

CENTRAL REGION SCHOOLS TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	W Adams M Forbes S Hind-Woodward P Slough E Griffiths (appointed 28 September 2022)
Trustees	E Griffiths, Chair of Trustees W Adams (resigned 28 September 2022) S Bates (resigned 11 November 2021) D Bradley (appointed 30 March 2022) W Chikowore (resigned 31 December 2021) J Howard (appointed 30 March 2022) J Howells (resigned 23 March 2022) E Keates, Vice Chair O MacSherry Dr N Clifford J Woodcock (nee Townshend) M Chowdhury J Stephenson (appointed 28 October 2021) N Riley (appointed 7 September 2022)
Company registered number	08166526
Company name	Central Region Schools Trust
Principal and registered office	B06 Assay Studios Newhall Street Birmingham B3 1SF
Senior management team	G Shears, Executive Principal (CEO and Accounting Officer) P Harrison, Finance Director (CFO) N Beech, Executive Principal, Ipsley CE Middle, Abbeywood First and Church Hill School (resigned 31 August 2022) I Mellor, Principal, Arrow Vale Secondary Academy H Tanner, Principal, Gospel Oak School, Tipton M Moore, Chief Operating Officer (COO) (resigned 28 February 2022) H Sidhu, Chief Operating Officer - Interim (appointed 1 January 2022) S McMonagle, Trust Executive School Improvement Leader S Bates, Executive Principal Primary (appointed 1 May 2022) A Crawley, Principal, Sutton Park Primary School S Callanan, Principal, St Stephen's CE First School S Allen, Principal, Arrow Valley First School L Card, Principal, Oldbury Park Primary School A Boot, Acting Principal, Waseley Hills High School (acting in post between 1 November 2021 and 31 December 2021) D Belshaw, Principal, Waseley Hills High School (appointed 1 January 2022) R Trafford, Principal, Holyhead School

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

Independent auditor Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Bankers Lloyds Bank plc
19 Church Green East
Redditch
Worcestershire
B98 8BZ

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 11 Academies across 3 First Phase schools, 2 Primary schools, 2 Middle Phase schools, 1 High Phase school with sixth form and 3 Secondary School with sixth form across Worcestershire, Birmingham and Sandwell. The Trust has 6,305 pupils currently enrolled across the Academies based on the October 2022 Census.

Two secondary schools joined during the year. Waseley Hills High School, located in Rubery of north Worcestershire joined on 1 November 2021. Since 2020 the trust has been providing school improvement support via a successful Educational School Improvement Fund (ESIF) bid. The school is also one of the first fifty named schools for a rebuild programme announced by the Government during 2020. This has been confirmed as a full rebuild scheduled in spring 2024.

Holyhead School in Birmingham joined on 1 January 2022. This was the last of the RSA schools not within the MAT and held a strong value led alignment to our trust schools founded by the RSA. The school joined in the spirit of merging into the trust and marked the beginning of hub structures.

Lickhill Primary School in Stourport has been approved by the West Midlands Advisory Board to join our Trust and is scheduled to take place on 1 January 2023. This school will join our emerging North West hub to include Gospel Oak in Sandwell and Sutton Park in Kidderminster.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Central Region Schools Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as the Central Region Schools Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local Academy Governing Board members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. The number of Trustees shall be not less than five but shall not be subject to any maximum.

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

Structure, governance and management (continued)

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- a. no fewer than 5 Directors appointed by the Members
- b. at least 2 Directors appointed by the Diocesan Corporate Member
- c. A minimum of 2 Parent Directors elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100(a) or if no provision is made, or is planned, for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A
- d. additional Directors who may be appointed under Article 58
- e. Up to 2 Directors, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate the Relevant Funding Agreement.

e. Policies adopted for the induction and training of Trustees

Self-directed and live training is provided, based on the Trust Mandatory training expectations for all Governors and Trustees and as required based on individual or collective need. External advice and support are commissioned where necessary. A Governance handbook and dedicated portal are provided. Articles news items and links to training modules and webinars are provided via the portal.

New schools joining the Trust have an Onboarding programme involving monthly meetings between the Chair of Governors of the incoming school and the Head of Governance (HoG) and fortnightly meetings between the Clerk to Governors and the HoG.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

f. Organisational structure

At 31 August 2022, the Academy Trust comprised the following individual academies:

- Gospel Oak School in Tipton, Sandwell
- Arrow Vale School, Redditch
- Ipsley CofE Middle School, Redditch
- Church Hill Middle School, Redditch
- Sutton Park Primary School, Kidderminster
- Oldbury Park Primary School, Worcester
- Abbeywood First School, Redditch
- St Stephens CofE First School, Redditch
- Arrow Valley First School, Redditch
- Waseley Hills High School, Rubery (joined on 1 November 2021)
- Holyhead School, Handsworth (joined on 1 January 2022)

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

Structure, governance and management (continued)

f. Organisational structure (continued)

The Trust's governance structure is set out below:



The Trust has a clear Scheme of Delegation that sets out the financial and other decision-making limits devolved to individual Officers, Senior staff, Chairs and Local Academy Governing Boards (“LAGBs”). The document is shared with all stakeholders via the Trust Policy Management system, the Governor Portal and is on the Trust website. The Trustees are responsible for setting vision and strategy, overseeing a three-year strategic plan. Under the strategic plan, trustees adopt an annual development and investment plan and budget, approving the annual statutory accounts, monitoring the Academy Trust using budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet formally five times each year in addition to Strategic Away Days. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Organisational structure (continued)

It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may, from time to time, establish working groups to perform specific tasks over a limited timescale.

There are Committees of the Board of Trustees as follows:

- Finance and Resources Committee
- Audit & Risk Committee
- Human Resources Committee
- Remuneration Committee
- Standards Committee
- Local Academy Governing Boards

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Principal(s).

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Management Team as laid out in the report, which is led by the Executive Principal (CEO).

The Executive Principal (CEO) is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day management of the Academy Trust. The senior management team implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates a number of functions to the LAGBs for each of the Trust's Academies including the monitoring of progress and standards, ensuring robust Ofsted standards and engagement with parent and community liaison.

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

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the Academy Trust in charge of directing, controlling, running and operating the Academy Trust on a day-to-day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year. There are no Trustees who are also employees of the Academy Trust.

Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Remuneration Committee, in line with the Academy Trust's pay and remuneration policy, and by reference to published pay scales for both teaching and administrative support staff, taking account of benchmarking information.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
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Total cost of facility time	1
Total pay bill	28,112
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Engagement with employees (including disabled persons)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils, committees and meetings as appropriate, on matters likely to affect employees' interests. Information about matters of concern to employees is given through inset day updates, information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees from both the financial and economic factors affecting both their specific role and the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, CPD development and advanced employment opportunities are available to them to reach their full potential. Additionally, an Employee Assistance Programme (EAP) is in place to assist with employee mental health and general wellbeing.

Applications for employment by disabled persons are always fully considered, we interview all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities and aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate reasonable adjustments and training are provided. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, with any reasonable adjustments in place, as with other employees.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

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

Objectives and activities (continued)

1. 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 both with and without a designated Church of England religious character ("**the Academies**") each offering a broad and balanced curriculum, and in respect of the Church of England Academy, it shall be designated as such and shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Relevant Funding Agreement), and in having regard to the advice of the Diocesan Board of Education; but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.
2. with the exception of the Church of England Academy, to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

Central Region Schools Trust has a clear vision and mission of social justice through exceptional schools, creating and sustaining the best schools in which to learn and work by pursuing social justice for all.

Mission

To promote opportunity and social justice for every child through exceptional schools.

Vision

As a trust founded by the Royal Society of Arts, our exceptional schools work together to create learning that is inspirational for all: igniting imagination and enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing their knowledge, attributes, skills and networks for success and fulfilment. In our powerful communities, everything is possible, and aspirations are high. Outcomes are highly impressive.

Strategic objectives

SO1. Developing EXCEPTIONAL LEARNERS: We seek to develop confident and creative learners who can thrive in a changing world. Our curriculum will be the realisation of our shared aspirations for our learners.

Achieved through ...

SO2. Recruiting, developing, and retaining EXPERT PROFESSIONALS: Great schools are created through having great teachers and support staff. We aim to recruit and develop a superb workforce, highly skilled and passionate about getting the very best for all our pupils.

SO3. Achieving EXCELLENCE OF operational INFRASTRUCTURE; operating efficient and effective SYSTEMS; AND maintaining and improving PLACES: Innovative and sustainable schools that are creative, vibrant, safe, compliant, financially healthy, well resourced, and exceptionally well governed and led.

SO4. Building EMPOWERED COMMUNITIES AND developing LASTING PARTNERSHIPS to support the development of social justice: Working closely with our local communities and parents to secure the best outcomes and opportunities. The RSA, and a wide network of links across all phases and across local authority boundaries, are powerful in supporting the development of all.

The key priorities for the period are contained in the Trust's Annual Development and Investment Plan which sits under the Trust's Strategic Plan and is available from the Executive Principal (CEO).

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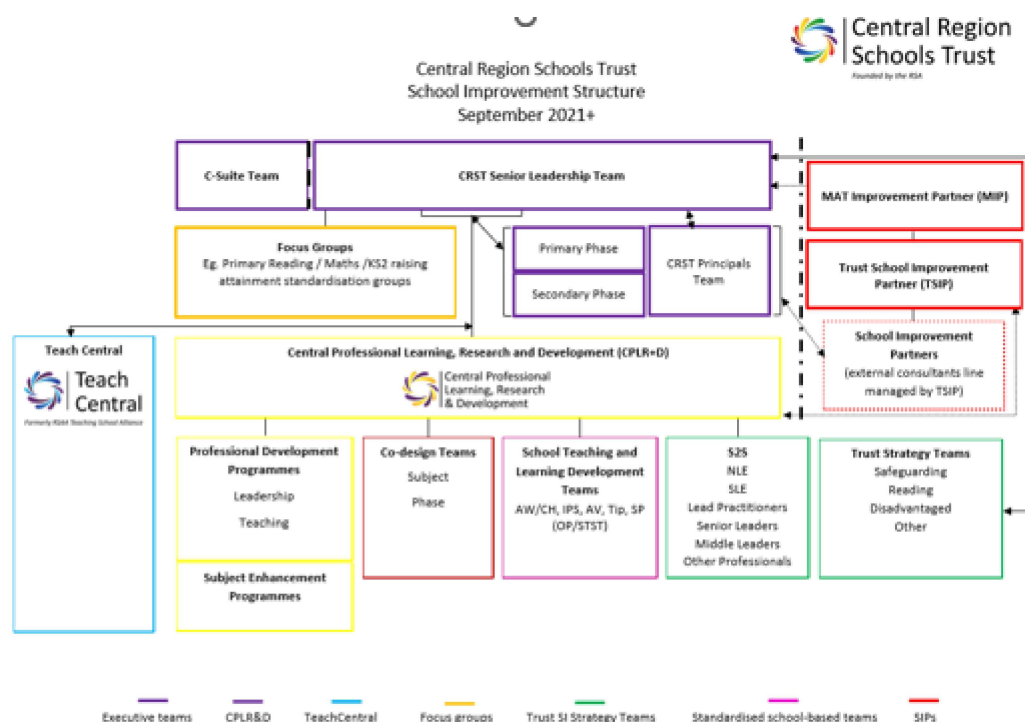
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

The key activities of the Academy Trust for the year ended 31 August 2022 were focused as follows:

- Progress measures in all schools continued to improve on previous, pupils across the trust performed better than expected
- Attendance and wellbeing measures for pupils across the Trust continued to improve
- Recovery from COVID-19
- Successful on-boarding of the two new schools into the Trust
- Review of Central services functions, structures and service across the Trust

School Improvement is the core purpose of the Trust, with the Trust School Improvement Team supporting the eleven schools in the trust through the expert workings of the school improvement model. This model is delivered through the school improvement structure below:



The Trust has key performance indicators with targets set annually at the Trust's Standards Scrutiny Days in September. These are scrutinised and challenged by external school improvement consultants within the School Improvement Partner Team as part of the School Improvement Model. Each school has specific targets for academic performance, key measures such as attendance and behaviour, as well as pupil wellbeing measures. These are amalgamated by the trust data team into trust-wide targets for each of these measures, which are supported and challenged by the relevant trust governance committee. These targets form a key element of the assessment of performance of the Principals in each school, as well as the Executive Principal (CEO) and the Trust Central Team.

Teach Central

As teaching school alliances transitioned to new regional hubs, Central Region Schools Trust took the opportunity to create a new brand for our school direct programmes and early career development provision, alongside the national framework for this career stage. Teach Central, working within the Trust, continues the work of the RSAA TSA and reflects the core values and visions which were so successfully embedded, and have become intrinsic to its training provision. Teach Central continues to recruit new entrants to the profession across both phases.

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

Objectives and activities (continued)

Teach Central is led by Good and Outstanding schools across the West Midlands and the wider central region; we work in partnership with all phases of education including - first, primary, middle, high and secondary schools. Our schools are in different areas across the midlands; we offer training in Birmingham, Dudley, Redditch (South Birmingham), Kidderminster, Worcestershire, and Warwickshire. Through our family of secondary, high, middle, first and primary schools, we provide a range of professional development opportunities to teachers at all stages of their careers.

One of our main aims is to take a leading role in recruiting and providing high quality training to new entrants to the profession, identifying leadership potential and supporting teachers on a successful career path. Our partner is BCU and we work closely with Haybridge Teaching School hub for Primary ITT trainees.

CPLR&D

We believe that effective Professional Learning, Research & Development must be at the heart of our school communities. Collaboration across our trust to improve learning experiences and educational outcomes for all pupils in our care is key to our mission of social justice. We fundamentally believe in supporting expert teacher development through all stages and phases of career. The CPD element of the former teaching school alliance (as was RSAA Teaching School Alliance) is now known as CPLRD (Continuing Professional Learning, Research and Development) and sustains existing programmes from the alliance and develops new and innovative approaches to both recruit and retain the very best practitioners. Central Region Schools Trust CPLRD has already forged new and exciting relationships with Teaching School Hubs to develop early career stage fellows & mentors, and to be a part of the NPQ provision across the region, delivering and facilitating across a suite of leadership courses. The work, inspired by the maths and physics TSST courses, continues, with the Trust leading on subject network hubs allowing for the development of mastery skills in STEM subjects across schools in the West Midlands, and beyond. The commitment to cultivating leaders and collaboration remains at the heart of our CPLRD model, with colleagues dedicated to ensuring the highest quality of training for schools in the trust, through the teaching school hubs, through subject hubs and for partner schools and academies throughout a wide-reaching geographical network. Co-design remains a key strand to our in-house collaborative work with opportunities to co plan and share curriculum resources and co-design groups for pupil premium/disadvantaged, for Teaching and Learning (curriculum and pedagogy), SEND and Reading which are cross phase.

c. Public benefit

The Trust aims to advance for the public benefit education in the surrounding area of each school, offering a broad curriculum and an excellent education environment for its pupils. The Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Key performance indicators

Education

The Academy Trust continues to evolve and to adapt to the ever changing educational environment. The Trust is in its eleventh year of operation since conversion to an Academy Trust. The total number of pupils at October 2021 (including Holyhead and Waseley hills who joined after this date) was 6,233 increased to 6,305 in October 2022.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

Key Stage 1

Phonics Screening Check

- All pupils: All schools, except for Oldbury Park Primary School and Sutton Park Primary School, exceeded the national average for the percentage of all pupils meeting or exceeding the expected standard in the phonics screening check in Year 1.
- Disadvantaged pupils: Only Arrow Valley First School exceeded the national average for the percentage of disadvantaged pupils meeting or exceeding the expected standard in the phonics screening check in Year 1

	% of all pupils meeting the expected standard	% of disadvantaged pupils meeting the expected standard
National average	75	62
Abbeywood First School	77	47
Arrow Valley First School	78	86
Oldbury Park Primary School	71	30
St Stephen's CofE First School	76	60
Sutton Park Primary School	64	43

Key Stage 1 National Curriculum Teacher Assessments

- Reading
 - All pupils: All schools exceeded the national average for the percentage of all pupils meeting or exceeding the expected standard in reading.
 - Disadvantaged pupils: Only Arrow Valley First School exceeded the national average for the percentage of disadvantaged pupils meeting or exceeding the expected standard in reading.

	% of all pupils meeting the expected standard	% of disadvantaged pupils meeting the expected standard
National average	67	51
Abbeywood First School	74	50
Arrow Valley First School	80	89
Oldbury Park Primary School	68	42
St Stephen's CofE First School	72	57
Sutton Park Primary School	67	30

- Writing
 - All pupils: All schools exceeded the national average for the percentage of all pupils meeting or exceeding the expected standard in writing.
 - Disadvantaged pupils: All schools, except for Sutton Park Primary School, exceeded the national average for the percentage of disadvantaged pupils meeting or exceeding the expected standard in writing.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

	% of all pupils meeting the expected standard	% of disadvantaged pupils meeting the expected standard
National average	58	41
Abbeywood First School	60	50
Arrow Valley First School	73	78
Oldbury Park Primary School	64	42
St Stephen's CofE First School	69	57
Sutton Park Primary School	60	20

• **Maths**

- All pupils: All schools exceeded the national average for the percentage of pupils meeting or exceeding the expected standard in maths.
- Disadvantaged pupils: All schools, except for Abbeywood First School and Sutton Park Primary School, exceeded the national average for the percentage of disadvantaged pupils meeting or exceeding the expected standard in writing.

	% of all pupils meeting the expected standard	% of disadvantaged pupils meeting the expected standard
National average	68	52
Abbeywood First School	70	40
Arrow Valley First School	93	89
Oldbury Park Primary School	76	58
St Stephen's CofE First School	69	57
Sutton Park Primary School	70	30

Key Stage 2 National Curriculum Teacher Assessments

- All pupils: All schools exceeded the national average for the percentage of all pupils meeting or exceeding the expected standard in reading, writing and maths (combined).
- Disadvantaged pupils: All schools exceeded the national average for the percentage of disadvantaged pupils meeting or exceeding the expected standard in reading, writing and maths (combined).

	% of all pupils meeting the expected standard	% of disadvantaged pupils meeting the expected standard
National average	59	43
Church Hill Middle School	72	77
Ipsley CofE Middle School	68	50
Oldbury Park Primary School	60	47
Sutton Park Primary School	83	78

Key Stage 4

- Progress: Two of the four secondary schools (Holyhead School and Arrow Vale School) had positive Progress 8 scores but two (Gospel Oak School and Waseley Hills High School) had negative ones.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

	Progress 8 scores
National average	59
Arrow Vale School	+0.26
Gospel Oak School	-0.78
Holyhead School	+0.06
Waseley Hills High School	-0.21

- **Attainment:** Attainment was mixed across the schools but the majority of schools exceeded the national average for the percentage of students achieving at least one qualification.

	% of students achieving 4+ in English and maths
National average	73
Arrow Vale School	64
Gospel Oak School	54
Holyhead School	66
Waseley Hills High School	69

	% of students achieving 5+ in English and maths
National average	50
Arrow Vale School	46
Gospel Oak School	36
Holyhead School	40
Waseley Hills High School	40

	% of students achieving at least one qualification
National average	97
Arrow Vale School	100
Gospel Oak School	96
Holyhead School	99
Waseley Hills High School	100

Key Stage 5

- **Progress:** Only Holyhead School had a positive Progress Score for A Level qualifications.

	Progress 8 scores
National average	0.00
Arrow Vale School	-0.43
Gospel Oak School	-0.06
Holyhead School	+0.14
Waseley Hills High School	-0.37

- **Attainment:** Attainment was mixed across the schools and only Waseley Hills High School exceeded the national average for the percentage of students achieving A*-E grades.

	% of students achieving A*-E grades
National average	98.4
Arrow Vale School	97.7
Gospel Oak School	87.3
Holyhead School	98.2
Waseley Hills High School	98.8

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

Strategic report (continued)

Achievements and performance (continued)

Financial Key Performance Indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £3,634,000 (2021: £1,107,000). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 6,305 which is an increase of over 1% from the previous equivalent census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 80.4% (2021: 82.5%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 80.7% (2021: 81.7%).

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Promoting the success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the everchanging educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) and recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Trust Handbook.

Our people

The Trust's key asset is its people. It employs c.863 staff, and it is only through the combined effort of our staff, together with our supporters and volunteers, that we can change the lives of the children under our care. The Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

Trustees engage with the Members through timely communication from the Chair of Trustees and the Executive Principal (CEO). Members engage thoughtfully in those activities reserved to them such as the change of name process and ensure that the Trustees appointed and re-appointed during the year have the skills and experience required by the Trust Board. Communication and probity are further enhanced by one Member also sitting on the Board of Trustees.

Maintaining a reputation for high standards

The Academy Trust is in its tenth year of operation since conversion to an Academy Trust, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The trust is a DfE approved sponsor which demonstrates recognition in our strong school improvement track record and in our moral and ethical stance on improving schools in challenging circumstances. Most schools that have been in the trust for four years or more have demonstrated strong results improvements since joining the trust, with increasing pupil numbers and applications by pupils to attend the schools. Those that have been in the trust for over six years are all heavily oversubscribed schools, having joined the trust with cohorts of pupils lower than the Pupil Admission Numbers (PAN). The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities. For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants and the net assets transferred from academies joining the Trust in the year) was £37,125,000 (2021: £24,743,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £36,011,000 (2021: £24,384,000), resulting in a net operating surplus for the year of £1,114,000 (2021: £359,000).

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

The Academy Trust achieved a favorable in year position with the additional of an ongoing Supplementary Fund provided by the ESFA from April 22. The 5-month effect of this funding in 2021/22 was £440,000 unbudgeted for the Trust. The intention of this additional funding is to begin to restore school funding to 2010 levels in real terms and support the agenda for the starting teaching salaries of £30,000 by September 2023. Much of this additional funding was transferred into reserves at the 31 August 2022 in readiness for the cost pressures and teacher awards expected at 2.75% (higher for main scale in readiness for the higher starting salary the following year) which is expressed as year-end surplus. The actual awards finalized were 5%+ with the economy under much pressure and now officially in recession at signature date.

With the net operating funds transferred from academies joining the Trust in the year of £1,413,000, the balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £3,634,000 (2021: £1,107,000).

The net book value of fixed assets at 31 August 2022 was £74,120,000. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Land, buildings, other assets and the LGPS deficit were transferred to the Academy Trust from the academies joining the Trust during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £15,298,000. The details of the net assets transferred and the basis of their valuations are set out in Note 30 to the financial statements.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £5,250,000 (2021: £15,520,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in note 25 to the financial statements.

The key financial policies reviewed and adopted during the period included the Scheme of Delegation, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Executive Principal, Principals, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Finance Policy and Procurement Policy.

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the Academy Trust's future plans, the uncertainty over future income streams and other key risks identified during the risk review.

Individual schools within the Trust are expected to set a budget each year using the GAG and other grants (e.g. Pupil Premium & Early Years Funding) and matching expenditure to that income. In year surplus expectations are depending on local factors but a positive cumulative reserve is actively encouraged ideally aiming towards five percent of income.

The Trust must ensure its schools, and as a whole, continue to meet the needs of all students, and the external pressures on standards, and finance, will at times impact on the contingent need for reserves in the future, in order to ensure the Trust continues to:

- deliver a breadth of curriculum for all students at all age ranges within the Trust;
- maintain or expand the capacity, quality and suitability of premises and facilities;
- ensure recruitment and retention of key personnel;
- be responsive to fluctuations in funding streams without compromising quality of education for children in the Trust; and
- be well positioned to enable growth of the Trust.

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

The Academy Trust's current level of operating reserves at 31 August 2022 is £3,634,000 (2021: £1,107,000), which is made up of restricted income reserves of £2,698,000 (2021: £484,000) and unrestricted funds of £936,000 (2021: 623,000). Although the current level of operating reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development of the Academy Trust, including the need to fund ongoing pay increases and energy cost increases across the sector and the need to fund ongoing capital projects and developments.

The value of the restricted fixed asset fund at 31 August 2022 is £75,194,000 (2021: £55,055,000) which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by disposing of the associated tangible fixed assets or by utilising the amounts of unspent capital grants in line with the terms and conditions of those grants.

The pension reserve fund has a deficit balance at 31 August 2022 of £5,250,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. Where cash flow allows, excess sums may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community. The impact of COVID-19 has shaped the planning and investment needs in order to mitigate impact.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. There is a designated safeguarding governance lead on the trust Board and each Local Academy Governing Board, and a designated Trust Lead for Safeguarding who runs the Trust Safeguarding CoDesign Team, which has the Designated Safeguarding lead from each school in attendance.

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

During lockdown particular focus was given by leaders to ensure every child was safe and well in the period where home learning was required.

Local Governors receive the statutory annual reports for safeguarding, and for Looked After Children, and these are drawn into a trust-wide report for scrutiny and challenge by the Trust Board.

Financial

The Academy Trust has considerable reliance on continued Government funding through the year. In the year, approximately 96% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority from other academies joining the Trust) was ultimately Government funded. The economic pressure from energy cost increases and higher than budgeted pay awards with no additional funding is being monitored within financial forecasts reviews.

Continuing increases in other employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Schemes, National Insurance and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure high quality Talent Acquisition, Continued Personal Development, Career Progression and Promotion via integrated succession planning.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Teresa Kristunas as internal auditor to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust.

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

Fundraising (continued)

The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the Trust would be applicable if so.

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	7,853,351	6,317,128
Energy consumption breakdown (kWh):		
Gas	5,414,373	4,546,387
Electricity	2,384,271	1,769,957
Transport fuel	54,706	784
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	974	923
Owned transport	14	2
Total scope 1	<u>988</u>	<u>925</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>461</u>	<u>376</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>4</u>	<u>2</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>1,453</u>	<u>1,303</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.23</u>	<u>0.43</u>

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.
- The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector

Measures taken to improve energy efficiency

- Faulty light fittings are being replaced with LED fittings
- Use of virtual platforms for meetings to reduce fuel consumption

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

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future period is continuation of the Central Trust structures following growth, seeking efficient and effective ways to support all our member schools and pupils.

The Strategic plan for 2021/2022 onwards lays out the mission, vision and values of the Trust, as well as 4 strategic objectives.

Mission, Vision and Values

Mission:

To promote opportunity and social justice for every child through exceptional schools.

Vision

What CRST hopes to achieve:

As a trust founded by The Royal Society of Arts, our exceptional schools work together to create learning that is inspirational for all: igniting imagination and enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing their knowledge, attributes, skills and networks for success and fulfilment. In our empowered communities, everything is possible and aspirations are high. Outcomes are highly impressive.

Values

The ethics and drivers of CRST:

<u>Integrity</u> Integrity in everything we do, in our leadership and practice, in our approach and in the ways we build the character of our children.	<u>Excellence</u> Excellence in leadership, teaching and learning, resulting in excellent outcomes for every child.	<u>Creativity</u> Creativity is fostered to encourage powerful thinking into practical action.	<u>Community</u> Building empowered communities and networks where everything is possible and aspirations are high.	<u>Respect</u> Respect for others is intrinsic in all our behaviours and ensures we embrace all strands of inclusion.
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Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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

Auditor

Cooper Parry Group Limited have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E. Griffiths', with a stylized flourish at the end.

E Griffiths
Chair of Trustees

CENTRAL REGION SCHOOLS TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 5 times during the year despite the impact of COVID-19 and lockdown, with one additional Strategy meeting. All meetings were virtual.

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

Trustee	Meetings attended	Out of a possible
E Griffiths, Chair of Trustees	5	5
W Adams	4	5
S Bates	2	2
D Bradley	3	3
W Chikowore	2	2
J Howard	3	3
J Howells	2	2
E Keates, Vice Chair	5	5
O MacSherry	3	5
Dr N Clifford	5	5
J Stephenson	3	4
M Chowdhury	2	5
J Woodcock (nee Townshend)	3	5

The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust. The Trust Board plans to undertake a skills audit in the coming academic year 2022-2023, with an external review of governance to be discussed in the Summer Term 2023.

The Board of Trustees met five times during the year with an additional designated Strategy meeting. The Trustees have maintained effective financial oversight and governance through the formal work undertaken by the Finance and Resources Committee and the Audit Risk and Standards Committee as detailed further below. These are sub-Committees of the Board of Trustees which met, 2, 3 and 4 times respectively during the year. The minutes of their meetings are provided to the full Board of Trustees. The Chairs of the sub-Committees report to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, Local Governors and employees of the Academy Trust and all Members, Trustees and is available to view through the Trust policy portal.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In line with the policy, all Members, Trustees, Local Governors and senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests for Trustees and Senior Leadership team is maintained by the Head of Governance; the register is planned for review at the Audit & Risk committee in Autumn Term 2022/23, with business interest declarations a standing item on all Trust Board, Committee and LAGB agendas throughout the academic year. The registers of interests for each LAGB is maintained by the Governance Professional for the schools and shared on the schools website as statutory compliance. The Academy Trust's finance team monitor in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

The Finance and Resources Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
O MacSherry	4	4
W Chikowore	1	1
J Stephenson	4	4
A Wood (Non trustee)	4	4

The Finance and Resources Committee carried a vacancy in 2021-2022 and the Trust has been recruiting to fill the skills gaps while expert volunteer Committee members have assisted on the Finance and Resources Committee, offering the appropriate levels of scrutiny, support and challenge.

The key issue dealt with by the Finance and Resources Committee during the year was the review of the Academy Trust's 3-year financial forecasts and the actions required to address not only the expected funding lags expected over this period but also the financial impact of funding inflation, energy cost instability, pay awards and pension increases.

The Audit Risk and Standards Committee is also a sub-Committee of the Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It reports its findings to the full Board of Trustees and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr N Clifford	4	4
J Howells	2	2
E Chowdhury	3	4

The Committee met 4 times during the year with three Trustees as members of the Committee. The remit of the Committee was expanded from Audit and Risk to Audit Risk and Standards. The decision to divide the committee to Audit & Risk Committee and Standards Committee was made during summer term 2022 for September 2022 commencement. The key issue(s) dealt with by the Audit Risk and Standards Committee during the year was the review of the reports received from Chief Operating Officer, Chief Finance Officer and Internal and External Auditors in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Executive Principal (CEO) 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 achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- continuation of the Procurement & Contracts Manager post;
- use of DfE frameworks and CPC tendering to deliver savings on large procurements including a cross trust catering contract;
- continual review of service level agreements and contract renewal to enable cross trust alignment; and
- careful consideration of curriculum plans and implications on staffing budgets to ensure efficiency balanced with delivery.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Central Region Schools Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Teresa Kristunas

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Catering,
- Procurement,
- Budget – Setting & Monitoring,
- Monthly Financial Closedown & Transaction Sampling
- Gifts & Hospitality,
- Grants & Restricted Income
- Recruitment & Selection,
- GDPR/Data Protection Act 2018, and
- Internal Controls Checklist.

On a termly basis, the auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The reviewer has delivered their program of work during the year ended 31 August 2022 as planned and no significant internal control weaknesses were identified from the work completed.

Review of effectiveness

As accounting officer, the Executive Principal (CEO) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the 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; and
- the work of the external auditor;

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on their behalf by:



E Griffiths
Chair of Trustees



G Shears
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Central Region Schools Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2021.

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



G Shears
Accounting Officer

Date: 14 December 2022

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:



E Griffiths
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL REGION SCHOOLS TRUST**

Opinion

We have audited the financial statements of Central Region Schools Trust (the 'Academy Trust') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL REGION SCHOOLS TRUST (CONTINUED)**

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

CENTRAL REGION SCHOOLS TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL REGION SCHOOLS TRUST (CONTINUED)**

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.

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

Our assessment focused on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

CENTRAL REGION SCHOOLS TRUST

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL REGION SCHOOLS TRUST (CONTINUED)**

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

20 December 2022

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 5 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Region Schools Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Central Region Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Central Region Schools Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the Academy Trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and Detailed testing of;

CENTRAL REGION SCHOOLS TRUST

(A company limited by guarantee)

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

- The income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 20 December 2022

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer on conversion		-	-	-	-	1,824
Transfer from existing academies		162	(7,175)	22,311	15,298	-
Other		-	(8)	1,068	1,060	1,419
Other trading activities	5	785	-	-	785	342
Investments	6	1	-	-	1	1
Charitable activities	4	-	36,147	-	36,147	24,163
Teaching schools	31	-	200	-	200	216
Total income		948	29,164	23,379	53,491	27,965
Expenditure on:						
Raising funds	7	635	-	-	635	353
Charitable activities	7,8	-	37,507	3,240	40,747	26,731
Teaching schools	7,31	-	91	-	91	117
Total expenditure		635	37,598	3,240	41,473	27,201
Net income/(expenditure)		313	(8,434)	20,139	12,018	764
Net movement in funds before other recognised gains/(losses)		313	(8,434)	20,139	12,018	764
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	20,918	-	20,918	(1,606)
Net movement in funds		313	12,484	20,139	32,936	(842)

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Reconciliation of funds:						
Total funds brought forward	18	623	(15,036)	55,055	40,642	41,484
Net movement in funds		313	12,484	20,139	32,936	(842)
Total funds carried forward	18	<u>936</u>	<u>(2,552)</u>	<u>75,194</u>	<u>73,578</u>	<u>40,642</u>

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

The notes on pages 38 to 66 form part of these financial statements.

CENTRAL REGION SCHOOLS TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 08166526

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	14	74,120	54,106
Current assets			
Debtors	15	1,784	1,238
Cash at bank and in hand		7,167	3,464
		<u>8,951</u>	<u>4,702</u>
Creditors: amounts falling due within one year	16	(4,225)	(2,646)
Net current assets		<u>4,726</u>	<u>2,056</u>
Creditors: amounts falling due after more than one year	17	(18)	-
Net assets excluding pension liability		<u>78,828</u>	<u>56,162</u>
Defined benefit pension scheme liability	25	(5,250)	(15,520)
Total net assets		<u><u>73,578</u></u>	<u><u>40,642</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	75,194	55,055
Restricted income funds	18	2,698	484
Pension reserve	18	(5,250)	(15,520)
Total restricted funds	18	<u>72,642</u>	<u>40,019</u>
Unrestricted income funds	18	<u>936</u>	<u>623</u>
Total funds		<u><u>73,578</u></u>	<u><u>40,642</u></u>

The financial statements on pages 34 to 66 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:



E Griffiths
Chair of Trustees

The notes on pages 38 to 66 form part of these financial statements.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	3,577	805
Cash flows from investing activities	21	126	264
Change in cash and cash equivalents in the year		3,703	1,069
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		3,464	2,395
Cash and cash equivalents at the end of the year	22, 23	<hr/> 7,167 <hr/>	<hr/> 3,464 <hr/>

The notes on pages 38 to 66 form part of these financial statements

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 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.

• **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 (GAG) is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

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

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

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

The estimated useful lives are as follows:

Leasehold land	- 125 years, being the period of the lease
Long-term leasehold property	- 50 years
Freehold property	- 50 years
Furniture and equipment	- 3 years to 10 years
Computer equipment	- 3 years
Motor vehicles	- 3 years

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.10 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Conversion to an academy trust / transfer from existing academies

The conversion from a state maintained school to an Academy Trust or the transfer of an existing Academy to the Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from the predecessor Academy Trust's for Holyhead School and Waseley Hills High School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 30.

1.14 Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 29.

CENTRAL REGION SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

1.16 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 the funders where the asset acquired or created is held for a specific purpose.

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Academy 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.

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2. Critical accounting estimates and areas of judgement (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgement:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Transfer from local authority on conversion	-	-	-	-	1,824
Donations	-	(8)	-	(8)	20
Capital Grants	-	-	1,068	1,068	1,399
Transfer from existing academies	162	(7,175)	22,311	15,298	-
Total 2022	162	(7,183)	23,379	16,358	3,243
Total 2021	-	(458)	3,701	3,243	

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4. Funding for the Academy Trust's charitable activities

	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants			
General Annual Grant (GAG)	30,813	30,813	19,356
Specific DfE/ESFA grants:			
Pupil Premium	2,003	2,003	1,309
Teachers' Pay grants	29	29	229
Teachers' Pension grants	82	82	688
Universal Infant Free School Meals	165	165	226
Supplementary grant	440	440	-
Other DfE/ESFA grants	493	493	400
	<hr/> 34,025	<hr/> 34,025	<hr/> 22,208
Other Government grants			
Other Government grants	91	91	461
Local Authority grants	1,608	1,608	1,038
	<hr/> 1,699	<hr/> 1,699	<hr/> 1,499
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	298
Mass Testing	-	-	131
Recovery Premium	251	251	-
School Led Tutoring grant	93	93	-
	<hr/> 344	<hr/> 344	<hr/> 429
COVID-19 additional funding (non-DfE/ESFA)			
Other COVID related funding	79	79	27
	<hr/> 36,147	<hr/> 36,147	<hr/> 24,163
	<hr/> 36,147	<hr/> 36,147	<hr/> 24,163
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	<hr/> <hr/> 24,163	<hr/> <hr/> 24,163	

The Academy Trust received £251,000 of COVID recovery premium funding in the year and costs incurred in respect of this funding totalled £251,000.

The Academy Trust also received £309,000 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £93,000, with the remaining balance of £216,000 included in creditors as this is subject to clawback from the ESFA.

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5. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	213	213	72
Catering income	185	185	24
Teaching and consultancy income	30	30	10
Nursery and WAC income	64	64	42
School trip income	105	105	22
Other income	188	188	172
	<u>785</u>	<u>785</u>	<u>342</u>

6. Investment income

	Total funds 2022 £000	Total funds 2021 £000
Short term deposits	<u>1</u>	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Expenditure on fundraising trading activities:					
Direct costs	498	-	137	635	353
Direct costs - Academies educational operations:					
Direct costs	24,045	-	2,103	26,148	17,781
Allocated support costs	6,326	3,801	4,471	14,598	8,950
Teaching school	-	-	91	91	117
	<u>30,869</u>	<u>3,801</u>	<u>6,802</u>	<u>41,472</u>	<u>27,201</u>
Total 2021	<u>20,724</u>	<u>3,203</u>	<u>3,274</u>	<u>27,201</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Educational operations	26,148	14,598	40,746	26,731
Total 2022	<u>26,148</u>	<u>14,598</u>	<u>40,747</u>	<u>26,731</u>
Total 2021	<u>17,781</u>	<u>8,950</u>	<u>26,731</u>	

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

Analysis of support costs

	Educational operations 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Pension	418	418	230
Staff costs	6,326	6,326	3,857
Depreciation	3,241	3,241	1,806
Technology costs	378	378	349
Premises costs	2,172	2,172	1,337
Other support costs	1,866	1,866	1,230
Governance costs	192	192	139
Donations	5	5	2
	<u>14,598</u>	<u>14,598</u>	<u>8,950</u>

Legal costs in the year relating to academy conversions and transfers totals £Nil (2021: £9,500).

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	93	101
Depreciation of tangible fixed assets	3,241	1,806
Fees paid to auditor for:		
- audit	20	16
- other services	15	10
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	21,080	14,802
Social security costs	2,170	1,402
Pension costs	6,646	4,094
	<hr/> 29,896	<hr/> 20,298
Agency staff costs	953	269
Staff restructuring costs	20	157
	<hr/> 30,869	<hr/> 20,724
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2022 £000	2021 £000
Redundancy payments	-	108
Severance payments	20	26
Actuarial Strain - pension	-	23
	<hr/> 20	<hr/> 157
	<hr/> <hr/>	<hr/> <hr/>

b. Severance payments

The Academy Trust paid 3 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	<hr/> 3
	<hr/> <hr/>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,001 (2021: £26,473). Individually the payments were: £1, £10,000 and £10,000 (2021: £204, £6,165, £1,915, £2,209, £2,297, £3,701, £4,084 and £5,897).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Teachers	352	248
Administration and support	435	343
Management	17	23
	<u>804</u>	<u>614</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	330	233
Administration and support	284	249
Management	17	23
	<u>631</u>	<u>505</u>

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	6	12
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	2	2
In the band £100,000 - £110,000	-	1
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,700,000 (2021: £1,242,000).

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

11. Central services

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

- human resources
- financial services
- legal services
- educational support services

The Academy Trust charges for these services on the following bases:

	2022	2021
Arrow Vale Secondary Academy	5.0%	5.0%
Ipsley CE Middle School	3.6%	3.6%
Church Hill Middle School	3.6%	3.6%
Abbeywood First School	3.0%	3.0%
Gospel Oak School	7.0%	7.0%
Sutton Park Primary School	3.0%	3.0%
Oldbury Park Primary School	3.5%	3.5%
St Stephen's CE First School	3.5%	3.5%
Arrow Valley First School	3.0%	3.0%
Waseley Hills High School (joined 1 November 2021)	5.0%	0.0%
Holyhead School (joined 1 January 2022)	0.5%	0.0%

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Arrow Vale Seconadary Academy	310	241
Ipsley CE Middle School	112	102
Church Hill Middle School	69	86
Abbeywood First School	28	29
Gospel Oak School	531	430
Sutton Park Primary School	23	25
Oldbury Park Primary School	46	49
St Stephen's CE First School	19	25
Arrow Valley First School	16	12
Waseley Hills High School	167	-
Holyhead School	27	-
Total	1,348	999

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £1,159 were reimbursed or paid directly to 6 Trustees (2021 - £NIL to no trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2021	-	76,281	2,569	2,837	3	81,690
Additions	-	87	491	365	-	943
Acquired on transfer	16,880	7,934	2,171	1,844	-	28,829
Disposals	-	-	-	(149)	-	(149)
At 31 August 2022	16,880	84,302	5,231	4,897	3	111,313
Depreciation						
At 1 September 2021	-	22,957	2,259	2,366	3	27,585
Charge for the year	228	2,136	477	400	-	3,241
Acquired on transfer	3,073	703	1,139	1,601	-	6,516
On disposals	-	-	-	(149)	-	(149)
At 31 August 2022	3,301	25,796	3,875	4,218	3	37,193
Net book value						
At 31 August 2022	13,579	58,506	1,356	679	-	74,120
At 31 August 2021	-	53,325	310	471	-	54,106

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2022 £000	2021 £000
Due within one year		
Trade debtors	119	171
Other debtors	413	215
Prepayments and accrued income	1,252	852
	<u>1,784</u>	<u>1,238</u>

16. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Other loans	4	-
Trade creditors	1,542	760
Other taxation and social security	568	353
Other creditors	763	518
Accruals and deferred income	1,348	1,015
	<u>4,225</u>	<u>2,646</u>

	2022 £000	2021 £000
Deferred income at 1 September 2021	363	209
Resources deferred during the year	304	363
Amounts released from previous periods	(363)	(209)
	<u>304</u>	<u>363</u>

Deferred income at the balance sheet date is represented by grant funds and other educational activities funds received in advance which relate to activities that will be undertaken during the year ending 31 August 2023.

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

	2022 £000	2021 £000
Other loans	<u>18</u>	<u>-</u>

Included within other loans is one Salix loan of £22,000 (2021: £Nil). This was inherited on the transfer of Holyhead School into the Trust. At 31 August 2022, there are 9 bi-annual repayments remaining, the loans are interest free.

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

18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds					
General Funds	623	948	(635)	-	936
Restricted general funds					
General Annual Grant (GAG)	245	32,064	(29,935)	-	2,374
Pupil Premium	-	2,003	(2,003)	-	-
Teaching School funding	215	200	(91)	-	324
Teachers' Pay grant	-	29	(29)	-	-
Teachers' Pension grant	-	82	(82)	-	-
Universal Infant Free School Meals	-	165	(165)	-	-
Local Authority grants	-	1,699	(1,699)	-	-
Catch-up premium	24	-	(24)	-	-
School Led Tutoring grant	-	93	(93)	-	-
Recovery premium	-	251	(251)	-	-
Other DfE/ESFA grants	-	493	(493)	-	-
Supplementary grant	-	440	(440)	-	-
Other restricted income	-	71	(71)	-	-
Pension reserve	(15,520)	(8,426)	(2,222)	20,918	(5,250)
	(15,036)	29,164	(37,598)	20,918	(2,552)
Restricted fixed asset funds					
Fixed assets transferred to the Trust	51,416	22,311	(2,759)	-	70,968
DfE Group capital grants	3,199	1,068	(331)	-	3,936
Donated assets	260	-	(50)	-	210
Capital expenditure from GAG	180	-	(100)	-	80
	55,055	23,379	(3,240)	-	75,194
Total Restricted funds	40,019	52,543	(40,838)	20,918	72,642
Total funds	40,642	53,491	(41,473)	20,918	73,578

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

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

The Pupil Premium funding must be used to support children from families on low income or children in care.

The Teaching School funds must be used for the operation of the Teaching School activities operated through the Academy Trust.

Other grants and income, which include other ESFA / DfE grants (including Universal Infant Free School Meal grants, Teacher Pay grants and Teachers' Pension grants), Supplementary grants, COVID- catch-up premium, COVID Recovery premium, Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds					
General Funds	632	344	(353)	-	623
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted general funds					
General Annual Grant (GAG)	-	19,356	(19,111)	-	245
Donations	-	20	(20)	-	-
Pupil Premium	-	1,309	(1,309)	-	-
Teaching School funding	116	216	(117)	-	215
Teachers' Pay grant	-	229	(229)	-	-
Teachers' Pension grant	-	688	(688)	-	-
Universal Infant Free School Meals	-	226	(226)	-	-
Other government grants	-	461	(461)	-	-
Local Authority grants	-	1,038	(1,038)	-	-
Catch-up premium	-	298	(274)	-	24
School Led Tutoring grant	-	131	(131)	-	-
Recovery premium	-	27	(27)	-	-
Other DfE/ESFA grants	-	399	(399)	-	-
Pension reserve	(12,428)	(478)	(1,008)	(1,606)	(15,520)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(12,312)	23,920	(25,038)	(1,606)	(15,036)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds					
Fixed assets transferred to the Trust	50,443	2,302	(1,329)	-	51,416
DfE Group capital grants	2,131	1,399	(331)	-	3,199
Donated assets	310	-	(50)	-	260
Capital expenditure from GAG	280	-	(100)	-	180
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	53,164	3,701	(1,810)	-	55,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted funds	40,852	27,621	(26,848)	(1,606)	40,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	41,484	27,965	(27,201)	(1,606)	40,642
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Arrow Vale Secondary Academy	(696)	(832)
Ipsley CE Middle School	681	362
Church Hill Middle School	867	513
Abbeywood First School	(41)	(90)
Gospel Oak School	2,012	1,406
Oldbury Park Primary School	(14)	(3)
St Stephen's CE First School	26	83
Arrow Valley First School	43	47
Teach Central (formerly Teaching School Alliance)	172	173
Holyhead School	1,121	-
Sutton Park Primary School	(18)	-
Waseley Hills High School	53	-
Central Trust funds	(572)	(552)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,634	1,107
Restricted fixed asset fund	75,194	55,055
Pension reserve	(5,250)	(15,520)
	<hr/>	<hr/>
Total	73,578	40,642
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Arrow Vale Secondary Academy	(696)
Abbeywood First School	(41)
Oldbury Park Primary School	(14)
Central Trust funds	(572)
Sutton Park Primary School	(18)
	<hr/> <hr/>

It is acknowledged by Trustees that unfunded growth in some of the schools causes a negative impact on reserves recorded in those settings. There has been improvement in the reserve position for Arrow Vale Secondary Academy who are recovering from a high period of unfunded growth. The DfE have rejected growth funding due to the financial stability of the Trust so therefore expect a trust view. Three primary phase schools have been supported through growth and stability and Abbeywood saw an improvement to position following a restructure in summer of 2021. The Central Trust funds balance has remained generally static.

The Trust are reviewing their approach to reserve pooling through a dialogue with the executive team and local Boards during 22/23 with a view to adopt this as Trust policy by 31 August 2023.

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Arrow Vale Secondary Academy	3,410	599	416	616	5,041	4,776
Ipsley CE Middle School	2,291	332	180	358	3,161	3,191
Church Hill Middle School	1,360	170	130	208	1,868	1,759
Abbeywood First School	986	156	75	179	1,396	1,648
Gospel Oak School	5,169	806	403	1,067	7,445	7,368
Sutton Park Primary School	918	129	94	175	1,316	1,247
Oldbury Park Primary School	1,241	210	100	232	1,783	1,683
St Stephen's CE First School	626	129	92	118	965	902
Arrow Valley First School	653	128	64	170	1,015	392
Teach Central (formerly Teaching School Alliance)	-	-	88	3	91	117
Holyhead School	4,274	916	394	881	6,465	-
Waseley Hills High School	2,645	535	249	428	3,857	-
Central Trust funds	471	910	39	188	1,608	2,308
Academy Trust	24,044	5,020	2,324	4,623	36,011	25,391

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	74,120	74,120
Current assets	936	6,919	1,096	8,951
Creditors due within one year	-	(4,221)	(4)	(4,225)
Creditors due in more than one year	-	-	(18)	(18)
Provisions for liabilities and charges	-	(5,250)	-	(5,250)
Total	936	(2,552)	75,194	73,578

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	54,106	54,106
Current assets	623	3,130	949	4,702
Creditors due within one year	-	(2,646)	-	(2,646)
Provisions for liabilities and charges	-	(15,520)	-	(15,520)
Total	623	(15,036)	55,055	40,642

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income to net cash flow from operating activities

	2022 £000	2021 £000
Net income for the year (as per statement of financial activities)	12,018	764
Adjustments for:		
Depreciation	3,241	1,806
Capital grants from DfE and other capital income	(1,068)	(1,399)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	8,426	478
Defined benefit pension scheme cost less contributions payable	1,804	778
Difference between pension charge and cash contributions	418	230
Increase in debtors	(546)	(253)
Increase in creditors	1,574	704
Fixed assets transferred from Local Authority on school joining the Trust	-	(2,302)
Fixed assets transferred from existing academies into the Trust	(22,311)	-
Loans transferred from existing academies joining the Trust	22	-
Net cash provided by operating activities	3,577	805

21. Cash flows from investing activities

	2022 £000	2021 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(943)	(1,136)
Capital grants from DfE Group	1,068	1,399
Net cash provided by investing activities	126	264

22. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	7,167	3,464
Total cash and cash equivalents	7,167	3,464

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23. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	Transfer of loans into the Trust £000	At 31 August 2022 £000
Cash at bank and in hand	3,464	3,703	-	7,167
Debt due within 1 year	-	-	(4)	(4)
Debt due after 1 year	-	-	(18)	(18)
	<u>3,464</u>	<u>3,703</u>	<u>(22)</u>	<u>7,145</u>

24. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>73</u>	<u>-</u>

25. Pension commitments

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 West Midlands Pension Fund and Worcestershire County Council Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £574,000 were payable to the schemes at 31 August 2022 (2021 - £368,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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25. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £3,299,000 (2021 - £2,328,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,978,000 (2021 - £1,190,000), of which employer's contributions totalled £1,602,000 (2021 - £957,000) and employees' contributions totalled £ 376,000 (2021 - £233,000). The agreed contribution rates for future years are 21.5 - 22.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

West Midlands Pension Fund and Worcestershire County Council Pension Fund

	2022 %	2021 %
Rate of increase in salaries	4.05 - 4.30	3.85 - 4.30
Rate of increase for pensions	2.80 - 3.05	2.85 - 2.90
Discount rate for scheme liabilities	4.25 - 4.30	1.70

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

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

	2022 Years	2021 Years
Retiring today		
Males	21.2 - 22.6	21.6 - 22.7
Females	23.6 - 25.0	24.0 - 25.1
Retiring in 20 years		
Males	22.9 - 24.1	23.4 - 24.4
Females	25.4 - 27.0	25.8 - 27.1

Sensitivity analysis

West Midlands Pension Fund - change in defined benefit obligations:

	2022 £000	2021 £000
Discount rate -0.1%	392	424
Mortality assumption - 1 year increase	624	580
CPI rate +0.1%	334	378
Long term salary +0.1%	61	41

Worcestershire County Council Pension Fund - change in defined benefit obligations:

	2022 £000	2021 £000
Discount rate +0.1%	(308)	(368)
Mortality assumption - 1 year increase	300	554
CPI rate +0.1%	314	375
Long term salary +0.1%	22	33

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	17,382	11,298
Gilts	-	573
Corporate bonds	3,113	433
Property	2,022	862
Cash and other liquid assets	741	468
Other	1,587	1,804
Total market value of assets	24,845	15,438

The actual return on scheme assets was £(580,000) (2021 - £2,259,000).

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25. Pension commitments (continued)

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

	2022 £000	2021 £000
Current service cost	(3,406)	(1,742)
Interest income	413	217
Interest cost	(819)	(428)
Administrative expenses	(12)	(12)
Total amount recognised in the Statement of Financial Activities	(3,824)	(1,965)

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

	2022 £000	2021 £000
At 1 September	30,958	24,304
Current service cost	3,406	1,742
Interest cost	819	428
Employee contributions	376	233
Actuarial (gains)/losses	(21,911)	3,648
Benefits paid	(366)	(238)
Business combinations	16,813	841
At 31 August	30,095	30,958

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

	2022 £000	2021 £000
At 1 September	15,438	11,876
Interest on plan assets	413	217
Actuarial (losses)/gains	(993)	2,042
Employer contributions	1,602	957
Employee contributions	376	233
Benefits paid	(366)	(238)
Business combinations	8,387	363
Administrative expenses	(12)	(12)
At 31 August	24,845	15,438

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26. Operating lease commitments

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

	2022 £000	2021 £000
Not later than 1 year	373	93
Later than 1 year and not later than 5 years	812	157
Later than 5 years	7	-
	<hr/> 1,192 <hr/>	<hr/> 250 <hr/>

27. Members' liability

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

28. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds on behalf of the ESFA. In the accounting period ended 31 August 2022, the Trust received £46,000 (2021: £26,000) and disbursed £24,000 (2021: £18,000) from the fund. An amount of £37,000 (2021: £15,000) is included in creditors relating to the undistributed funds that are repayable to the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS
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30. Transfer of existing academies into the Academy Trust

Waseley Hills High School

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Long-term leasehold property	7,231	-	7,231
Furniture and equipment	24	-	24
Computer equipment	2	-	2
Current assets			
Debtors due within one year	68	(17)	51
Cash at bank and in hand	318	-	318
Liabilities			
Creditors due within one year	(177)	-	(177)
Pensions			
Pensions - net pension scheme liabilities	(1,901)	(25)	(1,926)
Net assets	<u>5,565</u>	<u>(42)</u>	<u>5,523</u>

Holyhead School

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Freehold property	13,807	13,807
Furniture and equipment	808	808
Plant and machinery	197	197
Computer equipment	241	241
Current assets		
Debtors due within one year	352	352
Cash at bank and in hand	1,305	1,305
Liabilities		
Creditors due within one year	(415)	(415)
Creditors due after one year	(20)	(20)
Pensions		
Pensions - net pension scheme liabilities	(6,500)	(6,500)
Net assets	<u>9,775</u>	<u>9,775</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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31. Teaching school trading account

	2022 £000	2022 £000	2021 £000	2021 £000
Income				
Direct income				
NCTL Income	-		111	
Other direct income	200		105	
	<hr/>		<hr/>	
Total direct income	200		216	
Other income				
Total income		200		216
Expenditure				
Direct expenditure				
Other direct costs	88		8	
Other expenditure				
Other support costs	3		109	
Total expenditure		91		117
		<hr/>		<hr/>
Surplus from all sources		99		99
Teaching school balances at 1 September 2021		215		116
		<hr/>		<hr/>
Teaching school balances at 31 August 2022		<u>314</u>		<u>215</u>