring of our progress towards achieving the relevant objectives.

(Continued)

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

- Our financial outcomes have been met in that the academy remains in a healthy financial position, with funding having been available to support capital reinvestment in the school as well as provide further support and intervention to those cohorts of students that need it.
- The Academy continues a regular program of review of all Service Level Agreements / Contracts to achieve best value.
- The Academy has accessed the academies Financial Benchmarking site and the View My Financial Insights tool. The financial benchmarking site utilised by the majority of secondary schools has also been utilised.
- Our major focus has been ensuring that our total staffing costs measure favourably against similar organisations and that all staffing decisions taken have reflected thoroughly on both the short term and the long term implications of any such appointments. As such, careful monitoring of such expenditure continues to be needed to ensure that our staffing cost ratios remain under control. Regular benchmarking is undertaken.
- Internal Financial Regulations are in place to ensure that tendering is undertaken where it is necessary to do so. The academy will not choose the cheapest option if it is not appropriate to do so, but if it is to choose a more expensive route then such decisions will be appropriately recorded and explained. Cheapest is not always best and other factors such as quality of service provision play an important role in decision making.
- All significant spending decisions are channelled through Governors to discuss and debate the most appropriate way forward considering all the options available to us.
- The Academy has continued to utilise Local Authority support functions where 'economies of scale' determine that we can receive a better price.
- We are registered with a number of consortiums e.g. Crescent Purchasing and Yorkshire Purchasing to take advantage where appropriate of purchasing frameworks. We utilise the Deals for Schools where appropriate e.g. energy contracts as well as the DfE 'Risk Protection' Arrangements.
- The Academy has a formal 'lettings' programme which generates a steady income through the hire of the academy premises for sport, music and drama.
- Funding bids are investigated and submitted where there is a reasonable anticipation of success.
- The Board of Trustees monitors the academy's financial performance. Internal Financial Regulations are in place and expenditure above agreed limits has to be ratified by Trustees.
- The Board of Trustees monitors the Academy Risk Register and identifies the most serious risks to the academy. The Board ensures that the risks identified are suitably eradicated, treated and / or controlled.
- An investment policy is in place and the academy has previously accessed fixed interest money market accounts where appropriate to do so through its bankers to increase investment income. No share based investments are held.
- Insurance is in place to meet all Department for Education (DfE) requirements.
- The Academy continues to reflect on all decisions made in light of the outcomes that it can measure.

(Continued)

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

4. 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 the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hodgson Academy for the year ended 31st August 2023 and up to the date of approval of the annual report and financial statements.

5. Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31st August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

6. The Risk and Control Framework

The Academy Trust's system of internal 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 Board of Trustees 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 considered the need for a specific internal scrutiny function and appointed Strictly Education as internal reviewer for the academic year 2022/23. The focus for 2022/23 has been on central financial controls, IT cyber security and risk management.

7. Review of Effectiveness

As Accounting Officer, the Head teacher 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 scrutineer;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor;

(Continued)

Hodgson Academy

Governance Statement

Year Ended 31st August 2023

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

Approved by order of the members of the Board of Trustees on 14th December 2023 and signed on its behalf by:

Mrs N Galloway
Chair of Trustees

Mr I Siddall
Accounting Officer

Hodgson Academy

Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2023

As Accounting Officer of Hodgson Academy, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022.

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

Mr I Siddall
Accounting Officer

Date: 14th December 2023

Hodgson Academy

Statement of Trustees' Responsibilities

Year Ended 31st 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 (including the Strategic Report and Directors' Report) and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 the incoming resources and application of resources, including its income and expenditure. In preparing these financial statements, the Trustees are required to:

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

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 14th December 2023 and signed on its behalf by:

Mrs N Galloway
Chair of Trustees

Hodgson Academy

Independent Auditor's Report to the Members of Hodgson Academy

Year Ended 31st August 2023

Opinion

We have audited the financial statements of Hodgson Academy (the 'Academy Trust') for the year ended 31st August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st 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 & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

(Continued)

Hodgson Academy

Independent Auditor's Report to the Members of Hodgson Academy

Year Ended 31st August 2023

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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 directors' 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 Trustees' responsibilities statement set out on page 24, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Hodgson Academy

Independent Auditor's Report to the Members of Hodgson Academy

Year Ended 31st August 2023

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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 auditor's report.

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

Use of our report

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 19th December 2023

Hodgson Academy

Independent Reporting Accountant's Assurance Report on Regularity to Hodgson Academy and the Education & Skills Funding Agency

Year Ended 31st August 2023

In accordance with the terms of our engagement letter dated 31st August 2023 and further to the requirements of the Education & 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 Hodgson Academy during the year from the 1st September 2022 to the 31st 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 Hodgson Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hodgson Academy 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 Hodgson Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hodgson Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hodgson Academy's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1st 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 from the 1st September 2022 to the 31st 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 Academy Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of the Guide For External Auditors section of the Academies Accounts Direction 2022 to 2023 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express and opinion on regularity.

(Continued)

Hodgson Academy

Independent Reporting Accountant's Assurance Report on Regularity to Hodgson Academy and the Education & Skills Funding Agency

Year Ended 31st August 2023

Conclusion

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

Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 19th December 2023

Hodgson Academy

Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31st August 2023

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
Income and endowments from:						
Donations and capital grants	3	-	218	485	703	206
Charitable activities:						
Funding for the Academy Trust's educational operations	4	-	6,935	-	6,935	6,535
Other trading activities	5	293	-	-	293	202
Investments	6	1	-	-	1	-
Total		294	7,153	485	7,932	6,943
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy Trust's educational operations	7,8	294	7,111	449	7,854	7,513
Total		294	7,111	449	7,854	7,513
Net income/(expenditure)		-	42	36	78	(570)
Transfers between funds	16	(50)	(27)	77	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	16, 27	-	759	-	759	2,591
Net movement in funds		(50)	774	113	837	2,021
Reconciliation of funds:						
Total funds brought forward	16	243	(349)	7,685	7,579	5,558
Total funds carried forward	16	193	425	7,798	8,416	7,579

All income and expenditure derive from continuing activities.

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

Hodgson Academy

Balance Sheet

Year Ended 31st August 2023

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	12		7,465		7,685
Current assets					
Debtors	13	498		260	
Cash at bank and in hand		831		859	
		<u>1,329</u>		<u>1,119</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(636)</u>		<u>(730)</u>	
Net current assets			<u>693</u>		<u>389</u>
Total assets less current liabilities			8,158		8,074
Creditors: Amounts falling due after more than one year	15		(37)		(45)
Net assets excluding pension liability			<u>8,121</u>		<u>8,029</u>
Defined benefit pension scheme asset/(liability)	27		295		(450)
Net assets including pension liability			<u>8,416</u>		<u>7,579</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	7,798		7,685	
Restricted income fund	16	130		101	
Pension reserve	16	<u>295</u>		<u>(450)</u>	
Total restricted funds			8,223		7,336
Unrestricted income funds	16		193		243
Total funds			<u>8,416</u>		<u>7,579</u>

The financial statements on pages 30 to 54 were approved by the Trustees, and authorised for issue on the 14th December 2023 and are signed on their behalf by:

Mrs N Galloway
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07604183

Hodgson Academy

Statement of Cash Flows

Year Ended 31st August 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(278)	612
Cash flows from investing activities	22	257	(847)
Cash flows from financing activities	21	(7)	(5)
Change in cash and cash equivalents in the reporting period		<u>(28)</u>	<u>(240)</u>
Cash and cash equivalents at 1st September 2022		859	1,099
Cash and cash equivalents at 31st August 2023	23/24	<u>831</u>	<u>859</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies

General information and basis of preparation

Hodgson Academy is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Moorland Road, Poulton-le-Fylde, Blackpool, FY6 7EU. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) 2019), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

- **Grants receivable**

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

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

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies (continued)

Income (continued)

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

Where the donated item is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies (continued)

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. As an exception to this the Trustees have agreed to capitalise ICT equipment costing in excess of £200.

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 restrictions 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 their expected useful lives, as follows:

Long leasehold buildings	Over 125 years' straight line
Building refurbishments	Over 10 years' straight line
Fixtures, fittings and equipment	Over 8 years' straight line
Computer equipment	Over 3 years' straight line
Motor vehicles	Over 4 years' straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

The building valuation represents the value of leasehold assets as per the ESFA valuation carried out in 2020 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £6,485,000. The assets were valued using a depreciated replacement cost model and the buildings element is to be depreciated over a 125 year period.

Liabilities

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

Provisions

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

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

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies (continued)

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 14 and 15. 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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies (continued)

Pensions Benefits (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net operating income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2019 has been used by the actuary in valuing the pensions liability at 31st 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.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31st August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31st August 2023.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
ESFA Capital grants	-	485	485	23
Donated fixed assets	-	-	-	11
Trips and other non public funds	-	209	209	153
Other donations	-	9	9	19
	<u>-</u>	<u>703</u>	<u>703</u>	<u>206</u>

Income from donations and capital grants was £703,000 (2022 - £206,000) of which £nil (2022 - £nil) was attributable to unrestricted funds, £218,000 (2022 - £172,000) was attributable to restricted general funds and £485,000 (2022 - £34,000) was attributable to restricted fixed asset funds.

£485,000 (2022 - £23,000) of government grants were received for capital and maintenance works.

4 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,188	6,188	6,065
Other DfE Group grants:				
Pupil Premium	-	220	220	221
Mainstream Schools Additional grant	-	95	95	-
Rates grant	-	23	23	21
Supplementary grant	-	186	186	77
Other grants	-	9	9	7
	<u>-</u>	<u>6,721</u>	<u>6,721</u>	<u>6,391</u>
Other Government grants				
Local Authority grants	-	134	134	91
	<u>-</u>	<u>134</u>	<u>134</u>	<u>91</u>
Exceptional Government funding				
Other DfE/ESFA Covid-19 funding	-	80	80	36
Other non DfE/ESFA Covid-19 funding	-	-	-	17
	<u>-</u>	<u>80</u>	<u>80</u>	<u>53</u>
Total	<u>-</u>	<u>6,935</u>	<u>6,935</u>	<u>6,535</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

4 Funding for Academy Trust's educational operations (continued)

Funding for Academy Trust's educational operations was £6,935,000 (2022 - £6,535,000) of which £nil (2022 - £nil) was attributable to unrestricted funds, £6,935,000 (2022 - £6,535,000) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

£6,935,000 (2022 - £6,535,000) of government grants were received for the purposes of the day to day running costs of the Academy and its charitable objectives.

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Hire of facilities	33	-	33	30
Catering income	184	-	184	109
Sale of educational goods and services	38	-	38	24
Exam related fees	2	-	2	-
Supplies of staff	23	-	23	25
Music tuition	13	-	13	14
	<u>293</u>	<u>-</u>	<u>293</u>	<u>202</u>

Income from other trading activities was £293,000 (2022 - £202,000) of which £293,000 (2022 - £202,000) was attributable to unrestricted funds, £nil (2022 - £nil) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

Investment income was £1,000 (2022 - £nil) of which £1,000 (2022 - £nil) was attributable to unrestricted funds, £nil (2022 - £nil) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

7 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	-	-	-
Academy Trust's educational operations					
Direct costs	5,233	323	664	6,220	5,920
Allocated support costs	709	387	538	1,634	1,593
	<u>5,942</u>	<u>710</u>	<u>1,202</u>	<u>7,854</u>	<u>7,513</u>

£294,000 (2022 - £203,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £7,111,000 (2022 - £6,898,000) was attributable to restricted general funds and £449,000 (2022 - £412,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2023 £000	2022 £000
Operating lease rentals	-	-
Depreciation	449	412
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to the auditor for:		
Audit	5	4
Other services	6	7

No additional transactions have taken place under Section 5.2 of the 2022 Academies Financial Handbook which require additional disclosure.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

8 Charitable activities

	Total 2023 £000	Total 2022 £000
Direct costs – educational operations	6,220	5,920
Support costs – educational operations	1,634	1,593
	<u>7,854</u>	<u>7,513</u>

Analysis of direct costs	Educational operations £000	Total 2023 £000	Total 2022 £000
Direct staff costs	5,233	5,233	5,024
Depreciation	413	413	378
Learning resources	122	122	130
Examination fees	109	109	96
School trips and visits	198	198	136
Other direct costs	145	145	156
Total direct costs	<u>6,220</u>	<u>6,220</u>	<u>5,920</u>

Analysis of support costs	Educational operations £000	Total 2023 £000	Total 2022 £000
Support staff costs	706	706	800
Depreciation	36	36	34
Technology costs	4	4	4
Premises costs	351	351	317
Other support costs	519	519	423
Governance costs	18	18	15
Total support costs	<u>1,634</u>	<u>1,634</u>	<u>1,593</u>

Included within governance costs are any costs associated with the strategic as opposed to day to day management of the academy's activities. This will include the cost of any administrative support provided to the Trustees and costs relating to the statutory requirements including audit and preparation of statutory accounts.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

9 Staff

(a) Staff costs

	2023	2022
	£000	£000
Staff costs during the period were:		
Wages and salaries	4,357	4,114
Social security costs	454	419
Pension costs	1,009	1,161
	<u>5,820</u>	<u>5,694</u>
Apprenticeship Levy	7	5
	<u>5,827</u>	<u>5,699</u>
Supply staff costs	115	114
Staff restructuring costs	-	14
	<u>5,942</u>	<u>5,827</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	14
Other restructuring costs	-	-
	<u>-</u>	<u>14</u>

(b) Special severance payments

Included in staff restructuring costs are special severance payments totalling £nil (2022: £3,500). Individually, the payment was £nil (2022: £3,500).

(c) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

	2023	2023	2022	2022
	Number	Full-time equivalent	Number	Full-time equivalent
Teachers	61	56	61	55
Administration and support	48	35	53	42
Strategic Leadership Team	14	14	15	15
	<u>123</u>	<u>105</u>	<u>129</u>	<u>112</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

9 Staff (continued)

(d) Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	5	3
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>6</u>	<u>5</u>

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Strategic Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,201,000 (2022: £1,198,000).

10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from employment with the Academy Trust. The Head teacher 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, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

I Siddall (Head teacher and Trustee):	
Remuneration	£105,001 - £110,000 (2022: £95,001 - £100,000)
Employers' pension contributions	£25,001 - £30,000 (2022: £20,001 - £25,000)
J Harvey (Staff Trustee):	
Remuneration	£45,001 - £50,000 (2022: £30,001 - £35,000)
Employers' pension contributions	£5,001 - £10,000 (2022: £5,001 - £10,000)
T Rimmer (Staff Trustee):	
Remuneration	£45,001 - £50,000 (2022: £40,001 - £45,000)
Employers' pension contributions	£10,001 - £15,000 (2022: £10,001 - £15,000)

During the year ended 31st August 2023, no travel and subsistence expense claims in performing the role of Trustee were paid to any Trustee (2022: £nil).

Other related party transactions involving the Trustees are set out in note 28.

11 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

12 Tangible fixed assets

	Leasehold Land and Buildings £000	Building Refurbishments £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost						
At 1 st September 2022	6,015	3,562	218	931	43	10,769
Additions	-	154	10	65	-	229
Disposals	-	-	-	(81)	-	(81)
At 31 st August 2023	<u>6,015</u>	<u>3,716</u>	<u>228</u>	<u>915</u>	<u>43</u>	<u>10,917</u>
Depreciation						
At 1 st September 2022	615	1,516	102	814	37	3,084
Charged in period	48	311	24	61	5	449
Disposals	-	-	-	(81)	-	(81)
At 31 st August 2023	<u>663</u>	<u>1,827</u>	<u>126</u>	<u>794</u>	<u>42</u>	<u>3,452</u>
Net book values						
At 31 st August 2022	5,400	2,046	116	117	6	7,685
At 31 st August 2023	<u>5,352</u>	<u>1,889</u>	<u>102</u>	<u>121</u>	<u>1</u>	<u>7,465</u>

13 Debtors

	2023 £000	2022 £000
Trade debtors	8	5
VAT recoverable	18	61
Other debtors	407	134
Prepayments and accrued income	65	60
	<u>498</u>	<u>260</u>

14 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	209	26
Other taxation and social security	113	114
Other creditors	180	219
Accruals and deferred income	134	371
	<u>636</u>	<u>730</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

15 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Other creditors	37	45
	<u>37</u>	<u>45</u>

Other creditors relate to loans received to fund roof repairs in the school and to replace heating and hot water systems funded via the ESFA Salix scheme with no interest charged on the balance outstanding. The term of the loans is 8 years with repayments made in September and March of each year for the life of the loan.

The total repayable after more than five years is £10,000 (2022 - £15,000).

16 Funds

	Balance at 1 st September 2022 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	101	6,188	(6,132)	(27)	130
Pupil premium grant	-	220	(220)	-	-
Mainstream Schools Additional Grant	-	95	(95)	-	-
Rates grant	-	23	(23)	-	-
Supplementary grant	-	186	(186)	-	-
Other DfE/ESFA grants	-	9	(9)	-	-
Local Authority grants	-	134	(134)	-	-
Other DfE/ESFA Covid-19 funding	-	80	(80)	-	-
Other restricted funds	-	218	(218)	-	-
Pension reserve	(450)	-	(14)	759	295
	<u>(349)</u>	<u>7,153</u>	<u>(7,111)</u>	<u>732</u>	<u>425</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	485	-	(152)	333
Capital assets post conversion	2,285	-	(401)	229	2,113
Assets on conversion	5,400	-	(48)	-	5,352
	<u>7,685</u>	<u>485</u>	<u>(449)</u>	<u>77</u>	<u>7,798</u>
Total restricted funds	<u>7,336</u>	<u>7,638</u>	<u>(7,560)</u>	<u>809</u>	<u>8,223</u>
Total unrestricted funds	<u>243</u>	<u>294</u>	<u>(294)</u>	<u>(50)</u>	<u>193</u>
Total funds	<u>7,579</u>	<u>7,932</u>	<u>(7,854)</u>	<u>759</u>	<u>8,416</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

16 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31st August 2023. Note 2 discloses whether the limit was exceeded. At the year end the carry forward of GAG funding was £130,000.

Other DfE/ESFA Group Grants including pupil premium includes monies received outside of GAG funding and these Grants are all related to the furtherance of education within the Academy. As at the 31st August 2023 all funds had been spent.

Local Authority grants represent amounts payable to the Academy predominantly from Blackpool County Council. These funds relate to Special Educational Needs (SEN) funding and non ESFA pupil premium. As at the 31st August 2023 all funds had been spent.

Other restricted funds include monies from trips and non-public funds and donations, whose purpose is restricted. As at the 31st August 2023 all funds had been spent.

The pension reserve represents the value of the Academy's share of the surplus/(deficit) in the Local Government Pension Scheme. The value of the surplus at the 31st August 2023 was £295,000.

DfE Group capital grants represent capital monies received during the year from the ESFA, predominantly from the Capital Improvement Fund towards fire safety improvement works. As at the 31st August 2023, £289,000 of this funding remained unspent. £44,000 in respect of the Devolved Formula Capital grants also remained unspent at the year end and is carried forward to the next accounting period.

Assets on conversion / capitalised assets post conversion represent the valuation of the leasehold buildings and subsequent improvements since the school converted to academy status. These assets are depreciated in line with the accounting policies as set out in note 1 to the accounts.

Unrestricted funds represent funds generated via activities such as from supply of staff, student teachers, lettings, sale of materials, catering, music tuition and bank interest receivable. This fund also includes the remaining surplus on conversion to Academy status of £193,000. These funds can be used at the discretion of the Trustees to meet the charitable objectives of the Academy.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

16 Funds (continued)

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

	Balance at 1 st September 2021 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	172	6,065	(5,967)	(169)	101
Pupil premium grant	10	221	(231)	-	-
Rates grant	-	21	(21)	-	-
Supplementary grant	-	77	(77)	-	-
Other DfE/ESFA grants	-	7	(7)	-	-
Local Authority grants	-	91	(91)	-	-
Coronavirus Catch-up premium	51	-	(51)	-	-
Other DfE/ESFA Covid-19 funding	-	36	(36)	-	-
Other non DfE/ESFA Covid-19 funding	-	17	(17)	-	-
Other restricted funds	4	172	(176)	-	-
Pension reserve	(2,817)	-	(224)	2,591	(450)
	<u>(2,580)</u>	<u>6,707</u>	<u>(6,898)</u>	<u>2,422</u>	<u>(349)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	476	23	-	(499)	-
Capital assets post conversion	1,768	11	(364)	870	2,285
Assets on conversion	5,448	-	(48)	-	5,400
	<u>7,692</u>	<u>34</u>	<u>(412)</u>	<u>371</u>	<u>7,685</u>
Total restricted funds	<u>5,112</u>	<u>6,741</u>	<u>(7,310)</u>	<u>2,793</u>	<u>7,336</u>
Total unrestricted funds	<u>446</u>	<u>202</u>	<u>(203)</u>	<u>(202)</u>	<u>243</u>
Total funds	<u>5,558</u>	<u>6,943</u>	<u>(7,513)</u>	<u>2,591</u>	<u>7,579</u>

17 Analysis of net assets between funds

Fund balances at 31st August 2023 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,465	7,465
Current assets	193	803	333	1,329
Current liabilities	-	(636)	-	(636)
Non-current liabilities	-	(37)	-	(37)
Pension scheme asset	-	295	-	295
Total net assets	<u>193</u>	<u>425</u>	<u>7,798</u>	<u>8,416</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

17 Analysis of net assets between funds (continued)

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,685	7,685
Current assets	243	876	-	1,119
Current liabilities	-	(730)	-	(730)
Non-current liabilities	-	(45)	-	(45)
Pension scheme liability	-	(450)	-	(450)
Total net assets	<u>243</u>	<u>(349)</u>	<u>7,685</u>	<u>7,579</u>

18 Capital commitments

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	<u>336</u>	<u>35</u>

19 Commitments under operating leases

Operating leases

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

	2023 £000	2022 £000
Amounts due within one year	-	-
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

20 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2023	2022
	£000	£000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	78	(570)
Adjusted for:		
Depreciation (note 12)	449	412
Capital grants from DfE and other capital income	(485)	(34)
Proceeds from sale of tangible fixed assets	-	-
Interest receivable (note 6)	(1)	-
Defined benefit pension scheme cost less contributions payable (note 27)	-	177
Defined benefit pension scheme finance cost (note 27)	14	47
(Increase)/decrease in debtors	(238)	375
(Decrease)/Increase in creditors	(95)	205
Net cash (used in)/provided by operating activities	(278)	612

21 Cash flows from financing activities

	2023	2022
	£000	£000
Repayments of borrowing	(7)	(5)
Cash inflows from borrowing	-	-
Net cash (used in) financing activities	(7)	(5)

22 Cash flows from investing activities

	2023	2022
	£000	£000
Dividends, interest and rents from investments	1	-
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(229)	(881)
Capital grants from DfE/ESFA	485	34
Capital funding received from others	-	-
Net cash provided by/(used in) investing activities	257	(847)

23 Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	831	859
Total cash and cash equivalents	831	859

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

24 Analysis of changes in net debt

	At 1 st September 2022	Cash flows	Acquisition / disposal of subsidiaries	Finance leases	Other non- cash changes	At 31 st August 2023
Cash	859	(28)	-	-	-	831
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	859	(28)	-	-	-	831
Loans falling due within one year	(7)	(1)	-	-	-	(8)
Loans falling due after more than one year	(45)	8	-	-	-	(37)
Finance lease obligations	-	-	-	-	-	-
	(52)	7	-	-	-	(45)
Total	807	(21)	-	-	-	786

25 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the School is required to either re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

26 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.

27 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31st March 2016 and of the LGPS 31st March 2019.

Contributions amounting to £110,314 (2022: £107,161) were payable to the schemes at 31st August 2023 and are included within creditors.

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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 31st March 2016. The valuation report was published by the Department for Education on 5th 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 1st April 2024.

The pension costs paid to TPS in the period amounted to £1,045,000 (2022: £964,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2023 was £319,000 (2022: £308,000), of which employer's contributions totalled £255,000 (2022: £247,000), and employees' contributions totalled £64,000 (2022: £61,000). The agreed contribution rates for future years are 21.0% for employers and the rate for employees remains dependant on the earnings of the employee.

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

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 st August 2023	At 31 st August 2022
Rate of increase in salaries	4.3%	4.4%
Rate of increase for pensions in payment / inflation	2.9%	3.0%
Discount rate for scheme liabilities	5.4%	4.3%
Inflation assumption (CPI)	2.8%	2.9%

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

	At 31 st August 2023	At 31 st August 2022
<i>Retiring today</i>		
Males	21.0	22.3
Females	23.4	25.0
<i>Retiring in 20 years</i>		
Males	22.2	23.7
Females	25.2	26.8

Sensitivity analysis

	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
Central £000	+0.5% pa discount rate £000	+0.25% pa inflation £000	+0.25% pa pay growth £000	1 year inc in life expectancy £000
Liabilities	4,434	4,110	4,605	4,524
Assets	(4,729)	(4,729)	(4,729)	(4,729)
(Surplus)	(295)	(619)	(124)	(205)
Projected service cost	180	159	192	185
Projected net interest	(22)	(43)	(13)	(17)

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 st August 2023	Fair value at 31 st August 2022
Equities	2,289	2,057
Government bonds	19	-
Other bonds	-	192
Property	449	475
Cash and other liquid assets	28	70
Other	1,944	1,565
Total market value of assets	4,729	4,359

The actual return on scheme assets was £101,000 (2022: £298,000).

Amounts recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost (net of employee contributions)	6	(171)
Past service cost	-	-
Interest income	192	67
Interest expense	(206)	(114)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(6)	(6)
Total operating charge	(14)	(224)

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

	2023 £000	2022 £000
At 1st September	4,809	6,654
Current service cost	249	418
Past service cost	-	-
Interest cost	206	114
Employee contributions	64	61
Actuarial (gain)	(765)	(2,359)
Benefits paid	(129)	(79)
At 31st August	4,434	4,809

Hodgson Academy

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2023 £000	2022 £000
At 1st September	4,359	3,837
Interest income	192	67
Return on plan assets (excluding interest income)	-	-
Assets distributed on settlements	-	-
Actuarial (loss)/gain	(6)	232
Employer contributions	255	247
Employee contributions	64	61
Benefits paid	(129)	(79)
Administrative expenses	(6)	(6)
At 31st August	<u>4,729</u>	<u>4,359</u>

28 Related Party Transactions

Owing to the nature of the Academy Trust's operations 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures.

The Hodgson Academy PTFA has a shop on the academy premises that sells Hodgson uniforms directly from the manufacturer. During the year, the Academy purchased uniforms amounting to £1,126 (2022 - £2,565) of which £543 (2022 - £455) was owing at the year end.

The Hodgson Academy PTFA also donated £7,695 to the academy as a contribution towards the Boulevard mural.

Hodgson Academy is part of the Fylde Coast SCITT (formerly Fylde Coast Teaching School Alliance (FCTSA)) and during the year the academy invoiced for various support services totalling £23,370 (2022 - £27,880) of which £nil (2022 - £nil) was owing at the year end.

No other related party transactions with Trustees took place during the course of the year ended 31st August 2023, other than certain Trustees' remuneration and expenses already disclosed in note 10.