

APOLLO SCHOOLS TRUST
(a company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 August 2023

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Members/Trustees

Mrs Lesley Powell (Trustee)
Mrs Suzanne Duncan (Trustee)

Trustees

Mrs Margaret Saxton (Chair)
Mrs Carina Tomlinson
Mrs Janice Gorlach

Company Secretary

Mr Lee Alexander

Accounting Officer

Mrs Kerrie Whelan

Senior Management Team:

Head of School

Deputy Head of School

Mrs Kerrie Whelan
Mrs Lesley Wood
Mr Jonathan Greenall
Mr Lee Alexander

Head of Finance (Financial services provided by North East Learning Trust as co-sponsor)

Head of School Office

Endeavour Academy (Durham)
c/o East Durham College
Willerby Grove
Peterlee
County Durham
SR8 2RN

Registered Office

Apollo Schools Trust
c/o The Academy at Shotton Hall
Passfield way
Peterlee
Co Durham
SR8 1AU

Company Registration Number

08641815

Independent Auditor

RSM UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds Bank
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Ward Hadaway Law Firm
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

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

The trust operated the Endeavour Academy (Durham) an alternative provision academy supporting 14 to 16 year old students. At the year end the number of students on roll were 52 (2022: 49).

Structure, Governance and Management

Constitution

The 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, as incorporated on 7 August 2013. The trust officially opened to staff and students on the 1 September 2013. The directors act as trustees for charitable activities of Apollo Schools Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Apollo Schools Trust. Endeavour Academy (Durham) was the only Academy within the Multi Academy Trust during the year ended 31 August 2023

Details of the trustees who served throughout the year are included in the company information on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one period 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.

Trustee indemnities

The academy trust has opted into the Department of 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 office's indemnity element from the overall cost of the RPA scheme.

Method of recruitment and appointment or election of Trustees

The Members of the Academy comprise of the 2 signatories to the memorandum. Details of the appointed Trustees (directors) are shown in the company information details. The Trustees may appoint up to 3 Co-opted Trustees. A Co-opted Trustee, means a person who is appointed to be a Trustee Director by being Co-opted by Directors who have not themselves been so appointed. The Secretary of State may appoint such Additional Directors as he thinks fit under Article 62, 62A, 62C or 68A. The term of office for any Director shall be 4 years. At the Directors first meeting each school year they will elect a chairman and vice-chairman.

Policies and procedures adopted for the induction and training of trustees

The Trust is fully committed to the development of effective governance and provide training to assist Trustees and Local Governing Body (LGB), in undertaking their role. A regular skills audit is carried out which enables the trust to ensure that Trustees and have the necessary skills and experience to carry out their governance roles. Trustees and Governors are provided with regular statutory updates and are actively involved in governance reviews, to support the continued improvement and efficiency of the overarching governance structure.

The Trust provides both individual and full board training through an annual calendar which is reviewed each year to reflect any changes in practice and legislation. Trustees also have access to the website and a Governor Information File to assist in their induction.

Organisational structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for governance and determines membership, terms of reference and policy. During the year it received reports including policy renewals, financial performance, premises management, compliance with reporting and regulatory requirements and drafting the annual budget. The board of Trustees exercise effective oversight as they are intrinsically linked to all significant day to day operations, given the nature and size of the provision. This includes both internal meetings with the Head of School and

other key staff as well as an active role in key meetings with external agencies such as the LA commissioner. Leadership, Teaching & Achievement undergo a termly review to assess academy performance.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, which is largely exercised through strategic planning and the setting of policy. Throughout the year the Trustees devolved the day to day management of the Academy to the Head of School.

During the year the designated Accounting Officer (Head of School) and Head of Finance (as service provider from North East Learning Trust (NELT)) were responsible for the authorisation of spending within agreed budgets as detailed in the scheme of delegation. The Head of School is responsible for the appointment of all staff, through appointment panels for teaching posts which include HR representation.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have ultimate authority for setting pay and remuneration for all staff including key management personnel. The Trust pay policy and changes to pay are reviewed annually by Trustees. No Trustee receives any pay or remuneration for discharging their duties as an officer to the company and therefore during the year key management personnel consisted of the Head of School (Trustee), Deputy Heads and Head of Finance (Employee of North East Learning Trust).

The school has an internal performance management policy. Targets are based on whole school priorities: standards of teaching and learning, standards of assessment and progress and whole school literacy, in addition to this some will also have individual targets based on individual observations and wider discussions with reviewers.

Related parties, Connected Charities and co-operation with other organisations

The Trust is sponsored by both North East Learning Trust and East Durham College working in partnership to provide quality alternative provision for students in the North East of England. The Trust partners are committed to the furtherance of education and provide support through collaboration and sharing of resources, which during the year consisted of teaching staff, access to procurement contracts and delivery of professional services. As part of this arrangement the Trust confirm that the trading between connected parties occurs at cost and the majority of the services provided are specific to the landlord tenant relationship at East Durham College and therefore Trustees have limited alternative procurement options, however remain satisfied that arrangements remain value for money. The Trust does not work in federation with any other organisation.

Risk management

Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the establishment of the Alternative Provision and sensitivity of student admissions. Throughout the year monitoring of performance and student places have been reviewed closely to ensure operations continue to be viable. Robust financial and accounting procedures have been adopted from the North East Learning Trust as sponsor, which comply with statutory and ESFA accounting requirements. The Trust is insured under the DfE Risk Protection Assurance scheme to minimise the trusts exposure to risk, as part of this arrangement the Trust is seeking the cyber security accreditation and has recently moved to cloud based storage for both the core MIS (SIMS) and user data. The Trust has developed a risk register and medium term plan to mitigate risk and support strategic planning.

Objectives, strategies and activities

The principal objective and activity of the charitable trust during the year was the operation of Endeavour Academy (Durham) to provide education for students between the ages of 14 and 16 in line with the vision and values of the Trust. Trustees and staff are committed to providing an outstanding education with a personalised approach so that each learner can have their needs, be they medical, mental, social or learning, identified and responded to. Staff provide a nurturing environment and teach students to set goals preparing them with the skills required to take on the challenge of further education, employment and training and to achieve a fulfilling life.

The Academy delivers a mainstream core curriculum in a small school, alternative setting with an emphasis on teaching resilience programmes of learning to improve student confidence, raise self-esteem and support students to overcome their social and emotional issues which have previously impacted on attendance and attainment. Students are taught in small class settings with a high staff to student ratio with all lessons focussed on relating learning to real life situations.

The Academy aim to reduce gaps in achievement and improve overall school attendance from point of entry. Staff work hard to aim for all students to leave school with qualifications in Maths, English and Science. Students have access to a suite of qualifications to ensure inclusion and achievement of all, irrespective of ability. The Academy work in partnership

with specialist providers who support the mental health needs of students attending the Academy with on-site counselling being offered to all students.

Students have access to vocational options where they develop employability skills in real life working environments. There is a strong emphasis on teaching life skills which will improve chances and promote successful transitions at the next key point and reduce disengagement and risks of becoming NEET (Not in Education, Employment or Training). Students have weekly careers lessons, Careers interviews and support with independent travel training all of which prepares them for the next point of transition and improves opportunities to remain engaged with lifelong learning.

The Academy work closely with parents and take into account parents, carers and student voice which plays a significant role in developing the school and the curriculum on offer.

The Academy was rated Good by Ofsted (2018) with Inspectors noting 'The headteacher, staff and Trustees have established an effective school that has a significant transformative impact on pupils' personal development, behaviour and welfare'.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust intends to provide a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role including local enterprise.

Strategic Report

Achievements and Performance

The educational outcomes for students attending the Academy are good. The outcomes for students achieving at GCSE and at grade 4+ have improved each year since opening and have been good in comparison to similar type settings.

Strengths

- Core subjects are led by subject specialists. The curriculum continues to develop with students now able to access 7 GCSE's improving access to A 'Level programmes post 16.
- 100% of students leaving with recognised qualifications with all students in 2022 / 23 leaving with Maths, English and Science at levels relevant to ability.
- 2022/23 Outcomes Achieved at grade 4 or above continue to increase;
 - Maths 47% of students (increasing from 2018/19)
 - English 53% of students
 - Science 57% (this is based on achieving 4-4 or above)

Performance	National - Alternative Provision	North East - Alternative Provision	PRU (20/21 RT)	Endeavour Academy 22/23
Pupils who a 9-5 pass in English & Maths	1.6%	0.7%	13%	3.4%
Pupils who achieved a 9-4 pass in English and Maths	4.5%	2.0%	13%	20.7%

Destinations	College	Sixth Form	Training/Employment
July 2023 Leavers	20	1	3

During the accounting period our principal achievement has been to increase the numbers of admissions to support in year growth, maintaining the Academy KPI's. We continue to have referrals to fill 50 places, in line with our strategic plan.

Going concern

Taking into account consideration of all relevant facts and circumstances and after making appropriate enquiries the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. By the end of the year there were 52 students on roll (2022: 49), with funding to 50 places for 2023/24 which are expected to be fully occupied. For this reason, it adopts the going concern basis in preparing the financial statements.

Financial Review

The majority of the Trusts income is obtained from the DfE, via the ESFA for commissioned place funding. During the year ending 31 August 2023 total income of £1,138k (2022: £1,074k) exceeded expenditure (excluding depreciation) of £899k (2022: £793k). The net in year surplus before recognised gains and losses, LGPS pension adjustments, transfers and depreciation was £239k (2022: £281k) which has increased the closing reserves fund excluding fixed asset funds and pensions to £1,324k (2022: £1,129k). The surplus reflects the increase in student places, close to full occupancy and significant expenditure savings largely due to recruitment delays and good financial management during the Alternative Establishment phase. Investment in IT lifecycle and new MIS software has been committed during the year, however savings have been achieved due to vacancies throughout the year and future development plans to improve the teaching and learning environment, including new teaching space, transport, facilities and ICT refresh have not yet been committed.

The full £927k capital project budget made up of £627k Construction, £234k Information Technology and £66k Fixtures, Furniture & Equipment was fully recognised during 2013/14. The remaining unutilised capital project funding remains at £9k, relating to branding.

All expenditure of the Academy Trust is made in line with the requirements of the grants provided by the DfE.

The Trust finance manual sets out the key financial responsibilities and policies including: delegation of spending, capitalisation limit, purchasing procedures including procurement regulations and systems of internal control. All expenditure of the Academy Trust is made in line with this manual and as such, supports the provision of Education of all students on role.

Principal risks and uncertainties

The Trustees have considered that the principal risk and uncertainties facing the Academy during the year are:

- Safeguarding and management of pupils
- Fulfilment of student places
- Staff retention and recruitment
- Adopting principles of good estates management to maintain safeguarding and learning environments

Trustees have agreed new policies and have reviewed detailed long term forecasts to minimise risk exposure.

Fundraising

The academy trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Management Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. The Trust does not utilise the services of a professional fundraiser.

Reserves policy

The Trustees review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of available reserves at 31st August 2023 is £1,324k (2022: £1,129k), which is made up of restricted general reserves of £1,280k (2022: £1,085k) and unrestricted reserves of £44k (2022: £44k). Following the successful establishment phase of Alternative Provision, a new pay structure has been established to support long term sustainability and increase overall capacity, underpinned by current reserves. In addition current reserves levels are required to support planned maintenance, improvements to student amenities and facilities, technology refresh and future growth plans.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee of others.

Investment policy

The investment policy aims to manage cash balances to provide daily working capital requirements. In addition, the Trust aims to invest surplus cash funds to optimise returns, while ensuring the investment instruments are such that there is no risk to the loss of these cash funds, taking a risk averse approach. No cash deposits existed at the year end. Forecast cashflows remain favourable for the foreseeable future and cash flow projections are fully considered before any significant expenditure decisions are committed.

Plans for Future Periods

The Trust is actively pursuing new opportunities of expansion to replicate the success of the Endeavour model, in addition to continuing to ensure high pupil admissions are maintained with added focus of securing growth and development from a breadth of commissioning schools to utilise the schools services, securing long term sustainability.

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on the 18th December 2023 and signed on its behalf by:

Margaret Saxton

Chair



Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Apollo Schools Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. As trustees, we have reviewed and taken account of the guidance in DfE's [Governance Handbook](#) and [competency framework for governance](#).

The Trustees have delegated the day-to-day responsibility to the Head of School, as Accounting Officer, for ensuring financial controls conform to 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 Apollo Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Trustees have formally met 4 times during the academic year 2022/23. The board of Trustees exercise effective oversight as the Trustees are intrinsically linked to all significant day to day operations, given the nature and size of the provision, which ensures effective governance. This includes regular internal meetings with the Head of School and other key staff as well as an active role in key meetings with external agencies such as the LA commissioner. Attendance during the period at Trustee meetings was as follows:

Trustee meeting	Meetings Attended	Out of a Possible
Lesley Powell	4	4
Suzanne Duncan	4	4
Margaret Saxton	4	4
Carina Tomlinson	4	4
Janice Gorlach	1	4

Governance Review

The sponsors (Trustees) and key management personnel have met frequently throughout the year in addition to the board meetings, this is largely due to the nature of the provision and limited change during the course of the year. During the year the Trust continued to develop governance to establish any improvement to further embed consistent practice ensuring compliance with DfE requirements. During the year a local governing body was established, however the trustees continue to assume all responsibility for the review of academy performance as defined by the scheme of delegation. The Trustees are actively involved with other trust's and education establishment and are established leaders in their own right, which brings a wealth of experience to enable effective governance. Trustees are kept well apprised of school performance and review reports provided by the Head of School. The significant actions regarding finance relate to the security of future commissioned places. Trustees have exercised informed decision making through actively seeking detailed forecast plans to ensure long term sustainability, which has included sensitivity analysis and scenario forecasts to aid the furtherance of the academy objects.

Managing Conflicts of Interest

Annually all members and trustees formally declare any interests, which is maintained and shared on the Trust website. Any matters or relationships that give rise to any actual or perceived conflicts of interest are reviewed, discussed and managed/approved by the board. Operationally conflicts are avoided through control measures, such as new supplier forms and the nature of alternative provision activity and extent of routine expenditure is limited in potential risk exposure to conflicts of interest. e.g. new supplier forms.

Review of value for Money

The Accounting Officer 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 as well as estate safety and management achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of

benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Utilising school to school support from sponsors.
- Economies of scale at both sponsors have reduced support costs in respect of Finance, payroll, Human Resources and IT support as Endeavour has no direct staff appointments for the delivery of these services and has agreed service level agreements specific to Endeavours needs.
- Negotiation of renewal service level agreements to reflect the direct needs of the Academy.
- Continued value for money investment in the learning environment and effective engagement with the building landlord ensures the Academy space is well maintained and complies with relevant regulations.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Apollo Schools Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees reviews the key risks of the Academy Trust on an on-going basis to minimise any potential risk together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Academy Trust 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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and has decided to engage Veritau to provide separate assurance engagements to complete a range of checks on the Academy Trust's financial systems. Internal assurance reports are reported to Trustees on the operation of the systems of control and on the discharge of the Trust's financial responsibilities.

The Board commissioned Veritau as internal scrutineer to provide a review of financial controls, including financial ledger, payroll expenditure, non-payroll expenditure and Income for the 2022/23 academic year as follows:

Financial review – Governance, risk management and control arrangements provide substantial assurance that the risks identified are managed effectively. Compliance with the control framework was found to be taking place. The audit provided reassurance that control standards are consistently maintained and no significant or material errors or omissions exist, no findings or recommendations were raised in the report.

The Annual internal scrutiny report reported to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities. The report rates the level of internal assurance as "Substantial" overall.

Review of effectiveness

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

- The work of the internal assurance reviewer
- The work of the external auditor
- The work of the Head of Finance from North East Learning Trust who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on the 18th December 2023 and signed on its behalf by:

Margaret Saxton
Chair



Kerrie Whelan
Accounting Officer



APOLLO SCHOOLS TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2023

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

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

I confirm that no instances of material irregular, 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.

Kerrie Whelan
Accounting officer



APOLLO SCHOOLS TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
Year ended 31 August 2023

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

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

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

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

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

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

Approved by order of the members of the Board of trustees on 18th December 2023 and signed on its behalf by:

Margaret Saxton
Chair



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO SCHOOLS TRUST
Year ended 31 August 2023**

Opinion

We have audited the financial statements of Apollo Schools Trust (the "charitable company") for the year ended 31 August 2023 which comprise the statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' Report and the Strategic 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 Directors' Report and the Strategic 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO SCHOOLS TRUST
Year ended 31 August 2023**

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

Claire Leece (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered accountants
1 St James Gate
Newcastle upon Tyne
NE1 4AD

19/12/23

APOLLO SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
For the year ended 31 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	-	-	21	21	6
Charitable activities:						
Funding for the academy trust's educational operations	2		1,117	-	1,117	1,068
Other trading activities		-	-	-	-	-
Investment Income		-			-	
Total		-	1,117	21	1,138	1,074
Expenditure on:						
Raising funds	5	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	-	899	82	981	862
Total		-	899	82	981	862
Net income/(Expenditure)		-	218	(61)	157	212
Transfers between funds	12	-	(31)	31	-	-
Other recognised gains / (losses):						
Re-measurement of net defined benefit obligations	21	-	117	-	117	547
Net movement in funds		-	304	(30)	274	759
Reconciliation of funds						
Total funds brought forward		44	753	185	982	223
Total funds carried forward		44	1,057	155	1,256	982

All of the Academy Trust's activities derive from continuing operations during the above financial year. A statement of total recognised gains and losses is not required as all gains and losses are included in the Statement of Financial Activities.

APOLLO SCHOOLS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
For the year ended 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	146	134
Current assets			
Debtors	11	104	32
Cash at bank and in hand		1,382	1,249
		<u>1,486</u>	<u>1,281</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	(152)	(101)
Net current assets		<u>1,334</u>	<u>1,180</u>
Net assets (excluding pension liability)	14	1,480	1,314
Pension scheme liability	21	(224)	(332)
Net assets/(liabilities) (including pension liability)		<u>1,256</u>	<u>982</u>
Total funds of charity			
Restricted funds			
Fixed Asset fund	13	156	185
General fund	13	1,280	1,085
Pension fund	13	(224)	(332)
	13	<u>1,212</u>	<u>938</u>
Unrestricted fund			
General fund	13	44	44
Total funds	13	<u>1,256</u>	<u>982</u>

The financial statements on pages 15 to 30 were approved by the Trustees and authorised for issue on 18th December 2023 and signed on their behalf by:

Margaret Saxton
Chair

Margaret Saxton

APOLLO SCHOOLS TRUST
STATEMENT OF CASH FLOWS
for the Year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Cashflows from operating activities	15	<u>206</u>	<u>784</u>
Cashflows from investing activities			
Capital grants from DfE		21	6
Purchase of tangible fixed assets		<u>(94)</u>	<u>(1)</u>
Net cash (used in)/provided by investing activities		<u>(73)</u>	<u>5</u>
Change in cash and cash equivalents in the reporting period		<u>133</u>	<u>789</u>
Cash and cash equivalents at 1 September 2022		<u>1,249</u>	<u>460</u>
Cash and cash equivalents at 31 August 2023	16	<u>1,382</u>	<u>1,249</u>

1 ACCOUNTING POLICIES

General Information

Apollo Schools Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations are set out in the Trustees' Report.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Apollo Schools Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in the financial statements are rounded to the nearest £1,000.

Going Concern

After reviewing financial and other information available, the trustees consider that the Academy 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. Future forecasts and ongoing commitment from the LA commissioner and non-LA commissioner's support the now established student intake therefore support the going concern assumption. At the balance sheet date, the cash at bank was £1,382k (2022: £1,249k) generally the increase in cash is largely due to budget savings through recruitment delays and deferred capital projects. Current cash levels are favourable and forecast to remain stable for the foreseeable future. At the balance sheet date, the academy trust net assets are £1,480k (2022: £982k).

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities based upon when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

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

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

Other Income

Other income including income for student places is recognised in the period it is receivable.

1 ACCOUNTING POLICIES (continued)

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Resources expended

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the 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.

Tangible fixed assets

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of an asset, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £68k.

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

Depreciation is provided on all tangible fixed assets other than freehold land, on a straight-line basis over its expected useful life dependant on the type of asset.

- Leasehold improvements 10 years
- Fixtures, fittings and equipment 5/7 years
- ICT Equipment 5/7 years

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

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.

1 ACCOUNTING POLICIES (continued)

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.

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 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.
- *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 12. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Actuarial gains and losses are recognised immediately in recognised gains and losses. The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the ESFA/DfE.

1 ACCOUNTING POLICIES (continued)

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the ESFA, where the asset acquired or created is held for a specific purpose.

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 areas of judgement, 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 obligation 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 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions obligation at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation.

2 FUNDING OF THE ACADEMIES EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2023 Total £'000	2022 Total £'000
DfE/ESFA REVENUE GRANTS					
General annual grants/GAG	-	566	-	566	545
Other DfE/group grants	-	249	-	249	216
	-	815	-	815	761
Other income from the academy trust's educational operations	-	302	-	302	307
	-	1,117	-	1,117	1,068
2022	27	1,041	-	1,068	1068

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets fund £'000	2023 Total £'000	2022 Total £'000
Capital grants	-	-	21	21	6

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

	-	-	21	21	6
2022	-	-	6	6	6

4 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
Other trading activities	-	-	-	-
2022	-	-	-	-

5 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises Depreciation £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on raising funds:					
Direct costs	-	-	-	-	-
Allocated support costs					-
Academy's educational operations:					
Direct costs	338	82	48	468	363
Allocated support costs	330	-	183	513	499
	668	82	231	981	862
2022	600	69	193	862	657

The restricted expenditure on charitable activities was £890k (2022: £710k).

	2023 £'000	2022 £'000
Net incoming/(outgoing) resources for the period are stated after:		
Depreciation	82	68
Fees payable to RSM UK Audit LLP and its associates for:		
- audit	11	9
- other services	2	2
- Interest on defined benefit liability	13	13

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2023 £'000	Total 2022 £'000
Direct costs	468	363
Support costs	513	499
	981	862

Analysis of support costs

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

Support staff costs (incl. pension deficit credit of £4k (2022 charge: £70k)	326	346
Subscriptions	7	6
Premises costs	35	21
Other support costs	37	31
Governance costs	10	13
Service contracts	98	82
Total support costs	<u>513</u>	<u>499</u>

7 STAFF COSTS

	2023	2022
	£'000	£'000
Staff costs during the period were:		
Wages and salaries	490	381
Social security costs	47	31
Pension costs including defined benefit pension credit of £4k (2022 charge: £70k)	102	154
	<u>639</u>	<u>566</u>
Agency staff costs	26	34
Staff restructuring	-	-
Total Staff Costs	<u>664</u>	<u>600</u>

Staff recharges from sponsors during the year were £15k (2022: £18k).

The following number of persons (including seconded personnel) employed by the Academy Trust during the Year ended 31 August 2023 was as follows:

	2023	2022
	No.	No.
Teachers	4	4
Administration and support	9	9
Management	<u>3</u>	<u>3</u>
	<u>16</u>	<u>16</u>

The number of employees whose annual emoluments (excluding pension contributions) fell within the following bands was:

	2023	2022
	No.	No.
£60,001 - £70,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (excluding including employer national insurance and pension contributions) paid was £224k (2022: £177k).

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

8 RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES

During the year ended 31 August 2023 no trustee received any remuneration (including any expenses).

The Head of School only receives remuneration in respect of services provided undertaking the role of Head of School and there are no other staff trustees.

During the year ended 31 August 2023 the Head of School as Accounting Officer, received remuneration of £83k (2022: £77k) including employer pension contributions of £16k. (2022: £15k).

Related party transactions involving the trustees are set out in note 18.

9 TRUSTEES’ AND OFFICERS’ INSURANCE

The Academy Trust is a member of the Department for Education’s risk protection arrangement (RPA), which is a voluntary arrangement for academies and free schools. It is an alternative to insurance through which the cost of risks that materialise will be covered by government funds. The scheme provides protection for Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover on any one claim. The cost of insurance is £1,050 (2022: £950).

10 TANGIBLE FIXED ASSETS

	Leasehold Improvements £’000	Equipment Fixtures & Fittings £’000	IT Equipment £’000	Total £’000
Cost				
Opening	612	75	253	940
Additions	-	8	86	94
At 31 August 2023	612	83	339	1034
Depreciation				
Opening	(485)	(75)	(246)	(806)
Charge in Period	(60)	(2)	(20)	(82)
At 31 August 2023	(545)	(77)	(266)	(888)
Net book value				
At 31 August 2023	67	6	73	146
At 31 August 2022	127	-	7	134

11 DEBTORS

	2023 £’000	2022 £’000
Trade Debtors	52	11
Prepayments and accrued income	26	16
Other debtors	26	5
	104	32

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade creditors	19	8
Accruals & deferred Income	112	71
Tax & social security	9	10
Other creditors	12	12
	<u>152</u>	<u>101</u>

	2023	2022
	£000	£000
Deferred income		
Deferred income at 1 September 2022	-	-
Released from previous years	-	-
Resources deferred in the year	76	-
Deferred Income at 31 August 2023	<u>76</u>	<u>-</u>
Accruals	36	71
Total accruals and deferred income	<u>112</u>	<u>71</u>

13 FUNDS – Current year

	Balance at 1 September 2022 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted General Fund					
General Annual Grant (GAG)	1085	566	(339)	(31)	1281
DfE Revenue	-		-	-	-
Other income	-	170	(170)	-	-
Pension reserve	(332)	-	(9)	117	(224)
Pupil Premium		79	(79)	-	-
Other Grants		302	(302)	-	-
Restricted General Funds	<u>753</u>	<u>1,117</u>	<u>(899)</u>	<u>(86)</u>	<u>1,057</u>
Restricted Fixed Asset Fund					
DfE capital grants	185	21	(82)	31	155
Restricted Fixed asset Funds	<u>185</u>	<u>21</u>	<u>(82)</u>	<u>31</u>	<u>155</u>
Total Restricted Funds	<u>938</u>	<u>1,138</u>	<u>(981)</u>	<u>-</u>	<u>1,212</u>
Unrestricted Funds	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
Total Funds	<u>982</u>	<u>1,138</u>	<u>(981)</u>	<u>-</u>	<u>1,256</u>

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

13 FUNDS – Current year (continued)

FUNDS – Prior year	Balance at 1 September 2021 £'000	Incoming Resources £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted General Fund					
General Annual Grant (GAG)	495	544	(213)	-	1085
DfE Revenue	103	56	(56)	-	0
Other income	155	441	(441)	-	0
Pension reserve	(796)	-	(83)	547	(332)
Restricted General Funds	(43)	1,041	(793)	547	753
Restricted Fixed Asset Fund					
DfE capital grants	249	6	(69)	-	185
Restricted Fixed asset Funds	249	6	(69)	-	185
Total Restricted Funds	206	1,047	(862)	547	938
Unrestricted Funds	17	27	-	-	44
Total Funds	223	1,074	(862)	547	982

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

The remaining balance of both restricted general reserves £949k and unrestricted reserves £44k will be retained to support future staffing needs, growth and development of Endeavour Academy (Durham).

Restricted fixed asset funds represent the DfE studio school development capital grant award plus devolved formula capital less current year depreciation. The total cash draw down from the original development grant is £917k, and the remaining £9k relates to final retentions not yet discharged relating to the allocated branding budget.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total 2023 £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	146	146
Current assets	44	1,433	9	1,486
Current liabilities	-	(152)	-	(152)
Pension scheme liability	-	(224)	-	(224)
Total net assets	44	1,057	155	1,256

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

Prior year	Unrestricted Funds £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	134	134
Current assets	44	1,185	52	1,281
Current liabilities	-	(101)	-	(101)
Pension scheme liability	-	(332)	-	(332)
Total net assets	44	752	186	982

15 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET FLOW FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	157	212
Adjusted for:		
Depreciation [note 10]	82	68
Capital grants from DfE and other capital income	(21)	(6)
Interest receivable [note 4]	-	-
Pension movement [note 21]	9	83
(Increase)/decrease in debtors	(72)	437
Increase/(Decrease) in creditors	51	(10)
Net cash generated/(used in) Operating Activities	206	784
	2023 £000	2022 £000
Interest	-	-
Purchase of tangible fixed assets	(94)	(1)
Capital grants from DfE/ESFA	21	6
Net cash provided by investing activities	(73)	(5)

16 ANALYSIS OF CHANGE IN NET FUNDS

	At 31 August 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash in hand and at bank	1,249	133	1,382
	1,249	133	1,382

17 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

18 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, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Income related party transaction

During the year income of £179k (2022: £170k) was received from North East Learning Trust (NELT), in respect of guaranteed student place numbers.

	2023	2022
	£'000	£'000
North East Learning Trust (NELT)	179	170

Expenditure related party transaction

During the period the Trust purchased goods and services from both sponsors.

	2023	2022
	£'000	£'000
North East Learning Trust (NELT)	23	11
East Durham College (EDC)	152	106

At the year end there were trade balances for EDC of £11k and for NELT of £1k. EDC trading relates to staff support costs of £15k charged at cost, service level agreement costs for Estates, IT and HR services totalling £78k and £5k for miscellaneous repairs, catering and a pupil referral. Trading with NELT included £11k in relation to service level agreements for Finance support.

19 CONTINGENT LIABILITIES

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

20 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 member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10 for debts and liabilities contracted before he/she ceases to be a member.

21 PENSIONS 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 Durham Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £11,392 were payable to the schemes at 31 August 2023 (2022: £11,391) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these

contributions along with those made by employers are credited to the Exchequer. 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 below the information available on the scheme.

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 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

21 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £73k (2022: £55k), of which employer's contributions totalled £57k (2022: £43k) and employees' contributions totalled £16k (2022: £12k). The agreed contribution rates for future years are 21 percent for employers and employee contribution rates remain the same.

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

Principal actuarial assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment/inflation	2.6%	2.7%
Discount rate for scheme liabilities	5.1%	4.1%
Inflation assumption (CPI)	2.6%	2.7%

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.7	22.1
Females	23.9	24.2
<i>Retiring in 20 years</i>		
Males	22.9	23.2

APOLLO SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 August 2023

Females	25.0	25.7
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Sensitivity analysis	At 31 August 2023	At 31 August 2022
	£'000	£'000
Discount rate +0.1%	733	785
Discount rate -0.1%	762	821
Mortality assumption – 1 year increase	728	781
Mortality assumption – 1 year decrease	766	825
CPI rate +0.1%	748	805
CPI rate -0.1%	746	801

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equity instruments	268	257
Debt instruments	206	167
Property	39	40
Cash	10	7
Total market value of assets	523	471

The actual return on scheme assets was £2,000 (2022: £-49,000)

Amount recognised in the statement of financial activities

	2023 £000	2022 £000
Past service cost	0	0
Current service cost	53	113
Net interest cost	13	13
Total operating charge	66	126

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

	2023 £000	2022 £000
At 1 September 2022	803	1,281
Current service cost	53	113
Interest cost	33	22
Employee contributions	16	12
Actuarial (gain)/loss	(135)	(605)
Benefits paid	(23)	(20)
At 31 August 2023	747	803

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

	2023 £000	2022 £000
At 1 September 2022	471	485
Interest income	20	9
Return on plan assets	(18)	(58)
Employer contributions	57	43
Employee contributions	16	12
Benefits paid	(23)	(20)
At 31 August 2023	523	471

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO APOLLO SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 15 September 2021 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Apollo Schools Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Apollo Schools Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Apollo Schools Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Apollo Schools Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academy Trust Handbook extant from 1 September 2022, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Apollo Schools Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academy Trust Handbook 2022 published by the Education and Skills Funding Agency and high level financial control areas where we identified a risk of material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO APOLLO SCHOOLS
TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Use of our report

This report is made solely to Apollo Schools Trust and the ESFA in accordance with the terms of our engagement letter dated 15 September 2021. Our work has been undertaken so that we might state to the Apollo Schools Trust and the 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 Apollo Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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19/12/23