

Company registration number 08589525 (England and Wales)

SOUTH BANK ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

SOUTH BANK ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Members

London South Bank University (LSBU)
 David Pheonix
 Simon Cruickshank (appointed 30 November 2023)
 Richard Flatman (resigned 30 November 2023)

Trustees

Trevor Gordon
 Fiona Morey (Accounting Officer)
 David Pheonix
 Zacharias Yiallourous
 Joanne Young
 Ruth Spellman (Chair of Trustees) (Appointed 1 August 2024)
 Antony Moss (Appointed 27 November 2023)
 James Blastland (Resigned 31 July 2024)
 Richard Flatman (Resigned 31 July 2024)
 Nicole Louis (Resigned 14 June 2024)
 Christopher Mallaband (Resigned 31 August 2024)
 Hitesh Tailor (Resigned 31 July 2024)

Senior management team

- Chief Executive Officer	Fiona Morey
- Executive Principal	Dan Cundy
- Principal - South Bank University Academy	Annette Moses
- Principal - South Bank University Sixth	Kishan Pithia
- Business Manager	Emmanuel Boakye

Company secretary

Sam Curtis

Company registration number

08589525 (England and Wales)

Registered office

103 Borough Road
 London
 SE1 0AA
 England

Academies operated

	Location	Principal
South Bank University Sixth	56 Brixton Hill, Brixton, London, SW2 1QS	Kishan Pithia
South Bank University Academy	Trafalgar Street, London, SE17 2TP	Annette Moses

Independent auditor

RSM UK Audit LLP
 25 Farringdon Street
 London
 EC4A 4AB

Internal auditor

KPMG
 15 Canada Square
 London
 E14 5GL

SOUTH BANK ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
39 Threadneedle Street
London
EC2R 8AU

SOUTH BANK ACADEMIES

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The Academy Trust operates an two academies for pupils aged 7 to 18 serving catchment areas in the London Boroughs of Southwark and Lambeth. Its academies have a combined pupil capacity of 1,500 and had a roll of 864 in the school census 2023/24.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The charitable company operates as South Bank Academies and trades as South Bank University Academy (formerly South Bank University Academy of Engineering) and South Bank University Sixth (formerly South Bank University Sixth Form).

The Trustees of South Bank Academies are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1 and 2.

Members' liability

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

Trustees' indemnities

The Academy Trust maintains liability insurance for its Trustees through the Risk Protection Arrangement, to a maximum of £10,000,000 per loss per year.

Method of recruitment and appointment or election of Trustees

The Board of Trustees is composed as follows:

- Trustees appointed by the sponsor, London South Bank University (LSBU).
- The Chief Executive Officer (CEO).
- The Chairs of the School Advisory Boards (to a maximum of 3).
- Co-opted Trustees.

2 Trustees were appointed during the year. Antony Moss on 27 November 2023, Ruth Spellman on 1 August 2024. 5 Trustees resigned during the year. Nicole Louis on 14 June 2024, James Blastland, Richard Flatman and Hitesh Tailor on 31 July 2024, Christopher Mallaband on 31 August 2024.

During August 2024, there were two members of the Audit and Finance Committee instead of the usual three as set in the terms of reference for the committee. In November 2024 a third member was appointed. This was due to the unexpected resignation of the Chair of the Committee. No Committee business was conducted during this month and a replacement was sought. Long term succession planning is in progress and will reduce the risk of this occurring again.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees receive an induction, both in-house and outsourced. New Trustees meet with the CEO, the Chair of the Academy Trust, the Chair of the relevant committees and the Executive Principal to discuss the operations and strategy of the Academy Trust. They meet with the governance team to review the expectations of the governance role and how they will be supported to carry out their role. The training and development programme for Trustees and local governors focuses on resources provided by the National Governance Association (NGA) and other organisations.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Academy Trust is responsible for running the South Bank University Academy and South Bank University Sixth. The Academy Trust, headed by a Board of Trustees, is responsible for overseeing the business of the Academy Trust and may exercise all the powers of the Academy Trust. The Board has three sub-committees: Audit and Finance Committee, Group Nomination Committee and Quality Committee. Both schools have a School Advisory Board. The matters reserved to the Board and responsibilities delegated to the School Advisory Boards are set out in a Scheme of Delegation approved by the Board. Under the Scheme of Delegation, the School Advisory Board is primarily focused on reviewing, challenging and advising on the local School Development Plan, on academic performance and support, key Link Governor roles, and support and advocacy for the school with parents and community. Although local control is delegated, the Board remains responsible for ensuring that standards are maintained across all academies. The Board, with its oversight of all the schools, will ensure sharing of best practice, professional development and effective resource management delivering value for money. The Academy Trust has no subsidiary companies.

Trade union facility time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, we are required to publish certain information on trade union officials and facility time. During the period from 1 September 2023 – 31 August 2024, the Academy Trust employed no union representatives and therefore there is no time, pay costs or paid trade union activities to report.

Arrangements for setting pay and remuneration of key management personnel

As part of the Governance Effectiveness Review, which took place in the Autumn of 2021 and subsequent drafting of the Scheme of Delegation, the Board agreed to the closure of the Remuneration Committee. The LSBU Remuneration Committee determines the annual remuneration of senior post holders which includes the Academy Trust CEO – this is done in consultation with the Chair of the Board each year. The pay of other senior staff is set out in the Pay Policy and does not require Remuneration Committee approval. The CEO is employed by South Bank Colleges, which pays her salary and is accounted for as donated to the Academy Trust.

Related parties, connected charities and co-operation with other organisations

Owing to the nature of the Academy Trust and the composition of the Board of Trustees, which is drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. London South Bank University (LSBU) sponsors South Bank Academies which was established as part of the University's mission and which has developed a close working relationship with the University Group. The University appoints the majority of Trustees to the Board of South Bank Academies. LSBU operates two subsidiaries South Bank Colleges and London South Bank University Enterprises Ltd.

Full details of transactions occurring between related parties during the period is provided within the notes to the financial statements accompanying this report.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

South Bank Academies receives the majority of its income from the Department for Education to provide educational services to children and to ensure a broad and balanced curriculum across its schools. The charitable objectives of the Academy Trust as set out in its articles of association are restricted to the following:

“to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum which includes provision for technical education”.

The Academy Trust’s objects are applied solely for the public benefit and the Academy Trust advances education for the public benefit by:

- Establishing and running two academy schools which offer a broad and balanced curriculum. Both schools have provision for technical education;
- Each school providing teaching to its students; and
- Vetting and marking assessments and giving feedback to students.

Beneficiaries

In carrying out its objects, the Academy Trust benefits its students and future students through teaching and learning activities. The Trustees affirm that the opportunity to benefit is not unreasonably restricted. The schools are committed to open, fair and transparent admissions arrangements and act in accordance with the School Admissions Code.

Improving educational outcomes

We have defined our Academy Trust level strategy informed by the LSBU Group corporate strategy 2020-25. In it we have articulated our mission: what South Bank Academies seeks to do is to provide excellent education for our learners in its widest sense, securing excellent outcomes, providing unrivalled care, advice and guidance and supporting high value pathways into higher education, employment or apprenticeships. We have distilled our offer into six features which make South Bank Academies distinct and compelling in the local market.

1. Diversity of opportunities for our students to be positive citizens who actively improve the lives of others.
2. Access to technology brings opportunities for and expectations of powerful learning.
3. Outstanding, personal care, information, advice and guidance to support progression.
4. Wealth of opportunities for students to develop social and cultural capital.
5. Excellent preparation for successful, high value professional and technical careers.
6. Unrivalled development of students’ employability and professional skills within and beyond the LSBU Group.

Public benefit

South Bank Academies is an exempt charity within the meaning of the Charities Act 2011 and is regulated by the Secretary of State for Education on behalf of the Charity Commission. The members of the Board of Trustees are the charitable Trustees of the Academy Trust. In undertaking its duties, the Board of Trustees has given due regard to the Charity Commission’s guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

South Bank University Academy has been inspected by Ofsted in June 2022 and assessed as Good.

Pupils are safe and well cared for. They enjoy coming to school and like the strong sense of community. Pupils understand the school values of social justice, endeavour, kindness and know why these are important. Leaders have high expectations for behaviour and make sure everyone is treated fairly. Pupils are considerate towards one another. Bullying is rare. When it happens, pupils said that leaders work with them to sort out any issues quickly. Staff know their pupils well and encourage them to do their best. Pupils value the academic opportunities provided for them. They work hard in lessons. Pupils are resilient and determined even when they find work challenging. Pupils take part in activities that help to extend their learning. The school uses its strong links with business and industry partners. For example, pupils in Year 10 take part in events that help to develop their enterprise and employability skills. Sixth-form students are mature role models and act as mentors for younger pupils. They support other pupils to develop leadership skills. Pupils said the training helps them to develop self-confidence when speaking in public.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Achievements and performance

- Over the past 2 Years our disadvantaged student gap has improved from -0.76 to -0.18
- The progress of our disadvantaged students has improved by over half a grade since last year
- The attainment of our disadvantaged students in 2024 was significantly above the national average across all 4 'buckets'
- The attainment of our EAL students in 2024 was significantly above the national average in the EBacc subjects
- The P8 of our boys is significantly above the national average in the Ebacc subjects
- The P8 of our boys improved by almost half a grade in the past year
- The P8 of our High Prior attainers is significantly above the national average in the Ebacc subjects
- The PA of our High Prior attainers improved by almost a third of a grade from last year
- Our Value added in Computer Science puts us in the top 30% nationally
- Our Value added in Spanish puts us in the top 1% Nationally! (It is +2)

South Bank University Sixth (SBUS) relaunched in September 2023, having changed its status from a University Technical College to a 16-19 academy. The Mayor of Lambeth followed the September 2023 relaunch with an opening ceremony in January 2024. Significant activity was undertaken in terms of curriculum development and site and facilities enhancement prior to the relaunch. Significant outreach and marketing work were undertaken at SBUS to drive student recruitment, which rose in September 2023 and subsequently. As a new school it has not yet had an OFSTED inspection, a monitoring visit under the further education and skills framework is expected in 2024/25.

On level 3 technical pathways courses 43% high grades awarded at triple distinction (DDD) and higher the profile of grades is impressive with no student achieving a grade below a Merit, Merit, Pass (MMP). 42.5% of Level 3 vocational students achieved a high grade - triple distinction (DDD) grade or higher. This is particularly notable in the programme of Level 3 Engineering with 57.1% of students achieving high grades. Level 3 Engineering is also the only programme that achieved a grade of triple distinction star (D*D*D*). Level 3 Business awarded grades no less than a Distinction, Distinction, Merit (DDM). An examination will be undertaken to understand why a claim was made for one student in Level 3 Business for a grade U. This claim places an unnecessary dent in what would otherwise be an outstanding results outcome for Level 3 Business. Level 3 Health and Social Care performed well with 21.1% of students achieving a high grade. With that said, grades at triple merit (MMM) or below are more prevalent in Level 3 Health (46.2%) compared with other vocational programmes.

Financial review

Total income for the year ended 31 August 2024 amounted to £8,465k (2023: £9,666k). Most of the Academy Trust's income comes from the Education and Skills Agency (ESFA) in the form of recurrent grants for educational provision. Total expenditure for the year ended 31 August 2024 amounted to £8,532k (2023: £9,682k). The largest component of the Academy Trust's expenditure is in relation to its staff costs which totalled £6,239k (2023: £6,579k).

Overall net expenditure (before other recognised gains and losses) was therefore £67k (2023: net expenditure £16k). After accounting for actuarial losses on the Local Government Pension Scheme (LGPS), the overall net increase in the Academy Trust's fund balances were losses of £128k (2023: gains £100k).

The total funds held by the Academy Trust at 31 August 2024 were £31,279k (2023: £31,407k). This comprised unrestricted funds £121k (2023: £205k), restricted fixed asset funds £30,432k (2023: £30,786k) and other restricted funds including the LGPS pension of £726k (2023: £416k).

The unrestricted funds are available to the Academy Trust for use towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees. This therefore forms part of the Academy Trust's operational revenue reserves.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies within the Academy Trust, and its finances. The trustees have implemented several systems to assess these risks as well as operational procedures and internal controls to manage these risks. Where significant financial risk remains, they have ensured they have adequate insurance cover.

Reserves policy

The Academy Trust aims to carry forward some resources from each school to support central services provided by the Academy Trust. After accounting for central costs, the Academy Trust aims to make a small surplus each year to cover the medium and long-term needs for renewal and replacement of major capital projects and unforeseen contingencies.

As a general target, the Academy Trust aims to hold between 3% and 5% of recurrent funding as revenue reserves at any given time. At 31 August 2024, the balance of unrestricted revenue reserves was £121k (2024: £205k). This will be used to increase the capacity for learning and teaching at the Academy. Restricted revenue reserves on the same date amounted to £726k (2023: £416k). The aggregate of the aforementioned balances provides total revenue reserves of £847k (2023: £621k). The Trustees are satisfied that the revenue reserves held at 31 August 2024 exceeded the agreed reserves policy. A review of the reserves policy is planned for the year ending 31 August 2025.

Investment policy

South Bank Academies does not operate an investment programme and any surplus cash balances are held with its bank, Lloyds Bank PLC.

Key performance indicators

Key Financial Performance Indicators

The key performance indicators monitored by the Central Team and Board of Trustees on a regular basis are follows:

- Monthly management accounts versus budget
- Gag and 16-19 income versus expenditure
- Employee costs as a percentage of income
- Average teacher cost against benchmark
- Average support staff cost against benchmark

Plans for future periods

The Academy Trust's plans for future period include:

Student success

- Continue to innovate the curriculum to drive the acquisition of powerful knowledge, to support the development of professional and technical capability and to build social and cultural capital.
- Raise achievement (attainment and progress) across the Academy Trust schools through rigorous focus on the quality of education, curriculum design, sequencing and delivery, assessment and intervention programmes.
- Further develop delivery and assessment models which support high quality responsive teaching based on high-quality, personalised feedback. This is particularly a focus following the summer 2023 examination cycle.
- Refine and develop pedagogies including through the LSBU Group structure to further improve the quality of teaching, learning and assessment to secure excellent outcomes for all learners regardless of background within a knowledge-rich curriculum.
- Develop and embed evidence-informed approaches to closing the gap between groups of learners, especially boys and the most disadvantaged as well as other identified groups.
- Target resource and intervention into reducing variability in performance between departments and subject areas.
- Further enhance wellbeing and pastoral support for students to understand and mitigate the barriers to success.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Plans for future periods (continued)

Student success (continued)

- Continue to build support for learners with a focus on high quality advice and guidance to support destinations and pathways; improve access to labour market information and support from external stakeholders.
- Further improve and align self-evaluation and improvement planning, using rich data and other management information to improve the quality of education.
- Further develop an Academy Trust-wide and Group-wide approach to staff development and talent management in order to support recruitment, progression and retention of high-quality staff.
- Generate, share, publish and learn from insight and research within, across and beyond the group in order to increase expertise and improve the quality of education.

Access to opportunity

- Create an even wider range of high-quality education pathways to cater for the diversity of our current and potential learner population. To include development of HNC model and pathways within LSBU Group and partner organisations.
- Embed interaction with stakeholders, sponsors and partners in a systematic way such that all students benefit and transfer into high quality destinations is supported and enabled.
- Develop a sustainable network of support to mentor and guide learners through education and into their chosen next steps.

Real world impact

- Further leverage LSBU group relationships to drive research to benefit the quality of teaching and learning. Ensure that insight and successes from our evidence-informed pedagogic practice is shared across the group to maximise impact.
- Develop student agency and enterprise through range of activities, prioritising those which deliver local community benefit.
- Ensure that all learners, irrespective of background, make an active contribution to local and wider society through enrichment, project and service activities in line with the mission of the schools.
- Pursue enrichment work and engagements to make a positive difference in our communities, supporting our students to be positive citizens.

Fit for the Future

- Develop organisational capabilities and efficiency of operations to extend provision and generate improved value for money.
- Further develop scale and breadth of the Academy Trust and Group offer, in terms of pathways and portfolio of curriculum subjects, including T levels and a broader range of technical qualifications.
- Explore alternative models of learning delivery both in-person and remote, and utilising opportunities across the LSBU Group estate.
- Become financially sustainable by increasing student numbers to PAN, as well as increasing breadth of revenue-generating activity.
- Develop and expand sponsor-led enrichment activities to enhance provision further. Extension of value add driven by LSBU group as well as engagement of a further tier of employer partners to support projects.
- Lead on developing the culture of our organisations, innovating to minimise workload and maximise wellbeing, valuing difference and celebrating success. Articulating the benefits of our mission and values widely.
- Develop system leadership through wider collaborations, such as the Southwark School Learning Partnership (SSLP) and improve our ability to articulate and share thought leadership, for example through the publication of research.
- Secure judgements of at least 'Good' in all Ofsted inspections supported by robust self-evaluation and improvement planning; training, development and capacity-building activity; challenge and support through governance; internal and external review and validations.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

Introduction

Our schools are varied in both age, character and size and have each developed and evolved differently over time. South Bank University Academy is a combination of new build (2013) and refurbished retained Victorian buildings. South Bank University Sixth is a small footprint new build (2017) with shared use of plant, fire, gas, electric, heating, security and water systems. Factors that have influenced changes to the school estate include school organisation, local demographic growth, changes in curriculum and in school premises and area standards introduced and amended by the Government. In addition to planned, cyclical and preventative maintenance works, the Academy Trust also invests central funding across its schools. The Academy Trust is also developing its strategic approach to estates, with a group service implemented from September 2024.

Strategic priorities for 2022/23 - 2025/26

Over the next three years and in parallel with the management of growth, the Academy Trust will embed the actions it has already taken to improve the strategic management of its Estate but it will also now focus on the following priorities.

- Refresh data regularly but enhance the range to include energy performance. Energy audits will be commissioned to inform potential areas where behavioural and physical changes to the use of buildings could drive efficiencies. Carbon reporting now has a specific focus within the Academy Trust's accounts.
- Improve school site development planning by schools. Schools will be supported to improve their plans and ensure connectivity with budget planning and more transparent and evidenced prioritisation of resources.
- Continue to operate joint procurement approaches to support best value and effectiveness. Review the Academy Trust's procurement rules and consider the potential for a central contracts register given the potential for common suppliers and services to be independently procured by schools across the Academy Trust.
- Amend the guidance within the Academy Trust's Scheme of Delegation/Finance Handbook for school projects to reinforce the principle that applications by schools for school funded alterations to buildings and accommodation will not be approved where they result in areas that are not compliant with DfE area guidance.

Risks are identified and managed through the Academy Trust's risk management processes as described further in the governance statement forming part of this annual report. The Academy Trust risk register is the subject of careful and frequent review, and aligns to the Academy Trust's strategy. It is presented in a format common to the LSBU Group to allow for scrutiny and challenge at the Audit and Finance Committee. The principal risks which the institution faces and associated mitigation strategies are as follows:

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

Risk	Controls and mitigating strategies
Poor financial performance by one or more of the schools	<ul style="list-style-type: none"> • Effective budgeting and management • Prudent financial planning • 3–5-year forecast planning • Sufficient reserves • Capital expenditure planning • Staffing and budget scrutiny and review • Marketing strategy in place at both schools • New marketing appointment
Changes in personnel/ high turnover of staff creating instability in operations at the Academy Trust	<ul style="list-style-type: none"> • Experienced financial management • Experienced Financial Controller oversight • Financial policies and procedures in place • HR Manager in place
Failure of the schools to recruit sufficient learners	<ul style="list-style-type: none"> • Admissions policy review • Parent/Carer communication and wider word of mouth building • Marketing strategy and activity • Use of Integrated Curriculum and Financial Planning • Effective networking including with potential feeder schools
Cybersecurity incident	<ul style="list-style-type: none"> • Internal Audit • Hardware upgrades being implemented • Software upgrades being implemented, including off-site backup to cloud services • Operating practice changes.
Financial Controls	<ul style="list-style-type: none"> • Internal Audit action plan • Review of financial management and policies • Monthly management accounts produced • Regular executive team meetings where financial performance is discussed

Fundraising

The Academy Trust does not actively engage in fundraising activities (by way of appeals, collections, or otherwise seeking donations) and no third parties are used. The Trustees therefore do not consider that they are obliged to take account of regulations or best practice guidance notes for this area covered by the Charities (Protection and Social Investment) Act 2016.

SOUTH BANK ACADEMIES

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP, were appointed auditors of Academy Trust by the Trustees during the year. RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditors

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 27 February 2025, and signed on 27 February 2025 on its behalf by:

Ruth Spellman

.....

Ruth Spellman

Chair of Trustees

Date: 27 February 2025

SOUTH BANK ACADEMIES

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the principal, 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 South Bank Academies and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met five times during the year (five including a strategy day). Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Trevor Gordon	3	5
Fiona Morey (Accounting Officer)	5	5
David Pheonix	4	5
Zacharias Yiallourous	2	5
Joanne Young	1	5
Ruth Spellman (Chair of Trustees) (Appointed 1 August 2024)	0	0
Antony Moss (Appointed 27 November 2023)	3	4
James Blastland (Resigned 31 July 2024)	1	5
Richard Flatman (Resigned 31 July 2024)	5	5
Nicole Louis (Resigned 14 June 2024)	3	4
Christopher Mallaband (Resigned 31 August 2024)	1	5
Hitesh Tailor (Resigned 31 July 2024)	5	5

All Board and committee meetings were quorate in 2023/24, however following resignations, membership has reduced. A succession plan is being implemented in 2024/25, which includes recruiting new governors and elevating local governors to the trust. A governance effectiveness review is scheduled for September 2025.

The Academy Trust has an Audit and Finance Committee (previously an Audit Committee up to October 2023) which has met three times this year in addition to the five meetings of the Board. The Board regularly receives the management accounts throughout the year. The Board considers that these eight meetings and its regular review of the management accounts have provided the Trustees with the opportunity to maintain effective oversight of funds.

The Board will continue to receive high level Financial reporting, in addition to holding a dedicated session focused on strategic matters in conjunction with financial forecasting.

Conflicts of interest

The Academy Trust has a conflict of interest policy. Trustees and governors are required to declare any interests they have on appointment. Trustees and governors are expected to declare additional interests to the Board when they occur and are reminded annually to update their declarations of interests. Declarations of interest are included at the beginning of each agenda to allow Trustees or governors to declare any interest with any item of business on the agenda. A number of Trustees are also either governors of LSBU or members of the Executive of LSBU Group. The Secretary advises the Board if any matters under consideration could lead to a potential conflict for these Trustees between their duties to the Academy Trust and to LSBU. No potential conflicts were identified during the year.

SOUTH BANK ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

Further to the Governance Effectiveness review carried out in the Autumn of 2021, further changes were implemented to further develop and support the Academy Trust’s move to best governance practice. The Board approved an enhanced role for the Quality Committee as a sub-committee of the Academy Trust Board, the changes came into effect in 2022-2023. The purpose of the Quality Committee is to provide an in-depth review to the Board in terms of the quality of education provided by the schools. For the year 2023-2024, the Audit and Finance Committee’s remit was expanded to include reviewing the budget and monitoring the financial position (as set out by the Scheme of Delegation) and will become an Audit and Finance Committee. This will ensure that the management accounts and budget are scrutinised by a committee ahead of the Board meeting. Under the Academies Trust Handbook this is permitted for Academy Trusts with annual income below £50m.

Sub-committees

The Board was supported by three committees: Audit and Finance Committee, Group Nomination Committee and Quality Committee.

Audit and Finance Committee

The committee’s purpose is to monitor the internal and external audit functions, risk management, internal financial control, budget and financial position.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Zacharias Yiallourous	3	3
James Blastland (Resigned 31 July 2024)	1	3
Richard Flatman (Resigned 31 July 2024)	3	3

Rhoda Egharevba who is not a Trustee has also attended the Audit and Finance Committee meetings during the year. They have attended 2 out of a possible 3 meetings.

Group Nomination committee

The committee’s purpose is to consider succession planning for the Board and to recruit new co-opted Trustees to the Board. Attendance at meetings in the year was as follows (other members of the committee are LSBU governors and SBC trustees):

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
David Pheonix	2	2
Joanne Young	1	2
Hitesh Tailor (Resigned 31 July 2024)	2	2

SOUTH BANK ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

Quality Committee

The committee considers the quality of education provided by each of the schools through key performance indicators. The Committee considers and advises the Board on all aspects of the MAT's quality and improvement. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Chris Mallaband (Resigned 31 August 2024)	4	5
Fiona Morey	4	5
Trevor Gordon	3	5
Deborah Johnson	2	5

Review of value for money

The Accounting Officer of South Bank Academies has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received. The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by the following:

- **LSBU collaboration**

The Academy Trust's links with the LSBU Group are varied and growing and these links provide our students and staff with unique opportunities. These are rare or difficult to secure in most schools and academies. Our links to academics within the University and with South Bank Colleges supports the enrichment of our curricula and our close collaboration with the Group's Employability, Outreach and Enterprise teams supports our students in raising aspirations, building confidence and developing wider skills. Our academy staff benefit from being part of a wide and growing network of academic and support professionals. The LSBU Group collaborates on areas such as CPD for support staff, reward and recognition, professional networking and staff and student mentoring.

- **Building transformational enrichment and engagement for students**

Enrichment programmes are designed in partnership with LSBU and Academy Trust staff to ensure that activities extend students' learning and utilise the University's specialist facilities such as workshops, laboratories, sporting facilities and library. University academics deliver mini modules (master classes) to give students a taster for University life, often delivered in conjunction with university STEAM (Science, Technology, Engineering, the Arts and Mathematics) ambassadors. These can be seen in projects at the UTC and Day 10 activities at SBUA. The Academy Trust also collaborates with other schools in the area in order to share teaching resources and specialisms that the UTC has to offer.

- **Shared Services Model**

London South Bank University and South Bank Academies have a shared services model for professional services which includes leveraging the resources and expertise within the LSBU Group to ensure our academies benefit from not only expert advice, guidance and support, but also secure efficiencies in many areas of professional services. This enables our school principals, senior leaders and academic staff to focus the vast majority of their time on supporting students and staff to excel and achieve.

SOUTH BANK ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

- **Shared resources**

The Academy Trust's centralised resource model includes a Chief Executive Officer (CEO) who is also the Accounting Officer, supported by the Executive Principal who is the academic lead for the Academy Trust and the Trust Business Manager who oversees financial and operational matters. Other professional resources, which are either centralised or shared between schools to drive best value, include Human Resources, Marketing, School Financial Management, Estates Management, IT and Procurement. The Academy Trust has also extended further its economies of scale in leveraging efficiencies and economies of scale in terms of Academy Trust-wide contracts such as the TES subscription, negotiating of cleaning contracts and an LSBU family-wide tender for catering services across the University, South Bank Colleges and South Bank Academies. The aim of shared resources is best value.

- **Benchmarking**

The Academy Trust regularly benchmarks its performance against those of similar size and composition. Benchmarking is used when there is any change to the established working practices. The results of this were shared with the Executive Team with a recommendation to review the staffing structures in one of its academies.

- **Tendering for services**

South Bank Academies takes a group approach to tendering, when appropriate, as this ensures economies of scale and draws upon the expertise of a wider group of professionals. In our capital procurement process, we observe the Academy Trust Handbook (ATH), and thresholds of spend that this details.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Bank Academies for the period from 1 September 2023 to 31 August 2024 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1st September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- Budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Board of 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 guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has decided to use an outsourced internal audit service as part of the internal audit arrangements delivered on a group wide basis to the LSBU Group. During the year, internal audit reviews were conducted covering quality assurance, financial controls and procurement and tendering. The Internal auditor has delivered their schedule of work as planned. An action plan is in place for issues identified as a result of the internal audit and recommendations made as a result of this work have been accepted by management and implementation is underway.

SOUTH BANK ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process or the school resource management self-assessment tool
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Conclusion

Based on the advice of the Audit and Finance Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the Board of Trustees on 27 February 2025, and signed on its behalf by:



Fiona Morey
Accounting Officer

Date: 27 February 2025



Ruth Spellman
Chair of Trustees

Date: 27 February 2025

SOUTH BANK ACADEMIES

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of South Bank Academies, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2023, including responsibilities for estates safety and management.

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

For the year ending 31 August 2024, records of quotes and tenders received were held locally by the procuring manager prior to approval within the finance system. Due to a change in key personnel, these records were not retained; consequently, there is no evidence to support compliance with the Trust's financial regulations in respect of procurement and therefore the relevant aspects of the Academy Trust Handbook 2023.

From 1 September 2024, all estates procurement will be delivered under a group contract that includes well-documented processes for quotes and tenders. Non-estates procurement is monitored by the Finance Business Partner, with copies held centrally. Options to computerise these records within the accounting system are being explored.

We confirm that these issues have been identified and reported to the members of the Board and the ESFA. If any further instances are identified after the date of this statement, we will inform the members of the Board and the ESFA.



Fiona Morey
Accounting Officer

Date: 27 February 2025

SOUTH BANK ACADEMIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of South Bank Academies for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction 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 in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 27 February 2025 and signed on its behalf by:

Ruth Spellman

Ruth Spellman
Chair of Trustees

Date: 27 February 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH BANK ACADEMIES

Opinion

We have audited the financial statements of South Bank Academies (the "charitable company") for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH BANK ACADEMIES (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH BANK ACADEMIES (CONTINUED)

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

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

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

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

Use of our report

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

HCatchpool

Hannah Catchpool (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 28th February 2025

SOUTH BANK ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	4	24	-	25	49	725
Charitable activities:						
- Funding for educational operations	5	67	8,260	-	8,327	8,920
Other trading activities	6	89	-	-	89	21
Total		<u>180</u>	<u>8,260</u>	<u>25</u>	<u>8,465</u>	<u>9,666</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	264	7,889	379	8,532	9,682
Total	7	<u>264</u>	<u>7,889</u>	<u>379</u>	<u>8,532</u>	<u>9,682</u>
Net (expenditure)/income		(84)	371	(354)	(67)	(16)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit schemes	23	-	(61)	-	(61)	116
Net movement in funds		(84)	310	(354)	(128)	100
Reconciliation of funds						
Total funds brought forward		205	416	30,786	31,407	31,307
Total funds carried forward		<u>121</u>	<u>726</u>	<u>30,432</u>	<u>31,279</u>	<u>31,407</u>

SOUTH BANK ACADEMIES**BALANCE SHEET****AS AT 31 AUGUST 2024**

	Notes	2024 £'000	£'000	2023 £'000	£'000
Fixed assets					
Tangible assets	13		30,284		30,350
Current assets					
Debtors	14	550		591	
Cash at bank and in hand		1,132		1,534	
		1,682		2,125	
Current liabilities					
Creditors: amounts falling due within one year	15	(687)		(1,068)	
Net current assets			995		1,057
Net assets excluding pension asset			31,279		31,407
Defined benefit pension scheme asset	23		-		-
Total net assets			31,279		31,407
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds			30,432		30,786
- Restricted income funds			726		416
Total restricted funds			31,158		31,202
Unrestricted income funds	17		121		205
Total funds			31,279		31,407

The financial statements on pages 22 to 47 were approved by the Board of Trustees and authorised for issue on 27 February 2025, and are signed on their behalf by:

Ruth Spellman

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Ruth Spellman
Chair of Trustees

Date: 27 February 2025

SOUTH BANK ACADEMIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	20		(114)		(97)
Cash flows from investing activities					
Capital grants from DfE Group		25		661	
Purchase of tangible fixed assets		(313)		(229)	
Net cash (used in)/provided by investing activities			(288)		432
Net (decrease)/increase in cash and cash equivalents in the reporting period			(402)		335
Cash and cash equivalents at beginning of the year			1,534		1,199
Cash and cash equivalents at end of the year			1,132		1,534

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

General information

South Bank Academies is a charitable company (the 'Academy Trust'). The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

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.

Basis of preparation

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The trustees of South Bank Academies have a responsibility to assess the financial viability and sustainability of the Trust. After reviewing the Trust's financial position, including its performance and future plans, the Trustees are satisfied that the Trust remains a going concern.

For the financial year ended 2024, the Trust delivered an operating surplus, demonstrating sound financial management and prudent decision-making. Furthermore, the Trust has set a three-year budget forecast that projects a net surplus over the period, supported by realistic and achievable assumptions. The budget incorporates anticipated income streams, including government funding and other revenue sources, and accounts for expected expenditure.

In addition, the Trust is generating positive cash flow and maintains sufficient reserves, ensuring that it has adequate liquidity to meet its financial obligations as they fall due. The Trustees have carefully considered potential risks, including pupil number projects, changes in government funding, inflationary pressures, and any other material uncertainties. Mitigation strategies are in place to manage these risks, ensuring the continued financial health of the Trust.

Based on this analysis, the Trustees have a reasonable expectation that South Bank Academies Trust has adequate resources to continue its operations for the foreseeable future, and there are no material uncertainties regarding the Trust's ability to remain a going concern. Therefore, the financial statements have been prepared on a going concern basis.

The trustees have considered the going concern basis of preparation of the financial statements. Based upon these considerations, the trustees have concluded that:

- The going concern basis of preparation of the financial statements is appropriate.
- There are no material uncertainties in connection with the going concern basis of preparation of the financial statements.
- The disclosures within the financial statement regarding going concern are adequate.

Income

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

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Certain services are provided to the Academy Trust by the LSBU Group through LSBU personnel. Services such as governance support are recharged by the LSBU Group to the Academy Trust in full as disclosed within the related party transactions disclosure accompanying these financial statements. These are charged to the Academy Trust at no more than the cost of the service provision as determined by the LSBU group.

There are also certain employees of the LSBU Group that provide regular support to the Academy Trust as disclosed within the related party transactions disclosure accompanying these financial statements. The cost of their time is not recharged by LSBU to the Academy Trust, but instead effectively donated to the Academy Trust. The value of their time commitment to the Academy Trust is determined with reference to their cost of employment with LSBU and an estimate of the time expended on supporting the Academy Trust. This amount is recorded as both a cost to the Academy Trust, and also as a donation of the same value.

Donated fixed assets

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

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets and depreciation

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 that require 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold land and buildings	0.8% straight line (2% in prior years)
Long leasehold improvements	6.7% straight line
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line

The Trustees following a review of the depreciation being charged on the leasehold buildings, consider it more appropriate to depreciate over the life of the lease being 125 years, than the previous rate which was over 50 years. The depreciation charge in the year would have been £178k higher than the charge in the year of £118k, if the rate had not changed.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

Liabilities

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

Leased assets

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

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

Pension benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme of which the Academy Trust is a sponsoring employer in a number (each scheme exists independently under the LGPS Regulations) as set out in note 23 and the assets are held separately. 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 reporting date. The amounts charged to net income are current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other recognised gains and losses.

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

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

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

Fund accounting

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

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

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

Short term employment benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Trust. The cost of any unused holiday entitlement the Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Initial value recognised for the UTC long leasehold land and buildings

The Academy Trust has previously omitted the inclusion of the UTC land and buildings from the balance sheet due to challenges encountered in finalising the terms of the long lease agreement following academisation. At 31 August 2021 the long lease agreement was near to finalisation (subject to administrative issues only), and the trustees are of the opinion that the Academy Trust now holds the major risks and rewards of occupying the property. As such, at 31 August 2021, the Academy Trust recognised the asset, effectively donated by the Local Authority for no consideration, on its balance sheet.

The value of the gift, which will be taken to equal its deemed historic cost going forward, has been determined with reference to an ESFA desktop valuation.

Depreciation

The annual depreciation charge is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

The useful lives of the Academy Trust's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

Donated salaries of LSBU Group personnel

As noted in the income recognition accounting policy above, there are certain employees of the LSBU Group that provide regular support to the Academy Trust as disclosed within the related party transactions disclosure accompanying these financial statements. The cost of their time is not recharged by the LSBU to the Academy Trust, but instead effectively donated to the Academy Trust. The value of their time commitment to the Academy Trust is determined with reference to their cost of employment with LSBU and an estimate of the time expended on supporting the Academy Trust.

Local government pension scheme

The present value of the Local Government Pension Scheme defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

3 Statement of financial activities - comparative year information

Year ended 31 August 2023	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2023 £'000
Income and endowments from:				
Donations and capital grants	64	-	661	725
Charitable activities:				
- Funding for educational operations	89	8,831	-	8,920
Other trading activities	21	-	-	21
Total	<u>174</u>	<u>8,831</u>	<u>661</u>	<u>9,666</u>
Expenditure on:				
Charitable activities:				
- Educational operations	349	8,772	561	9,682
Total	<u>349</u>	<u>8,772</u>	<u>561</u>	<u>9,682</u>
Net (expenditure)/income	(175)	59	100	(16)
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	116	-	116
Net movement in funds	<u>(175)</u>	<u>175</u>	<u>100</u>	<u>100</u>

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Capital grants	-	25	25	661
Other donations	24	-	24	64
	<u>24</u>	<u>25</u>	<u>49</u>	<u>725</u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	4,637	4,637	5,142
Other DfE/ESFA grants:				
- 16-19 core education funding	-	2,519	2,519	2,683
- Pupil premium	-	435	435	332
- Teachers pay grant	-	299	299	324
- Others	-	224	224	124
	-	8,114	8,114	8,605
Other government grants				
Local authority grants	-	146	146	211
Other incoming resources	67	-	67	104
	67	8,260	8,327	8,920

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Hire of facilities	89	-	89	21

7 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2024 £'000	Total 2023 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	5,030	-	548	5,578	5,928
- Allocated support costs	1,209	1,020	725	2,954	3,754
	6,239	1,020	1,273	8,532	9,682

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2024 £'000	2023 £'000
Operating lease rentals	14	-
Net interest on defined benefit pension liability	(10)	48
Depreciation of tangible fixed assets	379	561
Loss on disposal of fixed assets	-	4
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	31	21
- Other services	13	15
	<u> </u>	<u> </u>

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Direct costs				
Educational operations	18	5,560	5,578	5,928
Support costs				
Educational operations	246	2,708	2,954	3,754
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	264	8,268	8,532	9,682
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
			2024 £'000	2023 £'000
Analysis of support costs				
Support staff costs			1,209	1,324
Depreciation			379	561
Technology costs			199	188
Premises costs			641	626
Other support costs			476	952
Governance costs			50	103
			<u> </u>	<u> </u>
			2,954	3,754
			<u> </u>	<u> </u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

9 Staff

Staff costs

Staff costs during the year were:

	2024	2023
	£'000	£'000
Wages and salaries	4,414	4,924
Social security costs	470	533
Pension costs	838	931
	<u> </u>	<u> </u>
Staff costs - employees	5,722	6,388
Agency staff costs	482	137
Staff restructuring costs	35	54
	<u> </u>	<u> </u>
Total staff expenditure	<u>6,239</u>	<u>6,579</u>

Staff restructuring costs comprise:

Severance payments (including special severance payments)	35	54
	<u> </u>	<u> </u>

Exit payments

The Academy Trust paid 2 exit payments in the year, as follows:

£0 - £25,000	2
--------------	---

Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £34,745 (2023: £53,969). Individually, the payments were: £18,088 and £16,657.

Staff numbers

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

	2024	2023
	Number	Number
Teachers	54	67
Administration and support	37	58
Management	9	13
	<u> </u>	<u> </u>
	<u>100</u>	<u>138</u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

9 Staff (Continued)

Higher paid staff

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

	2024 Number	2023 Number
£60,0001 - £70,000	-	2
£70,001 - £80,000	3	4
£80,001 - £90,000	4	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£140,001 - £150,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and those individuals recorded as 'Key Management Personnel' on page 1 of the annual report. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £880,250 (2023: £698,165).

10 Central services

The Academy Trust has provided central services to its academies during the year, including human resources, financial services and educational support services. The Trust charges for these services which is calculated as a 8.2% (2023: 7.3%) as a percentage of GAG and 16-19 core education funding income every year of the individual school's GAG income for the year.

The amounts charged during the year were as follows:

	2024 £'000	2023 £'000
South Bank University Sixth	130	146
South Bank University Academy	458	422
	<u> </u>	<u> </u>
	588	568
	<u> </u>	<u> </u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

11 Trustees' remuneration and expenses

During the year, one (2023: one) Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. 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, and not in respect of their services as Trustees. Other trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

The value of Trustees' remuneration and other benefits was as follows:

F Morey - Accounting Officer:
Remuneration £32k (2023: £30k)
Employer's pension contributions paid £8k (2023: £8k)

During the year ended 31 August 2024, travel and subsistence expenses totalling £Nil (2023: £Nil) were reimbursed to Nil (2023: Nil) Trustees of the Trust.

Any other related party transactions involving the Trustees are set out in note 24.

12 Trustees and officers' insurance

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

13 Tangible fixed assets

	Long leasehold land and buildings	Long leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2023	30,659	18	1,304	1,620	33,601
Additions	-	-	-	313	313
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	30,659	18	1,304	1,933	33,914
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2023	908	8	1,104	1,231	3,251
Charge for the year	118	1	137	123	379
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	1,026	9	1,241	1,354	3,630
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2024	29,633	9	63	579	30,284
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	29,751	10	200	389	30,350
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

13 Tangible fixed assets (Continued)

The Academy Trust has previously omitted the inclusion of the UTC land and buildings from the and the balance sheet due to challenges encountered in finalising the terms of the long lease agreement following academisation. At 31 August 2021, the long lease agreement was near to finalisation (subject to administrative issues only), Trustees are of the opinion that the Academy Trust now holds the major risks and rewards of occupying the property. As such, at 31 August 2021 the Academy Trust recognised the asset, effectively donated by the Local Authority for no consideration, on its balance sheet.

The value of the gift, which was taken to equal its deemed historic cost going forward, has been determined with reference to an ESFA desktop valuation.

14 Debtors

	2024	2023
	£'000	£'000
Trade debtors	45	35
VAT recoverable	458	421
Prepayments and accrued income	47	135
	<u>550</u>	<u>591</u>

15 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade creditors	125	32
Other taxation and social security	100	140
ESFA creditors - abatement of GAG	-	310
Other creditors	74	125
Accruals and deferred income (see note 16)	388	461
	<u>687</u>	<u>1,068</u>

16 Deferred income

	2024	2023
	£'000	£'000
Deferred income at 1 September 2023	-	50
Released from previous years	-	(50)
	<u>-</u>	<u>-</u>
Deferred income at 31 August 2024	<u>-</u>	<u>-</u>

The deferred income as at 1 September 2023 of £50k related to the DfE/ESFA income grant for rates relief for the year ended 31 August 2023.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2024 £'000
Restricted general funds					
General Annual Grant (GAG)	416	4,637	(4,327)	-	726
Pupil premium	-	435	(435)	-	-
Teachers pay grant	-	299	(299)	-	-
16-19 core education funding	-	2,519	(2,519)	-	-
Other grants	-	224	(224)	-	-
Other government grants	-	146	(146)	-	-
Pension reserve	-	-	61	(61)	-
	<u>416</u>	<u>8,260</u>	<u>(7,889)</u>	<u>(61)</u>	<u>726</u>
Restricted fixed asset funds					
Inherited on conversion	29,751	-	(118)	-	29,633
DfE group capital grants	961	25	(261)	-	725
Local authority capital grants	26	-	-	-	26
Other transfers	48	-	-	-	48
	<u>30,786</u>	<u>25</u>	<u>(379)</u>	<u>-</u>	<u>30,432</u>
Total restricted funds	<u>31,202</u>	<u>8,285</u>	<u>(8,268)</u>	<u>(61)</u>	<u>31,158</u>
Unrestricted funds					
General funds	205	180	(264)	-	121
Total funds	<u>31,407</u>	<u>8,465</u>	<u>(8,532)</u>	<u>(61)</u>	<u>31,279</u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds (Continued)

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

Restricted general funds

All restricted funds are grants received from the Department for Education and the Local Authority for the purpose of running the Academy. This also includes catering income received from pupils.

General Annual Grants

This includes all monies received from the ESFA to carry out the objectives of the Academy Trust. It also includes the School Budget Share and education services grants.

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

Other DfE/ESFA grants

This represents revenue grants received from the ESFA for specific purposes, including funds provided to support individual pupils with a SEN statement and development grants received by the Academy Trust.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and acquire by capital grants, monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds (Continued)

Funds prior year

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	250	7,825	(7,659)	-	416
Pupil premium	-	332	(332)	-	-
Teachers pay grant	-	324	(324)	-	-
Other grants	-	124	(124)	-	-
Other government grants	-	211	(211)	-	-
Other restricted funds	-	15	(15)	-	-
Pension reserve	(9)	-	(107)	116	-
	<u>241</u>	<u>8,831</u>	<u>(8,772)</u>	<u>116</u>	<u>416</u>
Restricted fixed asset funds					
Inherited on conversion	30,009	-	(258)	-	29,751
DfE group capital grants	603	661	(303)	-	961
Local authority capital grants	26	-	-	-	26
Other transfers	48	-	-	-	48
	<u>30,686</u>	<u>661</u>	<u>(561)</u>	<u>-</u>	<u>30,786</u>
Total restricted funds	<u>30,927</u>	<u>9,492</u>	<u>(9,333)</u>	<u>116</u>	<u>31,202</u>
Unrestricted funds					
General funds	380	174	(349)	-	205
	<u>380</u>	<u>174</u>	<u>(349)</u>	<u>-</u>	<u>205</u>
Total funds	<u>31,307</u>	<u>9,666</u>	<u>(9,682)</u>	<u>116</u>	<u>31,407</u>

Total funds analysis by academy

	2024 £'000	2023 £'000
Fund balances at 31 August 2024 were allocated as follows:		
South Bank University Sixth	(18)	(171)
South Bank University Academy	926	727
Central services	(61)	65
Total before fixed assets fund and pension reserve	<u>847</u>	<u>621</u>
Restricted fixed asset fund	30,432	30,786
Pension reserve	-	-
Total funds	<u>31,279</u>	<u>31,407</u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2024 £'000	Total 2023 £'000
South Bank University Sixth	904	284	70	366	1,624	2,037
South Bank University Academy	3,805	650	455	1,532	6,442	7,003
Central services	301	346	22	67	736	147
	<u>5,010</u>	<u>1,280</u>	<u>547</u>	<u>1,965</u>	<u>8,802</u>	<u>9,187</u>

The following areas are carrying a net deficit on its portion of the funds; South Bank University Sixth £18k and Central services £61k. A budget has been set for 2024/25 which returns all areas to a net surplus on its portion of the funds. The performance of South Bank University Sixth has been driven by its growth in student numbers, with significant growth in 2024/25 confirmed.

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	-	-	30,284	30,284
Current assets	121	1,413	148	1,682
Current liabilities	-	(687)	-	(687)
Total net assets	<u>121</u>	<u>726</u>	<u>30,432</u>	<u>31,279</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	30,350	30,350
Current assets	205	1,484	436	2,125
Current liabilities	-	(1,068)	-	(1,068)
Total net assets	<u>205</u>	<u>416</u>	<u>30,786</u>	<u>31,407</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

19 Long-term commitments

Operating leases

At 31 August 2024, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £'000	2023 £'000
Amounts due within one year	15	-
Amounts due between one and five years	5	-
	<u>20</u>	<u>-</u>

20 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2024 £'000	2023 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(67)	(16)
Adjusted for:			
Capital grants from DfE and other capital income	4	(25)	(661)
Pension costs less contributions payable	23	(51)	59
Pension scheme finance (income)/costs	23	(10)	48
Depreciation of tangible fixed assets	13	379	561
Loss on disposal of fixed assets		-	4
Movements in working capital:			
Decrease/(increase) in debtors		41	(296)
(Decrease)/increase in creditors		(381)	204
Net cash used in operating activities		<u>(114)</u>	<u>(97)</u>

21 Analysis of changes in net funds

	1 September 2023 £'000	Cash flows £'000	31 August 2024 £'000
Cash	1,534	(402)	1,132

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

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 Pension and similar obligations

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

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

Contributions amounting to £56,833 (2023: £85,655) were payable to the schemes and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach. The valuation report was published by the Department for Education on 26 October 2023.

The key elements of the valuation and subsequent consultation are:

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

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 1 April 2028 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

The employer's pension costs paid to the TPS in the period amounted to £626,000 (2023: £623,000).

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are an average between 13.6% and 22.8% for employers and between 5.5% and 12.5% for employees.

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 Pension and similar obligations (Continued)

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

Total contributions made	2024	2023
	£'000	£'000
Employer's contributions	235	228
Employees' contributions	72	80
	<u> </u>	<u> </u>
Total contributions	<u>307</u>	<u>308</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 August 2024 by a qualified independent actuary.

	2024	2023
	%	%
Rate of increase in salaries	3.2% - 3.9%	3.5% - 4.1%
Rate of increase for pensions in payment/inflation	2.4% - 2.7%	2.6% - 3.0%
Discount rate for scheme liabilities	4.9% - 5.0%	4.9% - 5.2%
Inflation assumption (CPI)	2.4% - 2.7%	2.6% - 3.0%
	<u> </u>	<u> </u>

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

	2024	2023
	Years	Years
Retiring today		
- Males	20.8 - 21.0	21.0
- Females	23.6 - 23.8	23.7 - 23.8
Retiring in 20 years		
- Males	21.7 - 22.3	22.2 - 22.5
- Females	24.7 - 25.3	25.1 - 25.4
	<u> </u>	<u> </u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 Pension and similar obligations (Continued)

The Academy Trust's share of the assets in the scheme	2024 Fair value £'000	2023 Fair value £'000
Equities	1,106	837
Bonds	317	341
Cash and other liquid assets	16	151
Property	268	206
Other assets	316	46
	<u> </u>	<u> </u>
Total fair value of assets	2,023	1,581
	<u> </u>	<u> </u>

The actual return on scheme assets was £175,000 (2023: £67,000).

Amount recognised in the statement of financial activities	2024 £'000	2023 £'000
Current service cost	184	287
Net interest (income)/cost	(10)	48
	<u> </u>	<u> </u>
Total amount recognised	174	335
	<u> </u>	<u> </u>

Changes in the present value of defined benefit obligations	2024 £'000
At 1 September 2023	1,492
Current service cost	184
Interest cost	76
Employee contributions	72
Actuarial gain	(103)
Benefits paid	(40)
	<u> </u>
At 31 August 2024	1,681
	<u> </u>

Changes in the fair value of the Academy Trust's share of scheme assets	2024 £'000
At 1 September 2023	1,581
Interest income	86
Return on plan assets (excluding net interest on the net defined pension liability)	89
Employer contributions	235
Employee contributions	72
Benefits paid	(40)
	<u> </u>
At 31 August 2024	2,023
	<u> </u>

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

23 Pension and similar obligations (Continued)

	2024 £'000
Present value of defined benefit obligations	(1,681)
Fair value of plan assets	2,023
	<hr/>
Net asset	342
Restriction to level of asset ceiling	(342)
	<hr/>
Net liability recognised in the balance sheet	-
	<hr/> <hr/>

The value of the college's share of net assets of the London Borough of Lambeth and London Borough of Southwark schemes has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other recognised gains and losses in the period.

The Academy Trust is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

24 Related party transactions

Owing to the nature of the Academy Trust 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Richard Flatman, a Trustee and Member of the Academy Trust, is also a Director of South Bank Enterprises Ltd. During the year ended 31 August 2024, the Academy Trust was charged £13,000 (2023: £49,419) by South Bank Enterprises Ltd for the provision of invigilators. A balance of £Nil (2023: £Nil) was outstanding in relation to these charges at the start or end of the financial year.

The Academy Trust received governance related services from its sponsor, LSBU, during the year ended 31 August 2024 at a cost of £10,000 (2023: £9,000). A balance of £Nil (2023: £Nil) was owing to LSBU at the year end and included within creditors.

In addition, Nil individuals employed by LSBU group (2023: three) allocate part of their time to provide support services to the Academy Trust. The cost of this time is gifted to the Academy Trust and included as part of the Academy Trust's income (from donations) and expenditure (on staff costs). The total value of the donated salaries for the year ended 31 August 2024 was £Nil (2023: £62,929).

SOUTH BANK ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

24 Related party transactions (Continued)

David Phoenix (Director) and Fiona Morey (Executive Principal) both have a related party interest in South Bank Colleges, a subsidiary of LSBU. During the year, the academy paid £Nil (2023: £19,500) to South Bank Colleges for the salary of the CEO. At the year end, the balance owed to South Bank College was £Nil (2023: £Nil).

Claire Arkwright is also a community organiser at Citizens UK. During the year, the academy paid £Nil (2023: £1,500) to Citizens UK with respect to deliver workshops for students. At the year end, the balance owed to Citizens UK was £Nil (2023: £Nil).

Alice Dee is also a Head of Programme Development at The Access Project. During the year, the Academy paid £Nil (2023: £17,000) to The Access Project for providing programme to support high potential students from deprived backgrounds. At the year end, the balance owed to The Access Project was £Nil (2023: £Nil).