

THE EPSILON STAR TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE EPSILON STAR TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | A Sutton, Trust Member C Wright, Trust Member V Murray, Trust Member |
| Trustees | A Sutton, Chair of the Board of Trustees ¹ M Thomas, CEO/Executive Head Teacher ¹ A Cadogan ¹ E Howell T Moss (resigned 18 April 2024) ¹ B Rushmere J Murray (appointed 27 February 2024) ¹ Finance, Audit & Risk Committee |
| Company registered number | 07804282 |
| Company name | The Epsilon Star Trust |
| Principal and registered office | Kents Hill Junior School Kents Hill Road Benfleet Essex SS7 5PS |
| Accounting Officer | Mr M Thomas |
| Senior management team | Mr M Thomas, Executive Head Teacher Lisa Ingram, Director of Finance & Operations |
| Independent auditors | MWS Chartered Accountants Kingsridge House 601 London Road Westcliff-on-sea Essex SS0 9PE |
| Bankers | Lloyds TSB 1 Legg Street Chelmsford Essex CM1 1JS |

THE EPSILON STAR TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also Trustees of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Epsilon Star Trust (the Multi – Academy Trust) for the year ended 31 August 2024. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates two academies.

Kents Hill Junior School, an academy for pupils aged 7 to 11 serving a catchment area in Benfleet. It has a pupil capacity of 360.

Lubbins Park Primary Academy, an academy for pupils aged 4 – 11 serving a catchment area in Canvey Island. It has a capacity 210.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy dated 01/11/11.

The Trustees of The Epsilon Star Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Epsilon Star Trust.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Chair of Trustees and CEO regularly review and recommend the mix of skills that should be available to the board. New Trustees are recruited through a combination of approaches, one being the co option of those with necessary skills, from parents of children at the academies to those with an interest in the schools and local communities. Nominations for Trustees will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Trustee and the attributes they can bring to the Board of Trustees. These nominations will be considered by the members of the Academy Trust who will approve the trustee appointments. Other Trustees are approached through the Inspiring Governance Website. The Chair and Vice Chair are elected to the position annually, as are the Chairs of Sub Committees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The Trust provides all new Trustees with a comprehensive induction package to ensure that they understand the importance of their role as trustee, this includes various documentation including the Department for Education's Governance Handbook and Competency Framework. The Trust is committed to providing training for all trustees and members specific to their roles and the requirements of the Trust. All Trustees are required to complete a skills audit which is reviewed by the Chair of Trustees and the CEO to establish any training requirements or strengths amongst its Trustees.

e. Organisational structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Trustees and appointing key members of staff.

The Trustees meet at least once per term and all decisions reserved to the Trustees are taken by the board as a whole. The agenda includes standing items, finance, progress against the strategic plan, pupil outcomes etc.

There are also two subcommittees of the board. A Finance, Audit and Risk Committee and a Curriculum and Standards Committee which also oversees wellbeing and safeguarding. There are some additional sub committees that convene as and when required i.e. Pay Review, Pay Appeals and Exclusion

The CEO/Executive Head of the Multi Academy Trust is the Principal Accounting Officer and works closely with the other Trustees, Director of Finance and Operations Director and the senior staff of the academies.

The day to day management of the Multi Academy Trust rests with the Executive Head teacher who has overall responsibility for the success of the academies in the Trust.

The finance and operations function of the trust is managed by the Director of Finance and Operations who is responsible for managing an established Trust Administration Team comprising to run the business function of the Multi Academy Trust and its academies.

Multi Academy Trust Governance Structure

Chair of Members
Board of members x 2 (5 maximum)
Chair of Trustees
Board of Trustees x 5 (7 maximum)
Chair of Finance, Audit & Risk Committee
Finance, Audit & Risk Committee x 3 (5 maximum)
Curriculum & Standards Committee x 3 (5 maximum)

The Board of Trustees operates a streamlined process in terms of their governance function and no longer operate school level governing bodies. This approach allows the Trust to achieve the most successful outcomes and ensures each school receives direct benefit of the Trustees expertise and knowledge.

The Board currently has one remaining vacancy due to the resignation of one Trustee during the year due to their professional work commitments.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

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

The arrangements for setting the pay and remuneration of the Trust's key management personnel is defined in the Trust Financial Regulations Policy and is within the framework set out in the Trust's Pay Policy. Consideration is given to current legislation, National Standards of Excellence, national and local pay agreements, local recruitment situations and independent consultancy advice

In setting the individual salary ranges for leadership posts the relevant committee will:

- take account of all of the permanent responsibilities, and challenges that are specific to the role and any other relevant considerations;
- have regard to appropriate pay differentials with other staff;

When determining the starting salary of a newly appointed member of the Senior Management Team, the Executive Headteacher and Board of Trustees will have regard to the extent to which the candidate meets the requirement of the post and whether this merits a starting salary higher than the minimum of the range. The starting salary will allow for performance progression over time.

g. Trade Union Facility Time

Although some members of staff belong to a union, none are union officials. Therefore no time or pay is allocated to trade union activities.

h. Connected organisations, including related party relationships

The Academy Trust has no related party relationships to report.

The Trust is part of the BATIC Trust (Benfleet and Thundersley Interschool Cluster Trust), comprising 16 schools, and the Canvey School Partnership comprising 11 schools. The main functions of these partnerships is to develop extended services, provide training for all staff and governors and share expertise. Through these partnerships, the trust is able to take advantage of tailored school-to-school support, develop leadership potential and provide high-quality training for teachers in every stage of their career.

This relationship does not expose the Trust to any impact on its operating policies. The schools in the Trust also share activities of good practice with other schools on an ad hoc, reciprocal basis.

Objectives and activities

a. Objectives, strategies and activities

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential

Objects And Aims

'To ensure that every child has a chance to shine brightly'

One Guiding Aim

We work to fulfil the mission of The Epsilon Star Trust with a focus on delivering a world class education for all our pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

High aspirations

We aim to ensure every pupil is challenged and inspired by their learning and that any potential barriers to academic success are removed.

Being unique

We aim to identify and nurture the unique attributes of each pupil and promote diversity and equality.

A chance to shine

We celebrate the gifts, talents and achievements of every child through participation in a wide range of high quality sporting, academic and cultural events.

Navigating Confidently

We ensure the curriculum areas build character, independence, team ethic and leadership of our pupils so they leave the Trust as confident individuals.

Strategic Section for 2021/22 -2023/24

| EST Strategic Goals | | Core Strategies for Achieving Goals |
|---|--|--|
| A. Standards and Curriculum | <ol style="list-style-type: none"> 1. Every child is able to learn at their age-related expectation across a broad and rich curriculum 2. Pupil with SEND are quickly identified so that all of their needs are addressed in order to allow them to learn and develop | <ul style="list-style-type: none"> • Create a scorecard for evaluating Trust provision and outcomes • External audit of inclusion • Renew and review policy • Appoint a Trust T and L/ Curriculum lead • New schemes for Early Ready and catchup • Systems for identification and actioning lowest 20% pupils re-established |
| B. Safeguarding, behaviour and Well- Being | <ol style="list-style-type: none"> 3. Every child is safe and learns in a calm and purposeful learning environment. 4. Every child has excellent attendance, and none are excluded. | <ul style="list-style-type: none"> • Renew and review policy • Establish a group for oversight • Create a wellbeing and attendance plan for staff and pupils • External safeguarding audit • New SEND resource centres to support the avoidance of exclusion |
| C. Research, technology and innovation | <ol style="list-style-type: none"> 5. To be set by the RTI group | <ul style="list-style-type: none"> • Group established and meet regularly • The group has decided on a key area of provision to be developed through the use of innovation and technology • A cohort is identified and is trialing any new pedagogical approaches |
| D. Trust Business Development | <ol style="list-style-type: none"> 6. Each academy facility is equitable to a new build, is fully resourced with a focus on using the latest technology and innovation to realise the Trust aims. 7. The Trust is rated green on all of the key questions contained in the DfE MAT evaluation tool 8. HR systems are automated to reduce admin time | <ul style="list-style-type: none"> • Recruitment of a new facilities manager • Development of plans to improve academy sites • Self-evaluation to feed into every Trust meeting • New HR system to cover payroll, pmr, induction and policy |
| E Trust Growth and capacity | <ol style="list-style-type: none"> 9. The Trust develops in scope and size to maximise collaboration and efficiency. | <ul style="list-style-type: none"> • A group is established to investigate merger and growth of the Trust |

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

b. Public benefit

The key public benefit delivered by this Trust is the provision of high quality education for boys and girls between the ages of 4 and 11 in Benfleet and Canvey Island and the surrounding area, with due regard for equality of opportunity.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

Achievements and performance and key performance indicators

Kents Hill Junior School KS2 End of Year Outcomes

Key stage 2 SATs and Year 4 x tables screen report

School: Kents Hill Junior School

| Subject | Percentage of pupils achieving the expected standard: school | | Percentage of pupils achieving the expected standard: nationally | Percentage of pupils achieving above the expected standard: school | | Percentage of pupils achieving above the expected standard: nationally | Average scaled score: school | Average scaled score: nationally |
|-----------------------------------|--|------|--|--|------|--|------------------------------|----------------------------------|
| | 2023 | 2024 | | 2023 | 2024 | | 2024 | 2024 |
| English reading | 58% | 75% | 74% | 17% | 28% | Not released until Greater Depth confirmed by DFE in Autumn term. | 105 | 105 |
| Mathematics | 65% | 86% | 73% | 13% | 23% | | 105 | 104 |
| English writing (TA) | 73% | 87%* | 72% | 15% | 20%* | | N/A | N/A |
| Combined Outcome | 49% | 71% | 61% | 3% | 13% | | N/A | N/A |
| Grammar, punctuation and spelling | 41% | 66% | 72% | 14% | 28% | | 103 | 105 |

| Year 4 x tables | 25/25 | 24+ | 23+ | 22+ | 21+ | 20+ | <20 | <10 |
|-----------------|-------|-----|-----|-----|-----|-----|-----|-----|
| 2023 | 29% | 44% | 52% | 57% | 65% | 70% | 30% | 6% |
| 2024 | 37% | 57% | 66% | 68% | 70% | 72% | 28% | 4% |

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Strategic report (continued)

Achievements and performance (continued)

Lubbins Park Primary KS2 End of Year Outcomes

Key stage 2 SATs and Year 4 x tables screen report (and Year 1 phonics)

School : Lubbins Park Primary Academy

| Subject | Percentage of pupils achieving the expected standard: school | | Percentage of pupils achieving the expected standard: nationally | Percentage of pupils achieving above the expected standard: school | | Percentage of pupils achieving above the expected standard: nationally | Average scaled score: school | Average scaled score: nationally |
|-----------------------------------|--|-------|--|--|-------|--|------------------------------|----------------------------------|
| | 2023 | 2024 | | 2024 | 2023 | | 2024 | 2024 |
| English reading | 51.5% | 80.9% | 74% | 12% | 57.1% | | 107 | 105 |
| Mathematics | 48.5% | 90.4% | 73% | 0 | 23.8% | | 105 | 104 |
| English writing (TA) | 42.4% | 85.7% | 72% | 3% | 33% | | N/A | N/A |
| Combined Outcome | 30% | 80.9% | 61% | 0% | 14% | | N/A | N/A |
| Grammar, punctuation and spelling | 42% | 90.4% | 72% | 3% | 23.8% | | 107 | 105 |

| Year 4 x tables | 25/25 | 24+ | 23+ | 22+ | 21+ | 20+ | <20 | <10 |
|-----------------|-------|-----|-----|-----|-----|-----|-----|-----|
| 2023 | 65% | 72% | 72% | 75% | 75% | 75% | 17% | 10% |
| 2024 | 52% | 52% | 52% | 52% | 52% | 52% | 48% | 25% |

| Year 1 Phonics | Number of pupils | 32+ | <32 | Average score |
|----------------|------------------|-----|-----|---------------|
| 2023 | 26 | 33% | 67% | 23 |
| 2024 | 28 | 75% | 25% | 31 |

| Year 2 Phonics | Number of pupils | 32+ | <32 | Average score |
|----------------|------------------|-----|-----|---------------|
| 2023 | 29 | 83% | 17% | 29 |
| 2024 | 26 | 80% | 20% | 32 |

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

The Board of Trustees agree to act in a way that is most likely to promote the success of The Epsilon Star Multi Academy Trust, and in doing so will have regard to the following:

- the likely consequences of any decision making of the trust in the long term
- the interests of the Trust's employees
- the need to foster the Trust's business relationships with suppliers, contractors, other academies and multi academy trusts
- the impact of the Trust's operations on the community and the environment
- the desirability of the Trust maintaining a reputation for high standards of education and conduct
- the need to act fairly between members of the Trust.

The Epsilon Star Trust started operating as an Academy on 1st September 2011. The majority of the Trust's income is derived from the Education Funding and Skills Agency (EFSA). The income is in the form of various government grants and other local authority income, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for capital expenditure from the EFSA and these grants are shown as restricted income.

Funding has continued to support the trust's key objective of raising teaching and learning standards, with a particular focus on the development of literacy, spelling and reading skills through the provision of extra teaching and support staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Financial Key Performance Indicators

| | 2023/2024 Kents Hill Junior | 2023/2024 Lubbins Park Primary |
|--|--|---|
| Spending as a percentage of total Expenditure | | |
| Spend on teaching staff as a percentage of total expenditure | 40% | 36% |
| Spend on educational support staff as a percentage of total expenditure | 15% | 21% |
| Spend on agency supply staff as a percentage of total expenditure. | 6% | 164% |
| Spend on educational supplies as a percentage of total expenditure | 6% | 5% |
| Spend on premises (including staff costs) as a percentage of total expenditure | 8% | 12% |
| Spending as a percentage of Income | | |
| Total staff costs as a percentage of funded income | 65% | 66% |
| Total staff costs as a percentage of total expenditure | 71% | 68% |
| Total expenditure as a percentage of total income | 99% | 97% |
| School Characteristics | | |
| Pupil to teacher ratio | 22% | 25% |
| Average teacher cost | 50,824 | 56,110 |
| Pupil numbers on roll year ending 2023/2024 | 356 | 202 |
| Reserves as a percentage of GAG/Total Income | | |
| Reserves as a percentage of total GAG | 13% | 23% |
| Revenue reserves as a percentage of total income | 11% | 9% |

Financial review

a. Reserves policy

The Board of Trustees regularly reviews and monitors the reserves held by the Trust to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding the long term accumulation of excessive sums.

The Trust has invested some of its reserves for capital projects at both academy sites, but continues to maintain a prudent level of reserves in line with the Trust's Reserves Policy.

It is the Board of Trustees intention to utilise reserves based on the priorities outlined in the Trust 's Strategic and Asset Management Plan.

At the balance sheet date, the charitable company had restricted fixed asset reserves of £8,306,107 (2023: £8,403,840), restricted general reserves of £118,178 (2023: £109,910) (excluding pension liability), a restricted pension fund asset of £nil (2023: £43,000) and unrestricted general reserves of £232,316 (2023: £230,227). The

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Directors intend to utilise the unrestricted reserves in the near future in line with the objectives of the Trust Development Plan and the individual Academy Development and premises plan.

The actuary has determined that the asset surplus on the pension is not recoverable and therefore it has been derecognised. This Local Government Pension Scheme (LGPS) deficit in previous years has resulted in an increase in the employers' pension contributions over a period of years. Currently it is unclear if they will be reassessed for the surplus. The Academy Trust will continue to monitor its budget plans to ascertain how these costs may affect its future funds.

b. Investment policy

The Trust does not make financial investments.

c. Principal risks and uncertainties

The Epsilon Star Trust's Senior Management team have assessed the major risks to which the Multi Academy Trust is exposed and have compiled a comprehensive risk management policy and register which summarises the level of risk and associated control measures that have been put in place to mitigate the risk areas.

The major risks examined covered the following areas:

- Teaching and Learning
- Facilities
- Operations
- IT (Cyber Security threats)
- Financial systems and practices

The Trust's internal scrutiny programme for 2023/24 included a full review of the Trust's risk management policy and register to ensure adequate processes and procedures are in place and to identify any weaknesses within the existing framework.

The Epsilon Star Trust operates instruments in terms of bank balances, cash, trade creditors with limited trade (and other) debtors. These are not material to the assessment of the Trust's assets, liabilities, financial position and its results.

The trust ensures it meets the terms of its Funding agreement and it is not envisaged that there is a substantial risk to cash flow and/or liquidity. The Policy of the trust is to manage its funds so that it has ready access to its bank account in order to fulfil its financial liabilities with creditors and employee salaries. Falling pupil numbers would impact on the funding streams for the Trust, making a deficit budget a possibility and affecting the trust's long term viability. Therefore, pupil forecasts and local trends are monitored and appropriate responsive action is taken to ensure that Trust can manage this area of risk appropriately.

The Risk Register is reviewed by the Finance, Audit and Risk Committee as a standing agenda item. All risks identified have been RAG rated in terms of priority of the risk and actions the trust has taken to mitigate

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

d. Principal funding

Most of the Trust income is derived from the Education and Skills Funding Agency. The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for capital expenditure from the ESFA and has also been successful in obtaining Condition Improvement Funding for Kents Hill Junior School in 2023/24.

A small amount of income is generated by the academies from school events and activities and this income is shown as unrestricted in the accounts.

The main investments in the accounting period were on:

- Ensuring adequate staffing levels for each school, with specific regard to SEN support.
- New laptops for staff without an existing laptop and replacement of inadequate laptops.
- New chromebooks for pupils new to Kents Hill Junior School.
- Educational resources across each academy.
- Fire Safety Upgrade to Kents Hill Junior School
- New classroom furniture for Reception pupils at Lubbins Park Primary Academy & Nursery (this is part of an ongoing programme to replace all classroom furniture at Lubbins Park).

Fundraising

Neither the Trust nor the individual academies, engage professional fundraisers and are not involved in large scale fundraising. The majority of the Trust income is from the Government grants received. However, each academy is able to apply for grants from other non-governmental charitable bodies; and can ask parents for contributions for school trips and out of school activities and clubs. Each of these is considered by the Charity Commission to be "fundraising" so is noted here for information.

All such income is included within the trust financial accounting systems, along with all other income and expenditure.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

1. Strategic Objectives

The Trust's strategic objectives is to develop goals aligned with the Trust's mission and vision for the future across the following areas:

- **Educational Excellence:** Achieving consistently high academic outcomes.
- **Leadership and Governance:** Building strong, effective leadership at all levels.
- **Pupil Well-being:** Enhancing mental health, safeguarding, and inclusivity.
- **Staff Development:** Supporting professional growth and retention of staff.
- **Sustainability:** Ensuring financial and operational viability.

2. Detailed Development Areas

Educational Performance

- Standardisation of curriculum delivery across schools.
- Investment in high-quality teaching and learning resources.
- Interventions to close attainment gaps

Staff Development

- Professional development programs.
- Leadership pipeline for aspiring school leaders.
- Strategies for improving staff well-being and reducing turnover

Pupil Outcomes

- Focused initiatives for improving literacy, numeracy, and STEM engagement.
- Enhanced use of data to track and support individual progress.
- Operational Efficiency
- Centralisation of administrative tasks for cost savings.

Upgrading IT and infrastructure.

- Compliance with updated regulatory requirements.
- Community Engagement
- Building strong partnerships with parents and local organisations.
- Communication strategy for transparency and trust-building.

3. Financial Plan

- **Budget Forecast:** Continue to review financial projections to ensure sustainability over a three year period.
- **Resource Allocation:** Prioritising investment in high-impact areas to improve outcomes for staff and pupils.
- **Risk Management:** Ensure strategies are effective and continue to mitigate financial and other challenges.

4. Milestones and Success Indicators

- Improved pupil progress and attainment outcomes
- Sites and facilities are improved and upgraded including technology equipment
- Trust is well organised and effective.
- Higher teacher/ support staff retention rates.
- Positive feedback scores from staff, parent and pupil surveys.

5. Monitoring and Evaluation

- Regular review points
- Use of key performance indicators (KPIs) to track progress.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods (continued)

- Monitoring of the Governance function including trustees, and OFSTED

Funds held as custodian on behalf of others

The Epsilon Star Trust does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, MWS, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2024 and signed on its behalf by:

Mrs Annie Sutton - Chair of Trustees

A Sutton
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of Trustees has formally met 4 times during the year due to one of the meetings being cancelled due to Ofsted taking place at Kents Hill Juniors on the day of the meeting. Attendance during the year at meetings of the board of Trustees was as follows:

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

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| A Sutton, Chair of the Board of Trustees | 3 | 4 |
| M Thomas, CEO/Executive Head Teacher | 4 | 4 |
| A Cadogan | 4 | 4 |
| E Howell | 1 | 4 |
| T Moss | 1 | 2 |
| B Rushmere | 3 | 4 |
| J Murray | 2 | 4 |

All Trustees, Members and Senior Leadership staff agree they will only act in the best interests of the trust and will avoid any conflict between their duty as Trustee and any personal interests they may have.

All Trustees, members and Senior Leadership staff complete an annual declaration of business and pecuniary interests form specifying any material interests with close family relationships between members, trustees, accounting officer and other staff. The information specified on the individual forms is added to a Register of Business & Pecuniary Interests which is published on the Trust's website and shared with the Trust Finance Team to ensure awareness of any business interest declarations. The clerk will check with trustees and members at every meeting if anyone has any new interests to declare.

The Finance, Audit and Risk Committee is a sub-committee of the main board of Trustees.

Structure

A Chairperson is appointed annually at a Trustee meeting;

Membership is at least three (3) Trustees, subject to annual review by the Board of Trustees:

The Executive head teacher/ CEO is a member of these meetings, but does not participate in the discussion of audit matters of this committee.

The Committee can co-opt up to two people who are not members of the Board; and Co-opted members of the Committee may not vote on any matter.

Constitution

The Trustees recognise the overriding principles of the Academy Trust Handbook (the ATH) and that the Finance, Audit and Risk Committee should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance for the Trust. In establishing the Committee, the Trustees will adhere to the principles of the Academy Trust Handbook.

Staff members of the Committee will not participate as members when audit matters are discussed but may remain in attendance to provide information and participate in discussions.

Quorum

The quorum is two (2) Trustees

Meetings

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Committee meets at least termly. Additional meetings are held as required;

Minutes of all meetings are retained. Copies are circulated to all members of the board.

All minutes are retained within a public minute book and made available upon request to any individual requesting them; (an appropriate charge may be made for the reproduction of minutes to cover the cost of administration);

In the absence of the Chairperson at any meeting, the Committee appoint one of the members present to act as Chairperson for that meeting: and the trust provides reports for review at all Audit Committee Meetings.

Objectives

Ensure the constituent academies funds are spent appropriately, in line with the Trust Financial Regulations and Academies Financial Handbook.

Advise the Full Board of Trustees whether to approve the Trust Financial Regulations;

Review and approve the annual budgets for income and expenditure each financial year.

Monitor Trust and individual academy financial performance;

Review and approve recommendations on Executive Head Teacher pay

Review Pay and Conditions, and the structure thereof.

THE EPSILON STAR TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Delegated Authority

The Committee determines the salary of all staff employed at the trust.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs Annie Sutton, Chair of the Board of Trustees | 5 | 5 |
| Mr Michael Thomas, CEO/Executive Headteacher | 5 | 5 |
| Mr Taylor Moss | 3 | 3 |
| Mr Alex Cadogan, Chair of Finance, Audit and Risk Committee | 5 | 5 |

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Good budget management and oversight of all financial expenditure.
- Generation of non-funded income to provide additional pupil activities.
- Effective training for staff CPD to update skills, ensure succession planning and ensure that best practice is used to provide better outcomes for teaching and learning.
- Monitoring the impact of Pupil Premium and Primary Sports Funding has enabled targeted and tailored schemes to be put in place.
- Reducing the reliance on commissioned professional support for the Trust e.g. senior management PMR.
- Reducing own paid hours for the Trust in light of working for OFSTED.
- Targeting resources in key subject areas such as reading, writing and numeracy
- By providing specific resources to support these key subject areas with a view to closing the gender gap in reading
- Monitoring the needs and achievements of all pupils, and ensuring that the intervention they receive is relevant to them and is available to all pupils who require additional support
- Considering whether the purchase of goods is essential/necessary

The effectiveness of these strategies can be seen in the improved pupil achievements across all areas.

The purpose of the system of internal control

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

THE EPSILON STAR TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Conflicts of interest

The trust manages conflicts of interest by maintaining an up-to-date and complete register of business interests, this information is published on the trust's website and is used in the day to day management of governance and finance across the Trust. The register is checked by the trust central team when undertaking contracts with new suppliers to ensure there are no conflicts of interest. Declaration of business interests is also tabled a standing agenda item and these are checked at every meeting

THE EPSILON STAR TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the the Finance, Audit & Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes including application for CIF.
- 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 Board of Trustees has decided to employ Price Bailey as internal auditor.

The Board of Trustees have appointed the services of Price Bailey to act as its internal auditor to provide assurance to the board that the Trust's financial and other controls, and risk management procedures, are operating effectively as outlined in Section 3.1 of the Academy trust handbook. The service provided by Price Bailey supports the boards committees with delegated audit responsibility in complying with this requirement.

The internal audit for the year ending 31 August 2024 was undertaken via a combination of on-site and remote audits and the Board of Trustees selected a range of Non-Financial Reviews to be undertaken during the year ending 31 August 2024.

Assessment of the work commissioned

Planned input in 2023/24 was for two reviews by Price Bailey covering Risk Management and an External Governance.

Risk Management

A review of the trust's sound internal control, risk management and assurance processes was undertaken to ensure these are appropriately managed and appropriate for the organisation's structure. The risk management review focused on the strength of the controls in place within the trust surrounding the risk management framework.

In order to demonstrate that an effective risk management framework is in place, the following key controls were considered as part of the review:

- An effective risk management policy is in place which informs staff and Trustees on the reason for risk management, the need for a register and for a regular review process;
- The Trust is identifying and managing the key risks impacting on its objectives using a risk register drawn up and operated in line with best practice. This includes a recognisable scoring method, control assessment features with ownership, and a structure containing an initial risk score and a mitigated risk score after current controls in place have been identified and listed; and
- Regular review of the risk position and the entries in the risk register can be demonstrated by senior management and Trustees, including in meeting minutes.

External Governance

The external review of governance measured how well the governing board is working and the levels of effectiveness of key governance features such as:

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Sufficiency of relevant skills
- How well trustees work with the Trust leadership team
- The clarity of individual and committee roles and responsibilities
- How the right people are recruited to meet the needs of the Trust and its schools.
- The ability to challenge Trust leaders in key areas of finance and academic performance
- Clarity of Trust aims and ambitions, including the strategy plan
- Receipt and interpretation of a wide range of information, including from the Head Teacher
- Regularity of school visits and involvement with Trust development planning

The review was undertaken in line with the Academies Trust Handbook (ATH) and included consideration of the Governance Handbook's Six Features of Effective Governance:

- Strategic leadership;
- Accountability;
- People;
- Structures;
- Compliance; and
- Evaluation.

The audit findings were provided in individual reports, which have been reviewed by the Board of Trustees and the Finance, Audit and Risk Committee.

The overall annual internal scrutiny report concluded that based on the entirety of the scrutiny programme undertaken, Price Bailey provided the highest annual opinion of Strong for the trust. This reflects their current level of confidence in the effectiveness of internal control within the Epsilon Star Trust overall.

The annual opinion is derived from the review of the collective results of the strength of controls in place in the systems audited in 2023/24.

On a termly basis, the internal auditor reports to the board of Trustees through the audit, finance and risk committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit, finance and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

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GOVERNANCE STATEMENT (CONTINUED)

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

A Sutton *Mrs Annie Sutton - Chair of Trustees*
Chair of Trustees

M Thomas 
Accounting Officer

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STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Epsilon Star Trust I have considered my responsibility to notify the academy 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 and safety management,, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2023, including responsibilities for estates and safety management.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Trust Handbook 2023.

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 Michael Thomas
Accounting Officer
Date: 6 December 2024

THE EPSILON STAR TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2024 and signed on its behalf by:

A Sutton
Chair of Trustees

Mrs Annie Sutton - Chair of Trustees

THE EPSILON STAR TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
EPSILON STAR TRUST**

Opinion

We have audited the financial statements of The Epsilon Star Trust (the 'academy') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2024 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 2023 to 2024 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy'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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
EPSILON STAR TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
EPSILON STAR TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant: :

The Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory framework by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity
 - through appropriate training and participation
 - the specialist skills required and
 - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
EPSILON STAR TRUST (CONTINUED)**

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

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

Use of our report

This report is made solely to the academy'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's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Danny McCartney

Danny McCartney FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Statutory Auditors

Kingsridge House

601 London Road

Westcliff-on-sea

Essex

SS0 9PE

Date: 13 December 2024

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

In accordance with the terms of our engagement letter dated May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Epsilon Star Trust during the year 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Epsilon Star Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Epsilon Star Trust's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 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's income and expenditure.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
EPSILON STAR TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

MWS
Chartered Accountants
Reporting Accountant

Kingsridge House
601 London Road
Westcliff-on-sea
Essex
SS0 9PE
16 December 2024

Date:

THE EPSILON STAR TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 5 | 61,802 | - | 86,238 | 148,040 | 248,384 |
| Other trading activities | | 186,693 | - | - | 186,693 | 135,780 |
| Investments | 8 | 65 | 8,000 | - | 8,065 | 84 |
| Charitable activities | | - | 3,111,371 | - | 3,111,371 | 2,861,287 |
| Total income | | 248,560 | 3,119,371 | 86,238 | 3,454,169 | 3,245,535 |
| Expenditure on: | | | | | | |
| Charitable activities | | 138,847 | 3,114,751 | 224,947 | 3,478,545 | 3,315,308 |
| Total expenditure | | 138,847 | 3,114,751 | 224,947 | 3,478,545 | 3,315,308 |
| Net income/(expenditure) | | 109,713 | 4,620 | (138,709) | (24,376) | (69,773) |
| Transfers between funds | 20 | (107,624) | 66,648 | 40,976 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 2,089 | 71,268 | (97,733) | (24,376) | (69,773) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 29 | - | (106,000) | - | (106,000) | 351,000 |
| Net movement in funds | | 2,089 | (34,732) | (97,733) | (130,376) | 281,227 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 230,227 | 152,910 | 8,403,840 | 8,786,977 | 8,505,750 |
| Net movement in funds | | 2,089 | (34,732) | (97,733) | (130,376) | 281,227 |
| Total funds carried forward | | 232,316 | 118,178 | 8,306,107 | 8,656,601 | 8,786,977 |

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

The notes on pages 35 to 63 form part of these financial statements.

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REGISTERED NUMBER: 07804282

BALANCE SHEET
AS AT 31 AUGUST 2024

| | Note | | 2024 £ | | 2023 £ |
|---|------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 16 | | 8,296,828 | | 8,394,560 |
| | | | 8,296,828 | | 8,394,560 |
| Current assets | | | | | |
| Debtors | 17 | 115,639 | | 193,875 | |
| Cash at bank and in hand | | 590,295 | | 545,719 | |
| | | 705,934 | | 739,594 | |
| Creditors: amounts falling due within one year | 18 | (346,162) | | (382,262) | |
| Net current assets | | | 359,772 | | 357,332 |
| Total assets less current liabilities | | | 8,656,600 | | 8,751,892 |
| Creditors: amounts falling due after more than one year | 19 | | - | | (7,915) |
| Net assets excluding pension asset | | | 8,656,600 | | 8,743,977 |
| Defined benefit pension scheme asset | 29 | | - | | 43,000 |
| Total net assets | | | 8,656,600 | | 8,786,977 |
| Funds of the academy | | | | | |
| Restricted funds: | | | | | |
| Fixed asset funds | 20 | 8,306,107 | | 8,403,840 | |
| Restricted income funds | 20 | 118,178 | | 109,910 | |
| Restricted funds excluding pension asset / liability | 20 | 8,424,285 | | 8,513,750 | |
| Pension reserve | 20 | - | | 43,000 | |
| Total restricted funds | 20 | | 8,424,285 | | 8,556,750 |
| Unrestricted income funds | 20 | | 232,315 | | 230,227 |
| Total funds | | | 8,656,600 | | 8,786,977 |

The financial statements on pages 31 to 63 were approved by the Trustees, and authorised for issue on 06 December 2024 and are signed on their behalf, by:

A Sutton
Chair of Trustees

Mrs Annie Sutton - Chair of Trustees

M Thomas
Accounting officer



THE EPSILON STAR TRUST
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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

The notes on pages 35 to 63 form part of these financial statements.

THE EPSILON STAR TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

| | Note | 2024 £ | 2023 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 23 | 94,652 | <i>(19,944)</i> |
| Cash flows from investing activities | | | |
| | 25 | (42,008) | <i>(129,040)</i> |
| Cash flows from financing activities | | | |
| | 24 | (8,068) | <i>(7,352)</i> |
| Change in cash and cash equivalents in the year | | 44,576 | <i>(156,336)</i> |
| Cash and cash equivalents at the beginning of the year | | 545,719 | <i>702,055</i> |
| Cash and cash equivalents at the end of the year | 26, 27 | 590,295 | <i>545,719</i> |

The notes on pages 35 to 63 form part of these financial statements

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

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

The registered office is:

Kents Hill Junior School
Kents Hill Road
Benfleet
Essex
SS7 5PS

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 7804282. The charitable company was incorporated on 10th October 2011.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Epsilon Star Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

THE EPSILON STAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Taxation

The academy 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 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.

2.6 Tangible fixed assets

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|------------------------------|---|
| Long-term leasehold property | - Straight line over 50 years/125 years/life of lease |
| Furniture and equipment | - Straight line over 5 years |
| Computer equipment | - Straight line over 3 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.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy'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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.11 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Operating leases

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

2.13 Pensions

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

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

2.15 Redundancy and termination payments

Redundancy and termination payments that may have been incurred during the year are included within staff costs, and disclosed separately within the staff costs note.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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.

Critical Area of Judgment

At the reporting date the Academy Trust's estimated fair value of LGPS scheme assets exceeded the estimated liabilities. The Trust have judged that the value of the asset should be reduced to £nil, in line with the valuation of the actuary, with the expectation that future contributions will not reduce, nor will the Trust receive any refund of contributions already made.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

4. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, there are academies within the academy which were subject to limits at 31 August 2024 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% 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.

No academies within the academy exceeded the limits during the year ended 31 August 2024.

5. Income from donations and capital grants

| | Unrestricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|------------------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | 301 | - | 301 | 2,083 |
| Capital Grants | - | 86,238 | 86,238 | 212,976 |
| Educational trips and visits | 61,501 | - | 61,501 | 33,325 |
| | <u>61,802</u> | <u>86,238</u> | <u>148,040</u> | <u>248,384</u> |
| <i>Total 2023</i> | <u>35,408</u> | <u>212,976</u> | <u>248,384</u> | |

6. Funding for the academy's charitable activities

| | Restricted funds 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|----------------------------------|--|---------------------------------------|---------------------------------------|
| Educational Operations | | | |
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 2,470,284 | 2,470,284 | 2,369,469 |
| Other DfE/ESFA grants | | | |
| UIFSM Grants | 36,883 | 36,883 | 23,702 |
| Teachers' Pay and Pension Grants | 174,369 | 174,369 | 138,457 |
| Pupil Premium Grants | 151,353 | 151,353 | 124,421 |
| Other DfE/EFA Grants | 49,325 | 49,325 | 48,666 |
| | <u>2,882,214</u> | <u>2,882,214</u> | <u>2,704,715</u> |
| Other Government grants | | | |
| Early Years Funding Grants | 73,241 | 73,241 | 59,836 |
| SEN Funding Grants | 155,916 | 155,916 | 96,736 |
| | <u>229,157</u> | <u>229,157</u> | <u>156,572</u> |

THE EPSILON STAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

6. Funding for the academy's charitable activities (continued)

| | Restricted funds 2024 £ | Total funds 2024 £ | <i>Total funds £</i> |
|-------------------|--|---------------------------------------|------------------------------|
| | 3,111,371 | 3,111,371 | 2,861,287 |
| | 3,111,371 | 3,111,371 | 2,861,287 |
| <i>Total 2023</i> | 2,861,287 | 2,861,287 | |

7. Income from other trading activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Lettings | - | - | 1,300 |
| Catering Income | 83,281 | 83,281 | 76,924 |
| Services provided | 103,412 | 103,412 | 57,556 |
| | 186,693 | 186,693 | 135,780 |
| <i>Total 2023</i> | 135,780 | 135,780 | |

8. Investment income

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|---------------------|--|--|---------------------------------------|---------------------------------------|
| Pension income | - | 8,000 | 8,000 | - |
| Short term deposits | 65 | - | 65 | 84 |
| | 84 | - | 84 | |
| <i>Total 2023</i> | 84 | - | 84 | |

THE EPSILON STAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

9. Expenditure

| | Staff Costs 2024 £ | Premises 2024 £ | Other 2024 £ | Total 2024 £ | <i>Total 2023 £</i> |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Educational Operations: | | | | | |
| Direct costs | 1,947,733 | - | 201,059 | 2,148,792 | 2,006,517 |
| Allocated support costs | 616,365 | 218,105 | 495,283 | 1,329,753 | 1,308,791 |
| | <u>2,564,098</u> | <u>218,105</u> | <u>696,342</u> | <u>3,478,545</u> | <u>3,315,308</u> |

10. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|------------------------|--|---|---------------------------------------|---------------------------------------|
| Educational Operations | 2,148,792 | 1,329,753 | 3,478,545 | 3,315,308 |

Analysis of direct costs

| | Educational Operations 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 1,947,732 | 1,947,732 | 1,803,782 |
| Educational Supplies | 162,503 | 162,503 | 175,480 |
| Staff Development | 9,343 | 9,343 | 12,312 |
| Educational Consultancy | 29,214 | 29,214 | 14,943 |
| | <u>2,148,792</u> | <u>2,148,792</u> | <u>2,006,517</u> |
| <i>Total 2023</i> | <u>2,006,517</u> | <u>2,006,517</u> | |

THE EPSILON STAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational Operations 2024 £ | Total funds 2024 £ | <i>Total funds 2023 £</i> |
|-----------------------------|--|---------------------------------------|---------------------------------------|
| Pension finance costs | - | - | 8,000 |
| Staff costs | 616,365 | 616,365 | 578,366 |
| Depreciation | 224,949 | 224,949 | 236,639 |
| Staff Development | - | - | 1,181 |
| Maintenance of premises | 68,374 | 68,374 | 98,155 |
| Cleaning | 59,173 | 59,173 | 45,574 |
| Rent and Rates | 22,083 | 22,083 | 16,048 |
| Energy Costs | 58,299 | 58,299 | 44,169 |
| Insurance | 10,176 | 10,176 | 10,360 |
| Security and transport | 4,679 | 4,679 | 6,096 |
| Catering | 138,188 | 138,188 | 123,857 |
| Bank Interest and Charges | 456 | 456 | 456 |
| Legal and Professional Fees | 51,492 | 51,492 | 65,442 |
| Other Support Costs | 74,860 | 74,860 | 74,035 |
| Other finance charges | 659 | 659 | 413 |
| | <u>1,329,753</u> | <u>1,329,753</u> | <u>1,308,791</u> |
| <i>Total 2023</i> | <u>1,308,791</u> | <u>1,308,791</u> | |

During the year ended 31 August 2023, the academy incurred the following Governance costs: £15,000 (2023 - £14,450) included within the table above in respect of Educational Operations.

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2024 £ | <i>2023 £</i> |
|---------------------------------------|-----------------------|-------------------|
| Operating lease rentals | 6,444 | 6,444 |
| Depreciation of tangible fixed assets | 244,934 | 236,638 |
| Fees paid to auditors for: | | |
| - audit | 13,440 | 12,890 |
| - other services | 1,560 | 1,560 |
| | <u>266,378</u> | <u>257,932</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

| | 2024 £ | 2023 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,842,117 | 1,700,069 |
| Social security costs | 179,158 | 159,456 |
| Pension costs | 392,381 | 402,763 |
| | <u>2,413,656</u> | <u>2,262,288</u> |
| Agency staff costs | 150,442 | 119,861 |
| | <u>2,564,098</u> | <u>2,382,149</u> |

b. Staff numbers

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

| | 2024 No. | 2023 No. |
|----------------------------|-------------|-------------|
| Teachers | 22 | 29 |
| Administration and support | 45 | 39 |
| Management | 2 | 2 |
| | <u>69</u> | <u>70</u> |

c. Higher paid staff

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

| | 2024 No. | 2023 No. |
|--------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 2 | 2 |
| In the band £90,001 - £100,000 | 1 | 1 |
| | <u>3</u> | <u>3</u> |

The above members of staff participated in the Teachers' Pension Scheme. During the year ended 31 August 2023, employers' pension contributions relating to these members of staff amounted to £53,536 (2022 £17,525)

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12. Staff (continued)

d. Key management personnel (continued)

as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £203,007 (2023 £196,593).

13. Central services

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

- Staffing
- Professional fees
- Office running costs
- Miscellaneous costs

The academy charges for these services on the following basis:

The Board of Directors have agreed that all central Trust costs will be recharged to the academies on the following basis:

35% to Lubbins Park Primary and 65% to Kents Hill Junior.

The actual amounts charged during the year were as follows:

| | 2024 | 2023 |
|----------------------|----------------|----------------|
| | £ | £ |
| Staffing | 443,096 | 327,068 |
| Professional fees | 49,507 | 44,932 |
| Office running costs | 3,664 | 5,514 |
| Miscellaneous costs | 6,914 | 27,018 |
| Total | 503,181 | 404,532 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Trustees' remuneration and expenses

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

| | | 2024 | 2023 |
|---------------------------------------|----------------------------|----------|----------|
| | | £ | £ |
| Mr Michael Thomas, CEO/Executive Head | Remuneration | 90,000 - | 90,000 - |
| Teacher | | 95,000 | 95,000 |
| | Pension contributions paid | 20,000 - | 20,000 - |
| | | 25,000 | 25,000 |

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2024 was £10,176 (2023 - £10,359). The cost of this insurance is included in the total insurance cost.

16. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 September 2023 | 9,935,282 | 1,263,661 | 487,027 | 11,685,970 |
| Additions | 105,649 | 4,668 | 16,897 | 127,214 |
| At 31 August 2024 | <u>10,040,931</u> | <u>1,268,329</u> | <u>503,924</u> | <u>11,813,184</u> |
| Depreciation | | | | |
| At 1 September 2023 | 1,596,897 | 1,219,949 | 474,564 | 3,291,410 |
| Charge for the year | 199,875 | 14,553 | 10,518 | 224,946 |
| At 31 August 2024 | <u>1,796,772</u> | <u>1,234,502</u> | <u>485,082</u> | <u>3,516,356</u> |
| Net book value | | | | |
| At 31 August 2024 | <u>8,244,159</u> | <u>33,827</u> | <u>18,842</u> | <u>8,296,828</u> |
| At 31 August 2023 | <u>8,338,385</u> | <u>43,712</u> | <u>12,463</u> | <u>8,394,560</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Land and buildings (solar panels) £6,831 (2023 £12,683).

17. Debtors

| | 2024 £ | 2023 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 1,888 | 3,891 |
| Other debtors | 19,510 | 43,626 |
| Prepayments and accrued income | 94,241 | 146,358 |
| | <u>115,639</u> | <u>193,875</u> |

18. Creditors: Amounts falling due within one year

| | 2024 £ | 2023 £ |
|---|----------------|----------------|
| Trade creditors | 149,886 | 248,798 |
| Other taxation and social security | 41,542 | 36,122 |
| Obligations under finance lease and hire purchase contracts | 7,914 | 7,408 |
| Other creditors | 42,479 | 42,622 |
| Accruals and deferred income | 104,341 | 47,312 |
| | <u>346,162</u> | <u>382,262</u> |

| | 2024 £ | 2023 £ |
|--|---------------|---------------|
| Deferred income at 1 September 2023 | 23,631 | 23,873 |
| Resources deferred during the year | 67,597 | 23,631 |
| Amounts released from previous periods | (23,631) | (23,873) |
| | <u>67,597</u> | <u>23,631</u> |

Deferred income includes income received in advance of entitlement:

Government grants £67,597 (2023 £23,631).

The finance lease is secured on the related asset.

The finance lease was entered into whilst Lubbins Park Primary School was still under local authority control.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18. Creditors: Amounts falling due within one year (continued)

The finance lease is secured on the related asset, during the year interest of £659 was charged at a rate of 2.1% (2023 £413 at 2.1%)

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

| | 2024 | 2023 |
|---|-------------|-------------|
| | £ | £ |
| Net obligations under finance lease and hire purchase contracts | - | 7,915 |
| | - | 7,915 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Statement of funds

| | Balance at 1 September 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2024 £ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 230,227 | 248,559 | (138,847) | (107,624) | - | 232,315 |
| Restricted general funds | | | | | | |
| General Annual Grant | 78,697 | 2,470,284 | (1,838,991) | (620,533) | - | 89,457 |
| Pupil Premium | 22,045 | 151,353 | (149,876) | - | - | 23,522 |
| UIFSM | - | 36,883 | (36,883) | - | - | - |
| Other ESFA/DfE grants | 5,012 | 223,693 | (223,506) | - | - | 5,199 |
| LA Grants | 4,156 | 229,158 | (233,314) | - | - | - |
| Central fund | - | - | (503,181) | 503,181 | - | - |
| Pension reserve | 43,000 | 8,000 | (129,000) | 184,000 | (106,000) | - |
| | <u>152,910</u> | <u>3,119,371</u> | <u>(3,114,751)</u> | <u>66,648</u> | <u>(106,000)</u> | <u>118,178</u> |
| Restricted fixed asset funds | | | | | | |
| Inherited | 7,149,844 | - | (172,460) | - | - | 6,977,384 |
| CIF bid | 419,482 | 72,082 | (50,660) | 30,949 | - | 471,853 |
| Donated assets | 9,283 | - | (218) | - | - | 9,065 |
| Post conversion | 825,231 | 14,156 | (1,609) | 10,027 | - | 847,805 |
| | <u>8,403,840</u> | <u>86,238</u> | <u>(224,947)</u> | <u>40,976</u> | <u>-</u> | <u>8,306,107</u> |
| Total Restricted funds | <u>8,556,750</u> | <u>3,205,609</u> | <u>(3,339,698)</u> | <u>107,624</u> | <u>(106,000)</u> | <u>8,424,285</u> |
| Total funds | <u><u>8,786,977</u></u> | <u><u>3,454,168</u></u> | <u><u>(3,478,545)</u></u> | <u><u>-</u></u> | <u><u>(106,000)</u></u> | <u><u>8,656,600</u></u> |

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

Restricted general funds

These funds relate to the Academy's development and operational activities.

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Statement of funds (continued)

Restricted fixed asset fund

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

Restriction on surplus GAG

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2024.

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

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

| | <i>Balance at 1 September 2022</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2023</i> |
|-------------------------------------|--|---------------|--------------------|-----------------------------|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General Funds - all funds | 257,673 | 171,272 | (124,270) | (74,448) | - | 230,227 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted general funds | | | | | | |
| General Annual Grant | 249,837 | 2,369,469 | (1,864,237) | (676,372) | - | 78,697 |
| Pupil Premium | 19,319 | 124,421 | (121,695) | - | - | 22,045 |
| Other ESFA/DfE grants | 15,737 | 210,825 | (221,550) | - | - | 5,012 |
| LA Grants | 1,969 | 156,572 | (154,385) | - | - | 4,156 |
| Central fund | 13,693 | - | (404,531) | 390,838 | - | - |
| Pension reserve | (286,000) | - | (188,000) | 166,000 | 351,000 | 43,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 14,555 | 2,861,287 | (2,954,398) | (119,534) | 351,000 | 152,910 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted fixed asset funds | | | | | | |
| Inherited | 7,322,304 | - | (172,460) | - | - | 7,149,844 |
| CIF bid | 166,666 | 167,287 | (3,347) | 88,876 | - | 419,482 |
| Donated assets | 9,283 | - | - | - | - | 9,283 |
| Post conversion | 735,267 | 45,689 | (60,831) | 105,106 | - | 825,231 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 8,233,520 | 212,976 | (236,638) | 193,982 | - | 8,403,840 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Restricted funds | 8,248,075 | 3,074,263 | (3,191,036) | 74,448 | 351,000 | 8,556,750 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds | 8,505,748 | 3,245,535 | (3,315,306) | - | 351,000 | 8,786,977 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE EPSILON STAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Kents Hill Junior School | 218,152 | 253,784 |
| Lubbins Park Primary Academy | 131,593 | 85,339 |
| Central fund | 748 | 1,014 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 350,493 | 340,137 |
| Restricted fixed asset fund | 8,306,107 | 8,403,840 |
| Pension reserve | - | 43,000 |
| | <hr/> | <hr/> |
| Total | 8,656,600 | 8,786,977 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE EPSILON STAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

20. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2024 £ | <i>Total 2023 £</i> |
|------------------------------|---|--|---------------------------------------|---|-----------------------------|-----------------------------|
| Kents Hill Junior School | 1,051,084 | 210,901 | 132,342 | 297,354 | 1,691,681 | <i>1,638,043</i> |
| Lubbins Park Primary Academy | 708,086 | 114,929 | 65,434 | 170,287 | 1,058,736 | <i>1,036,095</i> |
| Central fund | 188,563 | 254,533 | - | 60,085 | 503,181 | <i>404,531</i> |
| Academy | <u>1,947,733</u> | <u>580,363</u> | <u>197,776</u> | <u>527,726</u> | <u>3,253,598</u> | <i><u>3,078,669</u></i> |

21. TRANSFER BETWEEN FUNDS

Transfers between funds have occurred in respect of the following;

£107,624 has been transferred from the unrestricted fund to the restricted fund - GAG to represent an overspend on this fund.

£40,977 had been transferred from the restricted fund - GAG to the restricted fixed asset fund to represent assets purchased from this fund.

£184,000 has been transferred from the restricted fund - GAG to the restricted pension fund to represent the contributions paid to the LGPS out of GAG.

£503,188 has been transferred from the restricted fund - GAG to the restricted central fund to represent central recharges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Restricted fixed asset funds 2024 £ | Total funds 2024 £ |
|-------------------------------|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 8,296,828 | 8,296,828 |
| Current assets | 232,315 | 389,248 | 84,371 | 705,934 |
| Creditors due within one year | - | (271,070) | (75,092) | (346,162) |
| Total | <u>232,315</u> | <u>118,178</u> | <u>8,306,107</u> | <u>8,656,600</u> |

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2023 £</i> | <i>Restricted funds 2023 £</i> | <i>Restricted fixed asset funds 2023 £</i> | <i>Total funds 2023 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 8,394,560 | 8,394,560 |
| Current assets | 230,227 | 344,121 | 165,246 | 739,594 |
| Creditors due within one year | - | (226,296) | (155,966) | (382,262) |
| Creditors due in more than one year | - | (7,915) | - | (7,915) |
| Provisions for liabilities and charges | - | 43,000 | - | 43,000 |
| Total | <u>230,227</u> | <u>152,910</u> | <u>8,403,840</u> | <u>8,786,977</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

| | 2024 £ | 2023 £ |
|---|------------------|-----------|
| Net expenditure for the period (as per Statement of financial activities) | (24,376) | (69,773) |
| Adjustments for: | | |
| Depreciation | 224,948 | 236,637 |
| Capital grants from DfE and other capital income | (163,932) | (121,467) |
| Interest receivable | (65) | (84) |
| Defined benefit pension scheme cost less contributions payable | (55,000) | 14,000 |
| Defined benefit pension scheme finance cost | (8,000) | 8,000 |
| Decrease/(increase) in debtors | 78,236 | (87,621) |
| Increase in creditors | 42,841 | 364 |
| Net cash provided by/(used in) operating activities | 94,652 | (19,944) |

24. Cash flows from financing activities

| | 2024 £ | 2023 £ |
|--|----------------|-----------|
| Repayments of borrowing | (8,068) | (7,352) |
| Net cash used in financing activities | (8,068) | (7,352) |

25. Cash flows from investing activities

| | 2024 £ | 2023 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 65 | 84 |
| Purchase of tangible fixed assets | (206,005) | (250,591) |
| Capital grants from DfE Group | 163,932 | 121,467 |
| Net cash used in investing activities | (42,008) | (129,040) |

26. Analysis of cash and cash equivalents

| | 2024 £ | 2023 £ |
|--|----------------|-----------|
| Cash in hand and at bank | 590,295 | 545,719 |
| Total cash and cash equivalents | 590,295 | 545,719 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

27. Analysis of changes in net debt

| | At 1 September 2023 £ | Cash flows £ | At 31 August 2024 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 545,720 | 44,575 | 590,295 |
| Finance leases | (15,323) | 7,409 | (7,914) |
| | 530,397 | 51,984 | 582,381 |

28. Capital commitments

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | 75,092 | 112,206 |
| | 75,092 | 112,206 |

29. Pension commitments

The academy'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 Essex 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.

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

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

29. Pension commitments (continued)

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £251,930 (2023 - £214,433).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £229,000 (2023 - £206,000), of which employer's contributions totalled £184,000 (2023 - £166,000) and employees' contributions totalled £45,000 (2023 - £40,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5%-12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, 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 year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

29. Pension commitments (continued)

Principal actuarial assumptions

| | 2024 | <i>2023</i> |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.83 | 3.88 |
| Rate of increase for pensions in payment/inflation | 2.83 | 2.88 |
| Discount rate for scheme liabilities | 5.08 | 5.3 |
| Inflation assumption (CPI) | 2.83 | 2.88 |
| RPI | 3.1 | 3.3 |

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

| | 2024 | <i>2023</i> |
|-----------------------------|-------------|-------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 20.7 | 20.7 |
| Females | 23.3 | 23.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 22 | 22 |
| Females | 24.7 | 24.6 |

Sensitivity analysis

| | 2024 | <i>2023</i> |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | (46) | (39) |
| Discount rate -0.1% | 47 | 40 |
| Mortality assumption - 1 year increase | 63 | 45 |
| Mortality assumption - 1 year decrease | (61) | (44) |

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

29. Pension commitments (continued)

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

| | At 31 August 2024 | <i>At 31 August 2023</i> |
|-------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Equities | 1,377,000 | 1,169,000 |
| Gilts | 42,000 | 26,000 |
| Property | 172,000 | 157,000 |
| Cash and other liquid assets | 42,000 | 59,000 |
| Alternative assets | 366,000 | 318,000 |
| Other managed funds | 452,000 | 281,000 |
| | <hr/> | <hr/> |
| Total market value of assets | 2,451,000 | 2,010,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

The actual return on scheme assets was £[enter amount] (2023 - £[enter amount]).

The amounts recognised in the Statement of financial activities are as follows:

| | 2024 | <i>2023</i> |
|---|------------------|------------------|
| | £ | £ |
| Current service cost | (129,000) | (180,000) |
| Interest cost | 8,000 | (8,000) |
| Administrative expenses | (2,000) | (1,000) |
| | <hr/> | <hr/> |
| Total amount recognised in the Statement of financial activities | (123,000) | (189,000) |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2024 | <i>2023</i> |
|--------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 1,967,000 | 1,984,000 |
| Current service cost | 129,000 | 180,000 |
| Interest cost | 104,000 | 86,000 |
| Employee contributions | 45,000 | 40,000 |
| Actuarial losses/(gains) | 236,000 | (370,000) |
| Benefits paid | (30,000) | 47,000 |
| | <hr/> | <hr/> |
| At 31 August | 2,451,000 | 1,967,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

29. Pension commitments (continued)

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

| | 2024 | 2023 |
|--------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 2,010,000 | 1,698,000 |
| Interest income | 112,000 | 78,000 |
| Actuarial gains/(losses) | 130,000 | (19,000) |
| Employer contributions | 184,000 | 166,000 |
| Employee contributions | 45,000 | 40,000 |
| Benefits paid | (30,000) | 47,000 |
| At 31 August | 2,451,000 | 2,010,000 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

29. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2023.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's Lloyds ruling on the equalisation of GMPs between genders, it is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it has been assumed in the valuation that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust as such no provision has been included within these financial statements.

Asset Ceiling

At the reporting date the Academy Trust's estimated fair value of LGPS scheme assets exceeded the estimated total liabilities. The resulting surplus should only be recognised where there is an expectation that future contributions will reduce, or that the scheme will refund contributions already made.

The scheme actuaries have assessed the position and concluded:

- There is no right for the Trust to receive a refund of the surplus at a level required by the accounting standard.
- The Trust is expected and assumed, as an academy trust, to participate in the scheme indefinitely.
- The Trust is bound by a minimum funding requirement to make contributions to the fund, and there is

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FOR THE YEAR ENDED 31 AUGUST 2024

29. Pension commitments (continued)

no expectation for the contribution rates to change beyond the information provided by the existing Rates and Adjustments certificate.

- FRS102 does not require any additional liability recognised from an onerous funding commitment.

- Any reduction in contributions is expected to have an economic benefit of £nil.

As the recognition threshold for the surplus has not been reached the Academy Trust's share of the net plan assets/liabilities have been reduced to £Nil in the financial statements.

The amount of asset derecognised was £168,000 and is included in the gains and losses on the Trust's share of scheme assets.

30. Operating lease commitments

At 31 August 2024 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Not later than 1 year | 6,444 | 6,444 |
| Later than 1 year and not later than 5 years | 2,027 | 8,471 |
| | 8,471 | 14,915 |

31. Finance lease commitments

At 31 August 2024 the total of the Academy trust's future minimum lease payments under noncancellable finance leases was:

Within 1 year £7,914 (2023 £7,408)

Between 2 and 5 years £nil (2023 £7,914)

32. Members' liability

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

33. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

