
PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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PEAR TREE MEAD ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

W Beckett (Resigned 21 July 2022)
J Gallagher (Resigned 16 June 2022)
L Blackburn
R Harvey (appointed 21 July 2022)
D Smith (appointed 15 June 2022)

Trustees

W Beckett, Chair of Trustees (Resigned 21 July 2022)
J Gallagher, Vice Chair (Resigned 15 June 2022)
C Peden, Headteacher & Accounting Officer
S Martin, Staff Trustee (Resigned 21 July 2022)
L Blackburn, Chair of Finance
D Smith
J Patel (Resigned 15 July 2022)
R Harvey
Rev S Weller (Appointed 15 September 2021)
C Brettell (Appointed 13 July 2022)

Company registered number

09141452

Company name

Pear Tree Mead Academy

Principal and registered office

Trotters Road
Harlow
Essex
CM18 7BY

Chief executive officer

Mrs C Peden

Senior management team

C Peden, Headteacher
L Davies, Deputy Headteacher
R Arnould, Assistant Headteacher
S Martin, SENDCo/EY Co-ordinator

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers

Lloyds Bank PLC
Harlow
Essex
CM20 1LD

Solicitors

Wilsons Law
4 Lincoln's Inn Field
London
WC2A 3AA

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also directors of the charity for the purposes of the companies Act) present their annual report together with the audited financial statements and Auditors' report of Pear Tree Mead Academy Trust (the academy) for the period 1 September 2021 to 31 August 2022. 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 charities issued in March 2005. The annual report services the purpose of both a trustees' report and a directors report under company law.

The Principal object of the academy is to provide education of boys and girls between the ages of 2 and 11 without prejudice, be establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by a guarantee and was set up by a Trust deed. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Pear Tree Mead Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Pear Tree Mead Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Principal object of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, be establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

c. Method of recruitment and appointment or election of Trustees

The makeup of the governing body is outlined in the academy's articles of association and state the members may appoint up to 5 governors with the principal as an ex-officio governor.

- Staff governors, who are appointed through a ballot process, ensuring that the total number of staff governors does not exceed one third of the total number of governors.
- Parent governors, who are elected by the parent of registered pupils at the academy.
- In addition the academy trust may also co-opt governors from the community.

In certain circumstances the secretary of state may appoint additional governors.

All governors have a term to office of four years, excluding the principal. Any governor may be re-appointed or re-elected after this term, providing they remain under the terms set out in the articles.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The school provides all new governors with an induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the academy.

e. Organisational structure

The full governing body meets once a term to discuss the management and strategic running of the academy. It is their responsibility to oversee the academy is effectively managed and delivering the academy's aims and objectives as set out in the vision statement and school policies.

As well as the full governing body meeting, the governing body is split into two committees, one for discussing finance, premises and audit. This committee look to make sure the resources and finances are being used in the most efficient ways and to promote the vision of the school. The other is for personnel, curriculum and community, this committee are overseeing that the standard of teaching and learning at the academy are effective and ensuring pupils are making the required progress and achievement. In addition to this the governing body are able to ensure that the academy is setting a useful and successful curriculum to support pupils' further learning. The governors also have other responsibilities such as safeguarding, health and safety, subject monitoring, pupil premium, disadvantaged, inclusion, SEND, pay committee etc.

The Headteacher working with the senior leadership team is responsible for overseeing the day to day operational procedures within the academy, under the instruction of the Governing Body. There is a clear delegation plan which is reviewed annually. This includes implementing the polices agreed and set by the Governing Body and ensuring high levels of teaching and learning are met to ensure that the academy is working to achieve the best possible results for pupils. Efficient management of resources round the school is shared between staff. Effective management of resources ensures that the academy is not wasteful and is making the most of everything that is owned and purchased by the academy.

f. Risk structure

Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and activities

a. Objects and aims

The Principal object and aim of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

Our overarching priority is to raise standards and increase the rate of progress in English, Maths and Science to expected or better, with particular focus on vulnerable groups whilst ensure a broad and balanced curriculum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

During the year the school has worked towards achieving these aims by:

- Raising the standard of educational achievement and progress of all pupils
- Ensuring that every child enjoys the same high quality education in terms of resourcing, teaching and care
- Providing value for money for expenditure
- Complying with all statutory curriculum and child care requirements
- Continuously reviewing procedures and policies to make sure that these are compliant and helping support the effectiveness of the school.
- Conducting the school's business in accordance with the highest standard of integrity
- Looking at the effectiveness and training needs of the governing body.
- Maintaining relationships with outside agencies, services and parents to support our most vulnerable children
- Monitoring data and groups of children to ensure that all children achieve their full potential.

During 2021-2022 the school has had a period of being closed to some classes in the school due to the outbreak management plan for COVID 19. We supported the children at home with home learning and we were in regular contact with all children especially the more vulnerable.

At Pear Tree Mead we help all the children to grow so that they can reach the branches to their future.

c. Activities for achieving objectives

- Regular review of policies through our governing body
- Performance Management targets set to help groups of children make expected progress and gaps to close
- A robust school development plan with actions matched to school priorities helps the school keep focused on achieving its priorities
- Professional development and training is given to all members of staff across the school.
- Support is bought in to help staff (e.g. HR, legal, finance, teaching and learning, assessment)
- All new government initiatives are implemented with training and policy changes (SEND, assessment, national curriculum, Universal free school meals)
- The governors receive regular information to enable them to monitor the performance of the school and the financial budgets. They also monitor the spending of the funding and how this supports the children's progress and narrowing the gap.

Government, Essex Track and Trace and LA advice was followed for COVID 19 procedures. A COVID 19 policy and risk assessment was written and followed.

d. Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

a. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy had adequate resources to continue in operational existence for the foreseeable future. However, there is some uncertainty due to the unfunded increases to staff costs, gas, electricity as well general inflationary costs. This has caused difficulty with the Academy being unable to set a balanced budget for 2022-23, which would leave the Academy in a fund's deficit at the year end, with potential cash flow issues. However, the senior leadership team and the Trustees are working on plans to reduce the in-year deficit and make sure they continue to be in a positive cash flow position.

School began an Academy in September 2014

A Summary of the school achievements since September 2015 can be found in the SDP.

Maintaining the schools Pre-school for FEEE2 children

Successful expansion completed from 1.5 FE to 2 FE

Gold School games Sainsbury's Award

Continued increasing numbers of children wanting to attend Pear Tree Mead. Record number of appeals and waiting lists numbers.

Expansion building work for the school. Including 4 new classrooms, group rooms and a new library space has been completed.

Increasing numbers on role for Nursery provision due to large waiting lists. 30 hour provision now being catered for.

OFSTED continues to rate the school as good May 2017. Ofsted Covid visit – October 2020

Parent partnership award completed

Basic Skills award and EYFS Basic skills awards completed

Successful links by Supporting students with training providers – eg Harlow College, Hertfordshire University, SCITT, apprentices.

Outdoor learning increased - Forest School run across the school, outdoor learning spaces increased, reflection spaces, new pond.

Successful school council and wellbeing teams.

Links with other HET schools across Harlow including cross school moderation.

Board member on HET

External Moderation across the school.

Letter from LA regarding KS2 SATS results 2018 and 2019.

Letter from MP regarding SATs results Jan 2019

School closed for most pupils March 2020 – August 2020 (COVID 19)

School open for key worker children (COVID 19)

School open for some children (June 2020 – covid 19)

School closed for most pupils January 2021 – March 2021

TTP and Attachment aware schools training begins May 2021

Outbreak management plan in place for Covid from September 2021.

Return to national assessments May 2022.

Return to pre covid activities during Sept 2021 – July 2022.

NTP and school lead tutoring in place.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Data 2022

Year 6 59 Pupils	Teacher Assessment					Test scaled Scores				
	SUBJECT	Has not met	Towards	At	Greater	At +	<100	100 +	110+	Average
Reading	1%						17%	81%	20%	104.5
Writing		22%	58%	20%	78%	15%	83%	24%	105.9	
Maths	1%						12%	86%	22%	105.2
Science	3%		97%	NA	97%					
Combine							70%			

Year 2 60 Pupils	National Expectation	Pre Key Stage	KS1 Results			
			Towards	At	Greater	At+
Reading	3	24	54	19	73	
Writing	3	32	64		64	
Maths	2	20	59	19	78	
Science			68	NA	68	
combined					61	

Year 4 multiplication

National Mean was 19.8 PTM mean school 18.9

National score for 100% was 27% PTM score was 15.3%

% of pupils score 20/25 or above was 51%

Phonics Year 1 - 64%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

<u>GLD</u>	Reception Results	2022
	GLD	50%
	Reading	52%
	Writing	52%
	Maths	70%

The school has 60 children for Yr R to 6. We have a 16 place 2 year old room and a 72 place Nursery. Every class has a LSA and every phase across the school runs interventions with their LSAs to help support the children to reach their full potential and to make the expected progress. Some children have a 1 to 1 SEND LSA. Classes receive intervention and booster sessions as needed. Our SENDCo and Assistant SENDCo work with children and families that have special needs and need extra support. The NTP and school led tuition began in September 2021.

The school uses pupil premium and sports funding to support children and this is having a year on year improvement. The impact of this is heavily monitored. There is a designated sports coach that works with the children. We have an onsite swimming pool which is used across the whole school. We are working with TPP and attachment aware schools and the Essex disadvantaged strategy supported by EEF and Marc Rowland.

We also use differentiated success criteria so that learning is not capped and children's marking and feedback supports children making progress and understanding and their next steps.

Rigorous pupil standards meetings discuss individual children and targets are set. Strategies to reach these targets are discussed and put in place. Targets and data are reviewed regularly. Staff are using the EEF to investigate the best ways for pupils to make accelerated progress.

We have a designated Inclusion Officer who supports families and organises parent workshops. We work hard to engage and involve parents in their children's learning. We are currently reviewing our homework systems.

We have a member of the senior leadership team that oversees Mental Health and wellbeing.

We have recently revised our whole school curriculum to ensure that it is personalised for PTM, helps develop life skills and take part in experiences, ensures a progression of skills, meets the NC and helps overcome our children's barriers to learning and experience a broad and exciting purposeful curriculum.

Our school motto is Pupils that Matter. All our decisions are based on this mantra.

b. Investment policy and performance

The academy has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Financial review

a. Financial and risk management objectives and policies

The Companies Act 2006 requires disclosure of the principal risks and uncertainties facing a company. The academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

b. Principal risks and uncertainties

As an Academy school the level of financial risk is low. Cash flow can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this relatively stable with contingencies in place to cover such items as sickness and maternity.

The governors assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the EFA and local authority and there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same term.
- Failures in governance and/or management. The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation and statutory returns. The governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient number of by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored and reviewed.
- Staffing – the success of the Academy is reliant on the quality of its staff and so the governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Academy has appointed Essex County Council to carry out internal controls checks of the finance systems and records as required by the Academy Financial Handbook.

c. Reserves policy

The Governing Body regularly monitors the reserves to ensure sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

d. Principal funding

Pear Tree Mead Academy started operating as an Academy on 1 September 2014.

The majority of the Academy's income is derived from the Educational Funding Agency (EFA). The income is in the form of recurrent grants, of which the use is restricted for particular purposes. These grants and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants from the local authority for nursery funding, pre-school funding and SEND. All these grants are shown as restricted income.

Funding has continued to support key objectives of raising teaching and learning standards.

e. Material investments policy

The academy has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections."

Plans for future periods

Future developments

The school has now finished its expansion from a 1.5 FE to a 2 FE. (Sept 2020) We have recently had completed a new building. The new building joins the old infant and junior building with a corridor and incorporates four new classrooms, a new library and 2 group rooms. This facility was ready in November 2016.

We have recently completed a CIF project for a new roof, emergency lighting and hot water works for the school and for fire safety.

The local Authority has asked us to take more Nursery children. We are now taking more children since January 2017. We now offer the 30 hours provision from September 2017.

We have recently put in new large play equipment in all 3 playgrounds and had the playground re tarmacked and marked. We have an outdoor gym.

The school has renovated the outdoor areas including the forest school and pond.

We have updated our white boards recently and increased our number of laptops in the school.

The school has a detailed plan of school improvements which is a 5 year rolling plan.

The school is currently building a sensory garden and a sensory area in the school to support children. These areas are being reviewed and improved.

We are now looking into our pre school garden and making sure it is suitable for the children.

We are fund raising as a school for an outdoor classroom build which we hope to achieve by the end of this year.

We are looking into possibly joining a MAT. This will support the school financially moving forward.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on its behalf by:

R Harvey

R Harvey
(Chair of Trustees)

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT

Scope of responsibility

As accounting officer, we acknowledge we have overall responsibility for ensuring that Pear Tree Mead Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designated 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.

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

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
W Beckett, Chair of Trustees	4	4
J Gallagher, Vice Chair	2	3
C Peden, Headteacher & Accounting Officer	4	4
S Martin, Staff Trustee	3	3
L Blackburn, Chair of Finance	4	4
D Smith	4	4
J Patel	4	4
R Harvey	4	4
Rev S Weller	4	4

Mrs D Smith was appointed as a trustee on 18 September 2021

Mr J Patel was appointed as a trustee on 15 July 2020 (resigned 15.7.2022)

Mrs L Blackburn was appointed as a trustee on 16 September 2020

Mrs J Gallagher was appointed as a trustee on 15 July 2019 (resigned 15.6.2022)

Mrs W Beckett was appointed a trustee on 17 July 2019 (resigned 13.7.2022)

Mrs S Martin was appointed as a trustee on 12 September 2018 (resigned 13.7.2022)

Ms R Harvey was appointed as a trustee on 15 September 2021

Mrs Sophie Weller was appointed as a trustee on 15 September 2021

Christine Peden is the Head Teacher – Ex-Officio

At every meeting the governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way the can be monitored and to help the school improve.

The Finance, Premises and Audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the Academy's financial matters, risk management and internal audit function and matters relating to the Statutory Audit. During the current year the Finance, Premises and Audit committee were responsible for the appointment of Harlow Education consortium as internal auditors and Haslers Ltd as external auditors.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Peden, Headteacher	3	3
J Gallagher	2	3
W Beckett	2	3
L Blackburn - Chair	3	3
J Patel	3	3

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Personnel, Curriculum and Community are also a sub-committee of the main board of trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Peden, Headteacher	3	3
W Beckett	3	3
D Smith	3	3
R Harvey	3	3
S Weller	2	3
J Gallagher	0	3

Review of value for money

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

- The use of Higher Level Teaching Assistant to cover short-term staff absences. This ensures quality of provision and continuity for the pupils.
- The allocations of resources to best promote the aims and values of the school.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all pupils
- 3 quotes for work to be completed are gathered to get best value when needed.

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 Pear Tree Mead Academy for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- Regular reviews by the Finance, Premises and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties
- Identification and management of risks

The board of trustee has considered the need for a specific internal audit function and has decided to appoint Essex County Council as internal auditor for this year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial system. The reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year under review, weaknesses have been observed and modified procedures have been implemented to address all of the weaknesses identified.

Review of effectiveness

As accounting officer, the Chief Executive 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 ;
- 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 office has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

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

R Harvey

R Harvey
Chair of Trustees

C Peden

C Peden
Accounting Officer

Date: 15 December 2022

PEAR TREE MEAD ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Pear Tree Mead Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, 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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.



C Peden
Accounting Officer
Date: 15 December 2022

PEAR TREE MEAD ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 15 December 2022 and signed on its behalf by:

R Harvey

R Harvey
Chair of Trustees

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR
TREE MEAD ACADEMY**

Opinion

We have audited the financial statements of Pear Tree Mead Academy (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there is a material uncertainty regarding the going concern of the Academy. This is due to amounts being owed back to the ESFA regarding CIF income granted in prior financial years as well as the impact of inflation and rising energy costs. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is modified in respect of this matter.

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

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY (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.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY (CONTINUED)

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.

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:

Based on our understanding of the legal and regulatory frameworks that are applicable to the entity we have considered those that have a direct and indirect material impact on the financial statements and operations of the company. These include but are not limited to the Charities Act 2011, GDPR, and Employment and Health & Safety legislation.

We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of documentation generated and assessing the extent of compliance with the relevant laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives, including management override of controls, that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for material misstatements due to fraud are in the following areas, and our specific procedures performed to address these are described below:

The risk of management override of controls is the area where the financial statements were most susceptible to material misstatement due to fraud. In addition, the key principal risks related to the existence of inappropriate journal entries to impact the profit for the year and management bias in accounting estimates.

Procedures performed to address these were as follows:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, including known or suspected instances of non-compliance with laws and regulations, and fraud;

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY (CONTINUED)

- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any unusual journal entries posted around the year-end and journal entries posted by infrequent system users; and
- Ensuring that funds have been stated correctly and no misappropriation has occurred.

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.



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

15 December 2022

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAR TREE
MEAD ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pear Tree Mead Academy during the year 1 September 2021 to 31 August 2022 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 Pear Tree Mead Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pear Tree Mead Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pear Tree Mead Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Pear Tree Mead Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Pear Tree Mead Academy's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAR TREE
MEAD ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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.

The work undertaken to draw our conclusions includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover the authorisation of expenditure within internal delegated authorities and externally imposed limits
- Obtaining formal representation from the Trustees and Accounting Officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haslers
Chartered Accountants
Statutory Auditor
Old Station Road
Loughton
Essex
IG10 4PL

Date: 15 December 2022

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	1,277	12,379	(480,634)	(466,978)	436,012
Other trading activities		88,244	-	-	88,244	65,906
Investments	6	52	-	-	52	23
Charitable activities		-	2,376,247	-	2,376,247	2,292,711
Total income		89,573	2,388,626	(480,634)	1,997,565	2,794,652
Expenditure on:						
Raising funds		39,332	-	-	39,332	4,914
Charitable activities		-	2,631,947	237,038	2,868,985	2,778,278
Total expenditure		39,332	2,631,947	237,038	2,908,317	2,783,192
Net income/(expenditure)		50,241	(243,321)	(717,672)	(910,752)	11,460
Transfers between funds	17	(56,346)	10,435	45,911	-	-
Net movement in funds before other recognised gains/(losses)		(6,105)	(232,886)	(671,761)	(910,752)	11,460
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,852,000	-	1,852,000	(134,000)
Net movement in funds		(6,105)	1,619,114	(671,761)	941,248	(122,540)

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Reconciliation of funds:					
Total funds brought forward	6,105	(1,838,463)	8,508,819	6,676,461	6,799,001
Net movement in funds	(6,105)	1,619,114	(671,761)	941,248	(122,540)
Total funds carried forward	<u>-</u>	<u>(219,349)</u>	<u>7,837,058</u>	<u>7,617,709</u>	<u>6,676,461</u>

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

The notes on pages 30 to 54 form part of these financial statements.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09141452

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	7,913,058	8,110,254
		<u>7,913,058</u>	<u>8,110,254</u>
Current assets			
Debtors	14	72,604	401,479
Cash at bank and in hand		541,887	231,922
		<u>614,491</u>	<u>633,401</u>
Creditors: amounts falling due within one year	15	(544,840)	(175,194)
Net current assets		<u>69,651</u>	<u>458,207</u>
Total assets less current liabilities		<u>7,982,709</u>	<u>8,568,461</u>
Provisions for liabilities		(76,000)	-
Net assets excluding pension liability		<u>7,906,709</u>	<u>8,568,461</u>
Defined benefit pension scheme liability	24	(289,000)	(1,892,000)
Total net assets		<u><u>7,617,709</u></u>	<u><u>6,676,461</u></u>

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09141452

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	7,837,058	8,508,819
Restricted income funds	17	69,651	53,537
		<u>7,906,709</u>	<u>8,562,356</u>
Restricted funds excluding pension asset	17	7,906,709	8,562,356
Pension reserve	17	(289,000)	(1,892,000)
		<u>7,617,709</u>	<u>6,670,356</u>
Total restricted funds	17	7,617,709	6,670,356
Unrestricted income funds	17	-	6,105
		<u>7,617,709</u>	<u>6,676,461</u>
Total funds		7,617,709	6,676,461

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:

R Harvey

R Harvey

The notes on pages 30 to 54 form part of these financial statements.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	<i>2021</i> £
Cash flows from operating activities			
Net cash provided by operating activities	19	324,884	<i>113,779</i>
Cash flows from investing activities	20	(14,989)	<i>(15,287)</i>
Change in cash and cash equivalents in the year		309,895	<i>98,492</i>
Cash and cash equivalents at the beginning of the year		231,992	<i>133,500</i>
Cash and cash equivalents at the end of the year	21, 22	541,887	<i>231,992</i>

The notes on pages 30 to 54 form part of these financial statements

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

A material uncertainty relating to going concern has been identified in the financial statements. This is in relation to the Academing being required to repay amounts back to the ESFA for CIF income granted in previous financial years as well as the impact of inflation and rising energy costs will result in a funds becoming a deficit. The Trust is actively working towards reducing costs to improve the future outlook. The Trust is also working closely with the ESFA to improve the future position.

1.3 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.

• **Other income**

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

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Academy'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.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 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.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 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 over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line / 10% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	33% straight line

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 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.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Provisions

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

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

1.13 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 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.

1.15 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.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Academy 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 24, 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	1,277	12,379	-	13,656	13,036
Government grants	-	-	(480,634)	(480,634)	422,976
	<u>1,277</u>	<u>12,379</u>	<u>(480,634)</u>	<u>(466,978)</u>	<u>436,012</u>
<i>Total 2021</i>	<u>1,126</u>	<u>11,910</u>	<u>422,976</u>	<u>436,012</u>	

The Academy are obliged to repay the ESFA for CIF income they have received in previous financial years. This has been recognised as a creditor at the year end due to the amounts being repayable at the balance sheet date.

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4. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Direct costs - Activities (Activity 1)			
DfE/ESFA grants			
General Annual Grant (GAG)	1,802,309	1,802,309	1,662,127
Other DfE/ESFA grants			
Pupil premium	157,496	157,496	160,503
Teacher pay grant	12,480	12,480	87,542
Other DfE / ESFA grants	120,855	120,855	77,155
	<u>2,093,140</u>	<u>2,093,140</u>	<u>1,987,327</u>
Other Government grants			
Local authority grants	283,107	283,107	269,754
	<u>283,107</u>	<u>283,107</u>	<u>269,754</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	35,630
	<u>-</u>	<u>-</u>	<u>35,630</u>
	<u><u>2,376,247</u></u>	<u><u>2,376,247</u></u>	<u><u>2,292,711</u></u>

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Catering income	17,660	17,660	9,830
Trip income	31,652	31,652	22,605
Hire of facilities	7,705	7,705	2,927
Other income self generated	31,227	31,227	30,544
	<u>88,244</u>	<u>88,244</u>	<u>65,906</u>

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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank interest	52	52	23

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Expenditure on raising voluntary income:					
Direct costs	-	-	39,332	39,332	4,915
Educational Operations:					
Direct costs	1,632,359	48,630	62,099	1,743,088	1,730,908
Allocated support costs	576,491	260,967	288,439	1,125,897	1,047,370
	<u>2,208,850</u>	<u>309,597</u>	<u>389,870</u>	<u>2,908,317</u>	<u>2,783,193</u>
<i>Total 2021</i>	<u>2,148,683</u>	<u>314,306</u>	<u>320,204</u>	<u>2,783,193</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Educational Operations	1,743,088	1,125,897	2,868,985	2,778,278
<i>Total 2021</i>	<u>1,730,908</u>	<u>1,047,370</u>	<u>2,778,278</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	1,632,359	1,627,209
Depreciation	48,630	48,178
Educational supplies	2,691	2,180
Technology costs	28,916	36,052
Staff development	10,750	8,788
Educational support staff costs	5,631	-
Other direct costs	1,222	-
Educational consultancy	12,889	8,501
	<u>1,743,088</u>	<u>1,730,908</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	576,491	521,474
Pension finance costs	30,000	24,000
Depreciation	188,408	188,262
Technology costs	25,935	18,554
Catering costs	70,698	53,359
Maintenance of premises and equipment	72,559	77,866
Cleaning costs	11,400	8,878
Energy costs	29,842	30,000
Travel and subsistence	830	-
Rates	12,408	15,369
Other costs	5,109	19,749
Legal and professional fees	41,673	28,029
Insurance	34,694	35,528
Recruitment and support	4,534	4,044
Printing and photocopying	9,265	10,020
Governance costs	12,051	12,238
	1,125,897	<i>1,047,370</i>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021 £</i>
Operating lease rentals	12,576	19,727
Depreciation of tangible fixed assets	237,038	236,440
Fees paid to auditors for:		
- audit	7,500	7,825
- other services	3,980	4,025

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£	£
Wages and salaries	1,545,704	<i>1,532,656</i>
Social security costs	127,944	<i>126,431</i>
Pension costs	535,202	<i>489,596</i>
	<u>2,208,850</u>	<i><u>2,148,683</u></i>

b. Staff numbers

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

	2022	<i>2021</i>
	No.	No.
Teachers	20	<i>19</i>
Admin and Support Staff	54	<i>56</i>
Management	4	<i>4</i>
	<u>78</u>	<i><u>79</u></i>

c. Higher paid staff

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

	2022	<i>2021</i>
	No.	No.
In the band £70,001 - £80,000	1	<i>1</i>
	<u>1</u>	<i><u>1</u></i>

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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £296,663 (2021 - £298,374).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. 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:

		2022	2021
		£	£
C Peden, Headteacher & Accounting Officer	Remuneration	75,000 - 80,000	<i>75,000 - 80,000</i>
	Pension contributions paid	15,000 - 20,000	<i>15,000 - 20,000</i>
S Martin, Staff Trustee (Resigned 21 July 2022)	Remuneration	45,000 - 50,000	<i>35,000 - 40,000</i>
	Pension contributions paid	10,000 - 15,000	<i>5,000 - 10,000</i>

During the year ended 31 August 2022, Trustees expenses amounting to £510 have been incurred (2021 - £nil).

12. 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 £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	8,820,404	240,606	91,246	9,152,256
Additions	8,934	11,353	19,554	39,841
At 31 August 2022	<u>8,829,338</u>	<u>251,959</u>	<u>110,800</u>	<u>9,192,097</u>
Depreciation				
At 1 September 2021	792,715	175,557	73,730	1,042,002
Charge for the year	188,408	40,920	7,710	237,038
At 31 August 2022	<u>981,123</u>	<u>216,477</u>	<u>81,440</u>	<u>1,279,040</u>
Net book value				
At 31 August 2022	<u>7,848,215</u>	<u>35,482</u>	<u>29,360</u>	<u>7,913,057</u>
At 31 August 2021	<u>8,027,689</u>	<u>65,049</u>	<u>17,516</u>	<u>8,110,254</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,213	-
Other debtors	22,639	4,735
Prepayments and accrued income	48,752	396,744
	<u>72,604</u>	<u>401,479</u>

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	29,039	12,426
Other taxation and social security	25,226	28,215
Other creditors	44,130	36,085
Accruals and deferred income	446,445	98,468
	544,840	175,194
	544,840	175,194
	2022 £	2021 £
Deferred income at 1 September 2021	58,851	53,978
Resources deferred during the year	52,082	58,851
Amounts released from previous periods	(58,851)	(53,978)
	52,082	58,851
	52,082	58,851

At the balance sheet date the academy trust was holding funds received in advance for UIFSM and LEA nursery funding.

16. Provisions

	CIF Clawback £
Additions	76,000
	76,000
	76,000

A provision has been recognised during the year related to amounts which were not spent by the Academy related to CIF income for the year ended 31 August 2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	6,105	89,573	(39,332)	(56,346)	-	-
Restricted general funds						
General Annual Grant (GAG)	-	1,802,309	(1,771,085)	10,435	-	41,659
Pupil Premium	26,227	157,496	(157,496)	-	-	26,227
Other DfE/ESFA grants	27,310	133,335	(160,645)	-	-	-
Local Authority	-	283,107	(283,107)	-	-	-
Donations	-	12,379	(10,614)	-	-	1,765
Pension reserve	(1,892,000)	-	(249,000)	-	1,852,000	(289,000)
	<u>(1,838,463)</u>	<u>2,388,626</u>	<u>(2,631,947)</u>	<u>10,435</u>	<u>1,852,000</u>	<u>(219,349)</u>
Restricted fixed asset funds						
Assets donated on conversion	5,397,555	-	-	45,911	-	5,443,466
Capital expenditure from GAG	255,218	-	(117,420)	-	-	137,798
DfE/ESFA capital grants	1,449,861	-	-	-	-	1,449,861
Local authority capital grants	1,406,185	-	(119,618)	-	-	1,286,567
CIF adjustment	-	(480,634)	-	-	-	(480,634)
	<u>8,508,819</u>	<u>(480,634)</u>	<u>(237,038)</u>	<u>45,911</u>	<u>-</u>	<u>7,837,058</u>
Total Restricted funds	<u>6,670,356</u>	<u>1,907,992</u>	<u>(2,868,985)</u>	<u>56,346</u>	<u>1,852,000</u>	<u>7,617,709</u>
Total funds	<u>6,676,461</u>	<u>1,997,565</u>	<u>(2,908,317)</u>	<u>-</u>	<u>1,852,000</u>	<u>7,617,709</u>

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

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

General Annual Grant (GAG) grant fund - Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Pupil premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ ESFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

Donations consist of donations received for repairs and maintenance of the swimming pool, donations received for specific small projects of the school, donations received from various charities for additional support during Covid-19 and to support the placement of a college trainee teacher.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

Restricted Fixed Asset Fund - The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net or depreciation.

CIF adjustment - This relates to amounts which were received by the Academy in the years ended 2019 and 2021 for CIF projects. They are set to be repaid to thr ESFA due to the Academy not spending these amounts.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General Funds	9,594	67,056	(4,914)	(65,631)	-	6,105
Restricted general funds						
General Annual Grant (GAG)	-	1,662,127	(1,727,758)	65,631	-	-
Pupil Premium	27,124	160,503	(161,400)	-	-	26,227
Other DfE/ESFA grants	-	200,327	(173,017)	-	-	27,310
Local Authority	-	269,754	(269,754)	-	-	-
Donations	-	11,910	(11,910)	-	-	-
Pension reserve	(1,560,000)	-	(198,000)	-	(134,000)	(1,892,000)
	<u>(1,532,876)</u>	<u>2,304,621</u>	<u>(2,541,839)</u>	<u>65,631</u>	<u>(134,000)</u>	<u>(1,838,463)</u>
Restricted fixed asset funds						
Assets donated on conversion	5,514,975	-	(117,420)	-	-	5,397,555
Capital expenditure from GAG	255,218	-	-	-	-	255,218
DfE/ESFA capital grants	1,026,885	422,976	-	-	-	1,449,861
Local authority capital grants	1,525,205	-	(119,020)	-	-	1,406,185
	<u>8,322,283</u>	<u>422,976</u>	<u>(236,440)</u>	<u>-</u>	<u>-</u>	<u>8,508,819</u>
Total Restricted funds	<u>6,789,407</u>	<u>2,727,597</u>	<u>(2,778,279)</u>	<u>65,631</u>	<u>(134,000)</u>	<u>6,670,356</u>
Total funds	<u><u>6,799,001</u></u>	<u><u>2,794,653</u></u>	<u><u>(2,783,193)</u></u>	<u><u>-</u></u>	<u><u>(134,000)</u></u>	<u><u>6,676,461</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	7,913,058	7,913,058
Current assets	(176,017)	790,508	-	614,491
Creditors due within one year	252,017	(720,857)	(76,000)	(544,840)
Provisions for liabilities and charges	(76,000)	(289,000)	-	(365,000)
Total	-	(219,349)	7,837,058	7,617,709

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	8,110,254	8,110,254
Current assets	6,105	228,730	398,565	633,400
Creditors due within one year	-	(175,194)	-	(175,194)
Provisions for liabilities and charges	-	(1,892,000)	-	(1,892,000)
Total	6,105	(1,838,464)	8,508,819	6,676,460

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19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(910,752)	11,460
Adjustments for:		
Dividends, interest and rents from investments	(56)	(23)
Depreciation charges	237,038	236,440
Capital grants from DfE and other capital income	(9,240)	(9,101)
Defined benefit pension scheme obligation inherited	203,372	174,000
Defined benefit pension scheme cost less contributions payable	30,000	24,000
Decrease/(increase) in debtors	328,876	(324,819)
Increase in creditors	445,646	1,822
Net cash provided by operating activities	324,884	113,779

20. Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	56	23
Purchase of tangible fixed assets	(24,285)	(24,411)
Capital grants from DfE Group	9,240	9,101
Net cash used in investing activities	(14,989)	(15,287)

21. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	541,887	231,992
Total cash and cash equivalents	541,887	231,992

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

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	231,922	309,965	541,887
	231,922	309,965	541,887
	231,922	309,965	541,887

23. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Safety improvements of property	-	459,861
	-	459,861

The capital commitment recognised at the end of the previous financial year related to the Fire Safety Improvements which the Academy had bidden for in the prior year. They had received amounts in the prior year as well as at the start of the current year, however they pulled out of the project. This income is to be repaid to the ESFA this has been recognised as a creditor on the balance sheet.

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24. 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 County Council. 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 £35,382 were payable to the schemes at 31 August 2022 (2021 - £35,401) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the year amounted to £263,855 (2021 - £180,596).

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 2022 was £175,000 (2021 - £171,000), of which employer's contributions totalled £140,000 (2021 - £136,000) and employees' contributions totalled £35,000 (2021 - £35,000). The agreed contribution rates for future years are 12 per cent for employers and 5.5-7.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.9	3.9
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.9	2.9

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

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

Sensitivity analysis

	2022	<i>2021</i>
	£000	<i>£000</i>
Discount rate +0.1%	1,998	3,385
Discount rate -0.1%	2,103	3,569
Mortality assumption - 1 year increase	2,107	3,612
Mortality assumption - 1 year decrease	1,994	3,345

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2022	<i>2021</i>
	£	<i>£</i>
Equities	990,000	1,013,000
Gilts	34,000	40,000
Corporate bonds	78,000	74,000
Property	167,000	111,000
Cash and other liquid assets	53,000	44,000
Alternative assets	264,000	176,000
Other managed funds	175,000	126,000
Total market value of assets	1,761,000	<i>1,584,000</i>

The actual return on scheme assets was £[enter amount] (2021 - £283,000).

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

	2022	<i>2021</i>
	£	<i>£</i>
Current service cost	(359,000)	<i>(309,000)</i>
Interest income	28,000	<i>20,000</i>
Interest cost	(58,000)	<i>(44,000)</i>
Total amount recognised in the Statement of Financial Activities	(389,000)	<i>(333,000)</i>

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	3,476,000	2,718,000
Current service cost	359,000	309,000
Interest cost	58,000	44,000
Employee contributions	35,000	35,000
Actuarial (gains)/losses	(1,876,000)	397,000
Benefits paid	(1,000)	(27,000)
	<u>2,051,000</u>	<u>3,476,000</u>

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

	2022 £	2021 £
At 1 September	1,584,000	1,158,000
Interest income	28,000	19,000
Actuarial (losses)/gains	(24,000)	263,000
Employer contributions	140,000	136,000
Employee contributions	35,000	35,000
Benefits paid	(1,000)	(27,000)
Administrative expenditure	(1,000)	-
	<u>1,761,000</u>	<u>1,584,000</u>

25. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	11,522	13,644
Later than 1 year and not later than 5 years	1,054	14,321
	<u>12,576</u>	<u>27,965</u>

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26. Members' liability

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

27. Related party transactions

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

The following transactions took place with related parties during the year:

	2022	2021
	£	£
ICT support services provided by related parties	8,923	-
	<u>8,923</u>	<u>-</u>