

THE EPSILON STAR TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 M Thomas, CEO/Executive Head Teacher A Cadogan, Trustee E Howell, Trustee N Stoker, Trustee (resigned 28 November 2022) R Silk (appointed 13 December 2022, resigned 24 April 2023) T Moss (appointed 13 December 2022) B Rushmere (appointed 13 December 2022)
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 2023

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 2023. 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 and had a roll of 351 by the end of the academic year 2022/23.

Lubbins Park Primary Academy, an academy for pupils aged 4 – 11 serving a catchment area in Canvey Island. It has a capacity 210 pupils and had a roll of 203 by the end of the academic year 2022/23.

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 year, 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 2023

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 2023

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. Connected organisations, including related party relationships

The Academy Trust has no related party relationships to report.

The Epsilon Star Trust formed an informal educational collaboration with the South Essex Alliance Multi Academy Trust for part of the academic year of 2022/2023. The Trusts are separate legal entities, but worked together to share expertise and knowledge.

The Trust is also 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.

High aspirations

We aim to ensure every pupil is challenged and inspired by their learning and that any potential barriers to

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

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 trialling 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 2023

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 2023

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

Achievements and performance and key performance indicators

Lubbins Park Primary KS2 End of Year Outcomes

Key: 100+ (At Expected W+), 110+ (Greater Depth, S+)

Y7 (33 pupils)	Pupils (%)	Expected Standard	Higher Standard
All Pupils	33 (100%)	10 (30.3%)	
Males	19 (57.6%)	6 (31.6%)	
Females	14 (42.4%)	4 (28.6%)	
FSM	8 (24.2%)	0 (0%)	
Not FSM	25 (75.8%)	10 (40.0%)	
Pupil Premium	9 (27.3%)	1 (11.1%)	
Not Pupil Premium	24 (72.7%)	9 (37.5%)	
SEN Support	6 (18.2%)	1 (16.7%)	
Education, health and care plan	2 (6.1%)	0 (0%)	
Not SEN	25 (75.8%)	9 (36.0%)	

Y7 (33 pupils)		Teacher Assessment							Test Scaled Scores				
Reading	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	33 (100%)	33*							3 (9.1%)*	13 (39.4%)	17 (51.5%)	4 (12.1%)	101.5
Males	19 (57.6%)	19*							2 (10.5%)*	9 (47.4%)	8 (42.1%)	2 (10.5%)	101.4
Females	14 (42.4%)	14*							1 (7.1%)*	4 (28.6%)	9 (64.3%)	2 (14.3%)	101.5
FSM	8 (24.2%)	8*							1 (12.5%)*	5 (62.5%)	2 (25.0%)		99.3
Not FSM	25 (75.8%)	25*							2 (8.0%)*	8 (32.0%)	15 (60.0%)	4 (16.0%)	102.1
Pupil Premium	9 (27.3%)	9*							1 (11.1%)*	5 (55.6%)	3 (33.3%)		99.4
Not Pupil Premium	24 (72.7%)	24*							2 (8.3%)*	8 (33.3%)	14 (58.3%)	4 (16.7%)	102.2
SEN Support	6 (18.2%)	6*							1 (16.7%)*	4 (66.7%)	1 (16.7%)	1 (16.7%)	98.6
Education, health and care plan	2 (6.1%)	2*							2 (100%)*				-
Not SEN	25 (75.8%)	25*								9 (36.0%)	16 (64.0%)	3 (12.0%)	102.0

Y7 (33 pupils)		Teacher Assessment							Test Scaled Scores				
Writing	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	33 (100%)			4 (12.1%)		7 (21.2%)	19 (57.6%)	3 (9.1%)	3 (9.1%)*	16 (48.5%)	14 (42.4%)	1 (3.0%)	99.3
Males	19 (57.6%)			2 (10.5%)		5 (26.3%)	9 (47.4%)	3 (15.8%)	2 (10.5%)*	9 (47.4%)	8 (42.1%)	1 (5.3%)	99.8
Females	14 (42.4%)			2 (14.3%)		2 (14.3%)	10 (71.4%)		1 (7.1%)*	7 (50.0%)	6 (42.9%)		98.6
FSM	8 (24.2%)			1 (12.5%)		3 (37.5%)	4 (50.0%)		1 (12.5%)*	5 (62.5%)	2 (25.0%)		96.9
Not FSM	25 (75.8%)			3 (12.0%)		4 (16.0%)	15 (60.0%)	3 (12.0%)	2 (8.0%)*	11 (44.0%)	12 (48.0%)	1 (4.0%)	100.0
Pupil Premium	9 (27.3%)			1 (11.1%)		3 (33.3%)	5 (55.6%)		1 (11.1%)*	5 (55.6%)	3 (33.3%)		97.6
Not Pupil Premium	24 (72.7%)			3 (12.5%)		4 (16.7%)	14 (58.3%)	3 (12.5%)	2 (8.3%)*	11 (45.8%)	11 (45.8%)	1 (4.2%)	99.9
SEN Support	6 (18.2%)			2 (33.3%)		3 (50.0%)	1 (16.7%)		1 (16.7%)*	3 (50.0%)	2 (33.3%)		96.6
Education, health and care plan	2 (6.1%)			2 (100%)					2 (100%)*				-
Not SEN	25 (75.8%)					4 (16.0%)	18 (72.0%)	3 (12.0%)		13 (52.0%)	12 (48.0%)	1 (4.0%)	99.8

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Y7 (33 pupils)		Teacher Assessment							Test Scaled Scores				
Mathematics	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	33 (100%)	33*							2 (6.1%)*	15 (45.5%)	16 (48.5%)		99.7
Males	19 (57.6%)	19*							1 (5.3%)*	7 (36.8%)	11 (57.9%)		100.4
Females	14 (42.4%)	14*							1 (7.1%)*	8 (57.1%)	5 (35.7%)		98.7
FSM	8 (24.2%)	8*							6 (75.0%)	2 (25.0%)			96.6
Not FSM	25 (75.8%)	25*							2 (8.0%)*	9 (36.0%)	14 (56.0%)		100.8
Pupil Premium	9 (27.3%)	9*							6 (66.7%)	3 (33.3%)			97.2
Not Pupil Premium	24 (72.7%)	24*							2 (8.3%)*	9 (37.5%)	13 (54.2%)		100.7
SEN Support	6 (18.2%)	6*							4 (66.7%)	2 (33.3%)			95.0
Education, health and care plan	2 (6.1%)	2*							2 (100%)*				-
Not SEN	25 (75.8%)	25*							11 (44.0%)	14 (56.0%)			100.8

Kents Hill Junior School KS2 End of Year Outcomes

Y7 (86 pupils)	Pupils (%)	Expected Standard	Higher Standard
All Pupils	86 (100%)	43 (50.0%)	
Males	44 (51.2%)	20 (45.5%)	
Females	42 (48.8%)	23 (54.8%)	
FSM	6 (7.0%)	2 (33.3%)	
Not FSM	80 (93.0%)	41 (51.3%)	
Pupil Premium	12 (14.0%)	5 (41.7%)	
Not Pupil Premium	74 (86.0%)	38 (51.4%)	
SEN Support	11 (12.8%)	3 (27.3%)	
Education, health and care plan	1 (1.2%)	0 (0%)	
Not SEN	74 (86.0%)	40 (54.1%)	

Y7 (86 pupils)		Teacher Assessment							Test Scaled Scores				
Reading	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	86 (100%)	85*		1					1 (1.2%)*	35 (40.7%)	50 (58.1%)	15 (17.4%)	101.7
Males	44 (51.2%)	43*		1					1 (2.3%)*	17 (38.6%)	26 (59.1%)	7 (15.9%)	101.4
Females	42 (48.8%)	42*								18 (42.9%)	24 (57.1%)	8 (19.0%)	102.0
FSM	6 (7.0%)	6*								4 (66.7%)	2 (33.3%)		95.3
Not FSM	80 (93.0%)	79*		1					1 (1.3%)*	31 (38.8%)	48 (60.0%)	15 (18.8%)	102.2
Pupil Premium	12 (14.0%)	12*								7 (58.3%)	5 (41.7%)	1 (8.3%)	97.5
Not Pupil Premium	74 (86.0%)	73*		1					1 (1.4%)*	28 (37.8%)	45 (60.8%)	14 (18.9%)	102.4
SEN Support	11 (12.8%)	11*								7 (63.6%)	4 (36.4%)		96.7
Education, health and care plan	1 (1.2%)			1					1 (100%)*				-
Not SEN	74 (86.0%)	74*								28 (37.8%)	46 (62.2%)	15 (20.3%)	102.4

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Strategic report (continued)

Achievements and performance (continued)

Y7 (86 pupils)		Teacher Assessment							Test Scaled Scores				
Writing	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	86 (100%)			1 (1.2%)		22 (25.6%)	50 (58.1%)	13 (15.1%)		32 (37.2%)	54 (62.8%)	12 (14.0%)	100.8
Males	44 (51.2%)			1 (2.3%)		16 (36.4%)	24 (54.5%)	3 (6.8%)		21 (47.7%)	23 (52.3%)	4 (9.1%)	98.9
Females	42 (48.8%)					6 (14.3%)	26 (61.9%)	10 (23.8%)		11 (26.2%)	31 (73.8%)	8 (19.0%)	102.8
FSM	6 (7.0%)					2 (33.3%)	4 (66.7%)			4 (66.7%)	2 (33.3%)		96.7
Not FSM	80 (93.0%)			1 (1.3%)		20 (25.0%)	46 (57.5%)	13 (16.3%)		28 (35.0%)	52 (65.0%)	12 (15.0%)	101.2
Pupil Premium	12 (14.0%)					3 (25.0%)	7 (58.3%)	2 (16.7%)		5 (41.7%)	7 (58.3%)		99.1
Not Pupil Premium	74 (86.0%)			1 (1.4%)		19 (25.7%)	43 (58.1%)	11 (14.9%)		27 (36.5%)	47 (63.5%)	12 (16.2%)	101.1
SEN Support	11					8 (72.7%)	3 (27.3%)			8 (72.7%)	3 (27.3%)	1 (9.1%)	93.7

Y7 (86 pupils)		Teacher Assessment							Test Scaled Scores				
Mathematics	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	86 (100%)	86*								30 (34.9%)	56 (65.1%)	11 (12.8%)	101.4
Males	44 (51.2%)	44*								15 (34.1%)	29 (65.9%)	7 (15.9%)	102.0
Females	42 (48.8%)	42*								15 (35.7%)	27 (64.3%)	4 (9.5%)	100.7
FSM	6 (7.0%)	6*								3 (50.0%)	3 (50.0%)		97.3
Not FSM	80 (93.0%)	80*								27 (33.8%)	53 (66.3%)	11 (13.8%)	101.7
Pupil Premium	12 (14.0%)	12*								6 (50.0%)	6 (50.0%)		97.7
Not Pupil Premium	74 (86.0%)	74*								24 (32.4%)	50 (67.6%)	11 (14.9%)	102.0
SEN Support	11 (12.8%)	11*								5 (45.5%)	6 (54.5%)	2 (18.2%)	97.6
Education, health and care plan	1 (1.2%)	1*								1 (100%)			82.0
Not SEN	74 (86.0%)	74*								24 (32.4%)	50 (67.6%)	9 (12.2%)	102.2

Y7 (86 pupils)		Teacher Assessment							Test Scaled Scores				
Science	Pupils (%)	Other	Below	Pre Key Stage	Has Not Met	Towards	At	Greater	Other	<100	100+	110+	Average
All Pupils	86 (100%)				9 (10.5%)		77 (89.5%)						
Males	44 (51.2%)				5 (11.4%)		39 (88.6%)						
Females	42 (48.8%)				4 (9.5%)		38 (90.5%)						
FSM	6 (7.0%)				1 (16.7%)		5 (83.3%)						
Not FSM	80 (93.0%)				8 (10.0%)		72 (90.0%)						
Pupil Premium	12 (14.0%)				2 (16.7%)		10 (83.3%)						
Not Pupil Premium	74 (86.0%)				7 (9.5%)		67 (90.5%)						
SEN Support	11 (12.8%)				5 (45.5%)		6 (54.5%)						
Education, health and care plan	1 (1.2%)				1 (100%)								
Not SEN	74 (86.0%)				3 (4.1%)		71 (95.9%)						

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

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 2023

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.

The main investments in the accounting period were on:

- New curriculum resources for both academies
- Educational resources to improve pupil learning in both academies
- Investment in teaching and support staff at both academies
- Capital investment at Lubbins Park Primary including the following projects;
 - Boiler Room refurbishment
 - Installation of new toilets facilities for Reception pupils
 - Installation of a new Sensory Room
 - Refurbishment of one of the school's learning areas
- Capital Investment at Kents Hill Junior School including the following projects;
 - Outdoor Learning facilities to include the installation of a Reflection Garden and Viking Ship
 - Safeguarding Upgrade to external fencing, gates and doorsto replace various areas of external fencing and gates.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Financial Key Performance Indicators

Epsilon Star Multi Academy Trust 2022/23	Kents Hill Junior School	Lubbins Park Primary Academy
Spend on Teaching Staff as a % of Total Expenditure	38%	32%
Spend on Supply Staff as a % of Total Expenditure	3%	4%
Spend on Education Support Staff as a % of Total Expenditure	14%	16%
Spend on Admin/Clerical Staff as a % of Total Expenditure	2.6%	3%
Spend on Other Staff Costs as a % of Total Expenditure	0.2%	1%
Spend on Premises Costs in Including staff as a % of Total Expenditure	2.7%	3%
Spend on Educational Resources as a % of Total expenditure	6%	5%
Spend on Energy as a % of Total expenditure	1.3%	2%
Other spending as a percentage of Total Expenditure	32.2%	34%
In-Year Balance as a percentage of Total Income	-8.5%	-1.4%
Revenue Reserves as a % of Total Income	13.3%	7.8%

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 £8,403,840 (2022 £8,233,520), restricted general reserves of £109,910 (2022 £300,556) (excluding pension liability), a restricted pension fund asset of 43,000 (2022 £286,000) and unrestricted general reserves of £230,227 (2022 £257,672). The 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.

b. Investment policy

The Trust does not make financial investments.

THE EPSILON STAR TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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
- Financial systems and practices

Where significant financial risk still remains, the Trust has ensured adequate internal scrutiny reviews of processes and procedures.

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 regularly reviewed by the Finance, Audit and Risk Committee and is 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 these risks.

d. Financial risk management objectives and policies

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
- Financial systems and practices

Where significant financial risk still remains, the Trust has ensured adequate internal scrutiny reviews of processes and procedures.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

e. 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. 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:

- Purchasing of Chrome Books for all pupils
- New curriculum resources for both academies
- Resources to improve the outside learning environments

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.

Plans for future periods

Our long term strategic role across the Trust is;

- Every child is able to learn at their age-related expectation across a broad and rich curriculum
- Pupil with SEND are quickly identified so that all of their needs are addressed in order to allow them to learn and develop.
- Every child is safe and learns in a calm and purposeful learning environment.
- Every child has excellent attendance, and none are excluded.
- The very best staff are recruited and retained. Every staff member will have a programme of professional development and support in order to support their ambitions
- 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.
- The Trust is rated green on all of the key questions contained in the DfE MAT evaluation tool.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 11 December 2023 and signed on its behalf by:

Mrs Annie Sutton - Chair of Trustees

A Sutton
Chair of Trustees

THE EPSILON STAR TRUST
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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.

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 5 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	5	5
M Thomas, Accounting officer	5	5
A Cadogan, Trustee	5	5
E Howell, Trustee	5	5
N Stoker, Trustee	0	0
R Silk, Trustee	1	2
T Moss, Trustee	3	4
B Rushmere, Trustee	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

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

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
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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	4	4
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)

The purpose of the system of internal control (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

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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
- identification and management of risks

The Board of Trustees has decided to employ Juniper Education Ltd as internal auditor.

The Board of Trustees have appointed the services of Juniper Education Ltd 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 Juniper Education supports the boards committees with delegated audit responsibility in complying with this requirement.

The internal audit was undertaken via a combination of on-site and remote audits during the financial year. The Board of Trustees selected a range of Financial and Non-Financial Reviews. The audit findings were provided in individual reports which have been reviewed and discussed by the Board of Trustees and the FAR Committee.

The specific Scope of Work chosen by the Trustees to be undertaken during the period 1 September 2022 to 31 August 2023 included;

Financial Governance
Internal controls and processes in place for Reporting, Scheme of Delegation and Financial Planning and Monitoring.
Scheme of Delegation
Financial Scrutiny
Financial Planning
Expenses
Budget Monitoring
Reporting to trustees
Control Account Reconciliations
Bad Debts
VAT
Key Performance Indicators
Unresolved issues

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Income
Review to determine the controls and process in place for income and, if applicable, testing to determine the effectiveness of the controls.
Income processing policies and procedures
Wraparound care
School Meals
Trips and activities
Cash Income
Online income
Centralised MATS
Unresolved issues

Procurement
Review to establish the effectiveness of controls and processes for all areas of procurement.
Related party transactions
Purchase card
Quotations
Tenders
Authorisation levels
Expenditure sample testing
Value for Money
Unresolved issues

Payroll
Review to determine the appropriateness and effectiveness of the controls and processes in place, around administration, approval, and segregation of duties in all areas of payroll processing.
Staff Appointments
Additional payroll transactions
Payroll amendments – Pay policy
Administration
Process
Controls and checks

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Non-Financial Reviews:

Cyber Security Audit – In partnership with Secure Schools
An examination and assessment of cybersecurity using the IASME Governance standard, which includes the requirements of the National Cyber Security Centre’s “Cyber Essentials” together with GDPR requirements and business continuity considerations to form the criteria of assessment.
Understanding your school or trust
Leadership, risk management & governance
Information assets & risk management
Managing cloud services
Data protection- data security (optional)
People
Cyber Security policy
Change management
Security testing, audit & assurance
Incident management, continuity & recovery
GDPR Data Protection
A data protection audit will cover the following areas:
Data protection structures, policies, and procedures (including breaches)
Monitoring and reporting compliance
The processes for managing both electronic and manual records containing personal data
The processes for responding to any request for personal data and freedom of information requests
Assessing measures in place to ensure security of personal data
The provision and monitoring of staff data protection and handling training
How you communicate data protection requirements across the trust

On 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.

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GOVERNANCE STATEMENT (CONTINUED)

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.

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on their behalf by:

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

Mr Michael Thomas - Accounting Officer
M Thomas
Accounting Officer

THE EPSILON STAR TRUST
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STATEMENT ON 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 2022, 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 2022.

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

Mr Michael Thomas - Accounting Officer

Mr Michael Thomas
Accounting Officer
Date: 11 December 2023

THE EPSILON STAR TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

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

THE EPSILON STAR TRUST
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**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 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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:

THE EPSILON STAR TRUST
(A company limited by guarantee)

**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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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.

THE EPSILON STAR TRUST
(A company limited by guarantee)

**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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Chartered Accountants
Reporting Accountant

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

Date:

THE EPSILON STAR TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and capital grants	5	35,408	-	212,976	248,384
Other trading activities		135,780	-	-	135,780
Investments	8	84	-	-	84
Charitable activities		-	2,861,287	-	2,861,287
Total income		171,272	2,861,287	212,976	3,245,535
Expenditure on:					
Charitable activities		124,270	2,954,398	236,638	3,315,307
Total expenditure		124,270	2,954,398	236,638	3,315,306
Net income/(expenditure)		47,002	(93,111)	(23,662)	(69,771)
Transfers between funds	20	(74,448)	(119,534)	193,982	-
Net movement in funds before other recognised gains/(losses)		(27,446)	(212,645)	170,320	(69,771)
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	28	-	351,000	-	351,000
Net movement in funds		(27,446)	138,355	170,320	281,229
Reconciliation of funds:					
Total funds brought forward		257,673	14,555	8,233,520	8,505,748
Net movement in funds		(27,446)	138,355	170,320	281,229
Total funds carried forward		230,227	152,910	8,403,840	8,786,977

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

The notes on pages 36 to 64 form part of these financial statements.

THE EPSILON STAR TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07804282

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	8,394,560	8,224,238
		<u>8,394,560</u>	<u>8,224,238</u>
Current assets			
Debtors	17	193,875	106,254
Cash at bank and in hand		545,719	702,042
		<u>739,594</u>	<u>808,296</u>
Creditors: amounts falling due within one year	18	(382,262)	(225,464)
		<u>357,332</u>	<u>582,832</u>
Net current assets		<u>357,332</u>	<u>582,832</u>
Total assets less current liabilities		<u>8,751,892</u>	<u>8,807,070</u>
Creditors: amounts falling due after more than one year	19	(7,915)	(15,322)
Net assets excluding pension asset / liability		<u>8,743,977</u>	<u>8,791,748</u>
Defined benefit pension scheme asset / liability	28	43,000	(286,000)
Total net assets		<u><u>8,786,977</u></u>	<u><u>8,505,748</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	8,403,840	8,233,520
Restricted income funds	20	109,910	300,555
Restricted funds excluding pension liability / asset	20	<u>8,513,750</u>	<u>8,534,075</u>
Pension reserve	20	43,000	(286,000)
Total restricted funds	20	<u>8,556,750</u>	<u>8,248,075</u>
Unrestricted income funds	20	230,227	257,673
Total funds		<u><u>8,786,977</u></u>	<u><u>8,505,748</u></u>

The financial statements on pages 32 to 64 were approved by the Trustees, and authorised for issue on 11 December 2023 and are signed on their behalf, by:

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

Mr Michael Thomas - Accounting Officer
M Thomas
Accounting officer

THE EPSILON STAR TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The notes on pages 36 to 64 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	23	(19,943)	108,625
Cash flows from investing activities			
	25	(129,028)	(51,878)
Cash flows from financing activities			
	24	(7,352)	(7,032)
Change in cash and cash equivalents in the year		(156,323)	49,715
Cash and cash equivalents at the beginning of the year		702,042	652,327
Cash and cash equivalents at the end of the year	26, 27	545,719	702,042

The notes on pages 36 to 64 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 2023

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 2022 to 2023 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 2023

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

THE EPSILON STAR TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023

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.

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2023 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 2023.

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	2,083	-	2,083	306
Capital Grants	-	212,976	212,976	14,398
Educational trips and visits	33,325	-	33,325	36,198
	<u>35,408</u>	<u>212,976</u>	<u>248,384</u>	<u>50,902</u>
<i>Total 2022</i>	<u><u>36,504</u></u>	<u><u>14,398</u></u>	<u><u>50,902</u></u>	

6. Funding for the academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	2,369,469	2,369,469	2,381,302
Other DfE/ESFA grants			
UIFSM Grants	23,702	23,702	24,758
Teachers' Pay and Pension Grants	138,457	138,457	63,853
Pupil Premium Grants	124,421	124,421	123,179
Other DfE/EFA Grants	48,666	48,666	52,997
	<u>2,704,715</u>	<u>2,704,715</u>	<u>2,646,089</u>
Other Government grants			
Early Years Funding Grants	59,836	59,836	52,284
SEN Funding Grants	96,736	96,736	55,497
Other Local Authority Grants	-	-	4,121
	<u>156,572</u>	<u>156,572</u>	<u>111,902</u>
	<u>2,861,287</u>	<u>2,861,287</u>	<u>2,757,991</u>
	<u><u>2,861,287</u></u>	<u><u>2,861,287</u></u>	<u><u>2,757,991</u></u>
<i>Total 2022</i>	<u><u>2,757,991</u></u>	<u><u>2,757,991</u></u>	

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings	1,300	1,300	2,500
Catering Income	76,924	76,924	68,902
Services provided	57,556	57,556	37,008
	<u>135,780</u>	<u>135,780</u>	<u>108,410</u>
	<u><u>108,410</u></u>	<u><u>108,410</u></u>	
<i>Total 2022</i>			

8. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Short term deposits	84	84	80
	<u>80</u>	<u>80</u>	
<i>Total 2022</i>			

9. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Educational Operations:					
Direct costs	1,803,782	-	202,735	2,006,517	1,903,110
Allocated support costs	578,367	214,306	516,117	1,308,790	1,416,069
	<u>2,382,149</u>	<u>214,306</u>	<u>718,852</u>	<u>3,315,307</u>	<u>3,319,179</u>

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Educational Operations	2,006,517	1,308,790	3,315,307	3,319,179

Analysis of direct costs

	Educational Operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	1,803,782	1,803,782	1,664,986
Educational Supplies	175,480	175,480	206,781
Staff Development	12,312	12,312	15,344
Educational Consultancy	14,943	14,943	15,999
	<u>2,006,517</u>	<u>2,006,517</u>	<u>1,903,110</u>

THE EPSILON STAR TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Pension finance costs	8,000	8,000	27,000
Staff costs	578,366	578,366	737,861
Depreciation	236,638	236,638	241,867
Staff Development	1,181	1,181	-
Maintenance of premises	98,155	98,155	71,587
Cleaning	45,574	45,574	38,030
Rent and Rates	16,048	16,048	19,094
Energy Costs	44,169	44,169	35,514
Insurance	10,360	10,360	10,787
Security and transport	6,096	6,096	3,252
Catering	123,857	123,857	109,447
Bank Interest and Charges	456	456	456
Legal and Professional Fees	65,442	65,442	41,753
Other Support Costs	74,035	74,035	78,868
Other finance charges	413	413	553
	<u>1,308,790</u>	<u>1,308,790</u>	<u>1,416,069</u>

During the year ended 31 August 2023, the academy incurred the following Governance costs: £14,450 (2022 - £13,660) included within the table above in respect of Educational Operations.

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	<i>2022 £</i>
Operating lease rentals	6,444	6,020
Depreciation of tangible fixed assets	236,638	241,867
Fees paid to auditors for:		
- audit	12,890	13,660
- other services	1,560	150
	<u>12,890</u>	<u>13,660</u>
	<u>1,560</u>	<u>150</u>

THE EPSILON STAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£	<i>£</i>
Wages and salaries	1,700,069	<i>1,545,566</i>
Social security costs	159,456	<i>141,620</i>
Pension costs	402,763	<i>561,172</i>
	2,262,288	<i>2,248,358</i>
Agency staff costs	119,861	<i>154,489</i>
	2,382,149	<i>2,402,847</i>

Staff restructuring costs comprise:

b. Staff numbers

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Teachers	29	<i>25</i>
Administration and support	39	<i>38</i>
Management	2	<i>2</i>
	70	<i>65</i>

c. Higher paid staff

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

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>-</i>
In the band £80,001 - £90,000	-	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>

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)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Staff (continued)

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £196,593 (2022 £171,997).

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:

	2023	<i>2022</i>
	£	£
Staffing	327,068	<i>368,541</i>
Professional fees	44,932	<i>20,713</i>
Office running costs	5,514	<i>9,378</i>
Miscellaneous costs	27,018	<i>13,890</i>
Total	404,532	<i>412,522</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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:

		2023 £	2022 £
Mr Michael Thomas, CEO/Executive Head	Remuneration	90,000 -	80,000 -
Teacher		95,000	85,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £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 2020 was £10,360 (2022 - £10,787). 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 2022	9,545,685	1,254,382	478,943	11,279,010
Additions	389,597	9,277	8,084	406,958
At 31 August 2023	<u>9,935,282</u>	<u>1,263,659</u>	<u>487,027</u>	<u>11,685,968</u>
Depreciation				
At 1 September 2022	1,401,185	1,201,606	451,980	3,054,771
Charge for the year	195,712	18,342	22,583	236,637
At 31 August 2023	<u>1,596,897</u>	<u>1,219,948</u>	<u>474,563</u>	<u>3,291,408</u>
Net book value				
At 31 August 2023	<u>8,338,385</u>	<u>43,711</u>	<u>12,464</u>	<u>8,394,560</u>
At 31 August 2022	<u>8,144,500</u>	<u>52,777</u>	<u>26,963</u>	<u>8,224,240</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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) £12,683 (2022 £18,535).

17. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	3,891	614
Other debtors	43,626	23,722
Prepayments and accrued income	146,358	81,918
	<u>193,875</u>	<u>106,254</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	248,798	89,474
Other taxation and social security	36,122	32,512
Obligations under finance lease and hire purchase contracts	7,408	6,939
Other creditors	42,622	37,478
Accruals and deferred income	47,312	59,061
	<u>382,262</u>	<u>225,464</u>

	2023 £	2022 £
Deferred income at 1 September 2022	23,873	19,081
Resources deferred during the year	23,631	23,873
Amounts released from previous periods	(23,873)	(19,081)
	<u>23,631</u>	<u>23,873</u>

Deferred income includes income received in advance of entitlement:

Government grants £23,631 (2022 £23,873).

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 2023**

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

The finance lease is secured on the related asset, during the year interest of £413 was charged at a rate of 2.1% (2022 £553 at 2.1%)

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

	2023	2022
	£	£
Net obligations under finance lease and hire purchase contracts	7,915	15,322

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	257,673	171,272	(124,270)	(74,448)	-	230,227
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
	14,555	2,861,287	(2,954,398)	(119,534)	351,000	152,910
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
	8,233,520	212,976	(236,638)	193,982	-	8,403,840
Total Restricted funds	8,248,075	3,074,263	(3,191,036)	74,448	351,000	8,556,750
Total funds	8,505,748	3,245,535	(3,315,306)	-	351,000	8,786,977

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.

Restricted fixed asset fund

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds	183,979	144,994	(109,999)	38,699	-	257,673
Restricted general funds	321,927	2,381,302	(1,799,276)	(654,118)	-	249,835
	20,952	123,179	(124,811)	-	-	19,320
	-	24,758	(24,758)	-	-	-
	-	116,850	(101,113)	-	-	15,737
	-	111,902	(109,933)	-	-	1,969
	10,207	-	(412,422)	415,909	-	13,694
	(1,659,000)	-	(395,000)	147,000	1,621,000	(286,000)
	(1,305,914)	2,757,991	(2,967,313)	(91,209)	1,621,000	14,555
Restricted fixed asset funds	7,503,451	-	(181,144)	-	-	7,322,307
	170,013	-	(3,347)	-	-	166,666
	9,501	-	(218)	-	-	9,283
	725,514	14,398	(57,158)	52,510	-	735,264
	8,408,479	14,398	(241,867)	52,510	-	8,233,520
Total Restricted funds	7,102,565	2,772,389	(3,209,180)	(38,699)	1,621,000	8,248,075
Total funds	7,286,544	2,917,383	(3,319,179)	-	1,621,000	8,505,748

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Kents Hill Junior School	253,785	420,449
Lubbins Park Primary Academy	85,339	123,825
Central fund	1,013	13,954
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	340,137	558,228
Restricted fixed asset fund	8,403,840	8,233,520
Pension reserve	43,000	(286,000)
	<hr/>	<hr/>
Total	8,786,977	8,505,748
	<hr/> <hr/>	<hr/> <hr/>
		-
		<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023 £	<i>Total 2022 £</i>
Kents Hill Junior School	1,023,915	256,091	113,643	244,393	1,638,042	1,611,422
Lubbins Park Primary Academy	634,102	148,972	61,514	191,507	1,036,095	1,053,368
Central fund	134,200	192,867	323	77,141	404,531	412,522
Academy	<u>1,792,217</u>	<u>597,930</u>	<u>175,480</u>	<u>513,041</u>	<u>3,078,668</u>	<u>3,077,312</u>

21. TRANSFER BETWEEN FUNDS

Transfers between funds have occurred in respect of the following;

£119,534 has been transferred from the restricted fund - GAG to restricted fixed asset fund representing assets purchased using the GAG and central fund.

£74,448 had been transferred from the unrestricted fund to the restricted fixed asset fund to represent assets purchased.

£166,000 has been transferred from the restricted fund - GAG to the restricted pension fund to represent the contributions paid to the LGPS out of GAG.

£390,838 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 2023

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	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>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	8,224,240	8,224,240
Current assets	259,671	539,343	9,280	808,294
Creditors due within one year	(1,999)	(223,465)	-	(225,464)
Creditors due in more than one year	-	(15,322)	-	(15,322)
Provisions for liabilities and charges	-	(286,000)	-	(286,000)
Total	<u>257,672</u>	<u>14,556</u>	<u>8,233,520</u>	<u>8,505,748</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(69,771)	(401,797)
Adjustments for:		
Depreciation	236,637	241,868
Capital grants from DfE and other capital income	(121,467)	(14,398)
Interest receivable	(84)	(80)
Defined benefit pension scheme cost less contributions payable	14,000	221,000
Defined benefit pension scheme finance cost	8,000	27,000
Increase in debtors	(87,621)	(44,258)
Increase in creditors	363	79,290
Net cash (used in)/provided by operating activities	(19,943)	108,625

24. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	(7,352)	(7,032)
Net cash used in financing activities	(7,352)	(7,032)

25. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	84	80
Purchase of tangible fixed assets	(250,579)	(66,356)
Capital grants from DfE Group	121,467	14,398
Net cash used in investing activities	(129,028)	(51,878)

26. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	545,719	702,042
Total cash and cash equivalents	545,719	702,042

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	702,040	(156,320)	545,720
Finance leases	(22,262)	6,939	(15,323)
	<u>679,778</u>	<u>(149,381)</u>	<u>530,397</u>

28. 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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £42,622 were payable to the schemes at 31 August 2023 (2022 - £37,479) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £214,433 (2022 - £125,434).

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 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 2023 was £206,000 (2022 - £183,000), of which employer's contributions £166,000 (2022 - £147,000) and employees' contributions totalled £ 40,000 (2022 - £36,000). 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.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Principal actuarial assumptions

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	3.88	3.93
Rate of increase for pensions in payment/inflation	2.88	2.93
Discount rate for scheme liabilities	5.3	4.25
Inflation assumption (CPI)	2.88	2.93
RPI	3.30	3.25

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	20.7	21
Females	23.2	23.5
<i>Retiring in 20 years</i>		
Males	22	22.3
Females	24.6	24.9

Sensitivity analysis

	2023	<i>2022</i>
	£000	£000
Discount rate +0.1%	(39)	(48)
Discount rate -0.1%	40	48
Mortality assumption - 1 year increase	45	55
Mortality assumption - 1 year decrease	(44)	(54)
Long term salary increase +0.1%	-	2
Long term salary increase -0.1%	-	(2)

Share of scheme assets

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	1,169,000	956,000
Gilts	26,000	33,000
Corporate bonds	-	75,000
Property	157,000	160,000
Cash and other liquid assets	59,000	51,000
Alternative assets	318,000	254,000
Other managed funds	281,000	169,000
Total market value of assets	2,010,000	1,698,000

The actual return on scheme assets was £49,000 (2022 - £3,000).

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

	2023	<i>2022</i>
	£	£
Current service cost	(180,000)	(368,000)
Interest cost	(8,000)	(27,000)
Total amount recognised in the Statement of financial activities	(188,000)	(395,000)

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

	2023	<i>2022</i>
	£	£
At 1 September	1,984,000	<i>3,170,000</i>
Current service cost	180,000	368,000
Interest cost	86,000	53,000
Employee contributions	40,000	36,000
Actuarial gains	(370,000)	(1,644,000)
Benefits paid	47,000	1,000
At 31 August	1,967,000	<i>1,984,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	2023	<i>2022</i>
	£	£
At 1 September	1,698,000	<i>1,511,000</i>
Interest income	78,000	<i>26,000</i>
Actuarial losses	(19,000)	<i>(23,000)</i>
Employer contributions	166,000	<i>147,000</i>
Employee contributions	40,000	<i>36,000</i>
Benefits paid	47,000	<i>1,000</i>
At 31 August	2,010,000	<i>1,698,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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.

As the resulting surplus is not deemed to be material to the financial statements no asset ceiling assessment has been made or provided for in arriving at the reported surplus in these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Operating lease commitments

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

	2023	2022
	£	£
Not later than 1 year	6,444	6,444
Later than 1 year and not later than 5 years	8,471	14,499
	<u>14,915</u>	<u>20,943</u>

30. Finance lease commitments

At 31 August 2022 the total of the Academy trust's future minimum lease payments under noncancellable finance leases was:

Within 1 year £7,408 (2022 £6,939)

Between 2 and 5 years £7,914 (2022 £15,322)

31. 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.

32. 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.