

CENTRAL ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

Company Limited by Guarantee
Registration Number: 08425914
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	<p>R Hobbs (resigned 7 December 2022)</p> <p>A Gurr (appointed 1 September 2022)</p> <p>R Brown (appointed 1 September 2022, resigned 29 September 2023)</p> <p>S Whitby (appointed 1 September 2022)</p> <p>V Biffin (appointed 8 March 2023)</p> <p>A Evans (appointed 8 December 2022)</p>
Trustees	<p>H J Ward, Chair</p> <p>G R Smith, Chief Executive Officer & Member of Audit & Risk Committee</p> <p>T Snaith, Member of Audit & Risk Committee</p> <p>P Orrill</p> <p>E Johnson</p> <p>S Bibby (appointed 1 September 2022, resigned 30 October 2022)</p> <p>J Davenport (appointed 1 September 2022)</p> <p>J Brooks (appointed 1 September 2022)</p> <p>J Nason (appointed 1 September 2022, Chair of Audit & Risk Committee)</p> <p>N Khan, Member of Audit & Risk Committee (appointed 1 September 2022)</p> <p>P Kelly (appointed 1 September 2022)</p> <p>A Malek (resigned 25 March 2023)</p> <p>J Allen, Member of Audit & Risk Committee (resigned 30 June 2023)</p> <p>I Richardson (resigned 30 June 2023)</p> <p>F Ahmedabadi-Patel, Member of Audit & Risk Committee (appointed 1 September 2023)</p>
Company Registration Number	08425914
Company Name	Central England Academy Trust
Principal and Registered Office	<p>Morris Drive</p> <p>Nuneaton</p> <p>Warwickshire</p> <p>CV11 4QH</p>
Company Secretary	B Elliott (appointed 1 September 2022)
Senior Management Team	<p>G Smith, Chief Executive Officer</p> <p>J Roberts, Headteacher, Oak Wood Primary School</p> <p>Nick Haddon, Headteacher, Higham Lane School (appointed 1 September 2022, resigned 30 April 2023)</p> <p>P Banks, Acting Headteacher, Higham Lane School (appointed 1 September 2022, role ceased 31 August 2023)</p> <p>M Gannon, Headteacher, Higham Lane School (appointed 1 September 2023)</p> <p>C Warren, School Business and Operations Director</p> <p>B Elliott, Chief Financial Officer (from 1 September 2022)</p> <p>M Pike, Headteacher Oak Wood Secondary School (resigned 30 April 2023)</p> <p>S Whiston, Headteacher, Oak Wood Secondary School (appointed 1 September 2023)</p>
Independent Auditor	<p>UHY Hacker Young (Birmingham) LLP</p> <p>9-11 Vittoria Street</p> <p>Birmingham</p> <p>B1 3ND</p>
Banker	<p>Lloyds Bank</p> <p>17/23 Coventry Street</p> <p>Nuneaton</p> <p>CV11 STD</p>

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates a mainstream 11-18 secondary school, a special primary school and a special secondary school in Nuneaton. As at 14 November 2023, there were 1,436 pupils on roll at Higham Lane School, 139 at Oak Wood Primary School and 167 at Oak Wood Secondary School.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

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

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Central England Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Central England Academy Trust.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

Central England Academy Trust has in place directors and trustees liability insurance indemnity cover to a limit of £5m.

Method of Recruitment and Appointment or Election of Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the company's Articles of Association. These include application, shortlisting and interview procedures. Consideration is given to the skills of trustees which would enhance the effectiveness of the Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new governors and trustees will depend on their experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new governors/trustees will be given a tour of the academies within the trust and have the chance to meet with staff and students. Governors/trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles. Health and safety and safeguarding induction is led by the School Business, Operations Director and a Safeguarding Lead. Other governors or trustees provide 'in-house' induction.

Governors/trustees are encouraged to participate in governor training, including induction, provided by Warwickshire Education Services and on the academies' own professional development days.

Governors/trustees are also expected to organise 'Learning Walks' and link visits whereby both new and existing Trustees spend investigative time in the schools tailored to their individual areas of responsibility and interest and linked to the academy's development and improvement plans.

Organisational Structure

The full board of trustees meets at least four times per year. The board establishes an overall framework for governance of the Academy and determines membership, terms of reference, and procedures of committees. It receives reports, including policies, from its committees for ratification. It delegates responsibility for the monitoring of performance and standards to secondary and primary governing committees and monitors the activities of the committees through the minutes of its meetings.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**STRUCTURE, GOVERNANCE AND MANAGEMENT (cont'd)****Arrangements for setting pay and remuneration of key management personnel**

The pay ranges for the CEO, Headteachers and Assistant/Deputy Headteachers are determined in accordance with the criteria specified in the STPCD and ensuring fair pay relativities. The Trustees of the Academy Trust appoint new leadership positions at the bottom point of the relevant pay range unless there are exceptional circumstances.

Each year the CEO's appraisal and target setting is carried out by a performance management committee comprising an external advisor and identified Trustees. Following this, recommendations will be made to the full board as to whether the CEO has met the previous targets set and agree targets for the next academic year. The new targets given to the CEO will inform the targets for all senior leaders for the next year. Following the completion of the academic year the CEO will hold an appraisal meeting with each individual senior leader to establish whether targets have been achieved. Based on this the CEO will then make recommendation to the Board as to whether or not the senior leader should be progressed within the range.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	1.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	Nil
51% - 99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Total cost of facility time	Nil
Total pay bill	14,866,000
Percentage of total pay bill spent on facility time	Nil

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	Nil
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All trade union meetings are typically arranged outside of school hours and no specific time is set aside for union officials during working hours. No costs relating to union official facility time is therefore incurred by the Trust.

OBJECTIVES AND ACTIVITIES**Objectives and Aims**

At Central England Academy Trust we value, respect, celebrate each other and promote diversity within a safe, supportive, nurturing environment to enable the very best learning from every pupil. Our Mission: Together We Grow to Transform Lives permeates throughout all schools within the Trust. Our Vision: CEAT will continue to grow to provide excellent educational and professional opportunities to benefit as many young people, staff and families as possible and meet the needs of our communities and Trust. Strapline: Serving the Heart of England reminds the Trust that achieving high standards requires a holistic approach involving the whole community: Trust staff, governors, trustees, parents, carers, professionals and support from the local community and beyond. Our Trust values encapsulates our Trust's ethos and beliefs:

- Collaboration (Better together)
- Aspiration (Be your best self)
- Equity (Fairness)
- Trust (Feeling safe)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Objectives and Aims (cont'd)**

Under its Articles of Association The Company's objects ("the Objects") are specifically restricted to the following:

- a) 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 ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age, who by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").
- b) To promote for the benefit of the inhabitants of Nuneaton and the surrounding area 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 the object of improving the condition of life of the said inhabitants.

How Academy leaders and Trustees promote school improvement

At Central England Academy Trust leaders have the children's safety, welfare and learning at the forefront of all decision-making. Each trustee overviews at least one aspect of the school's life, working as a strong team to improve learning and to raise standards. Pupil voice, through the School's Councils, and parent consultation, through meetings and surveys, mean that the whole school community is part of the consultation and decision-making process. The CEO works in conjunction with the headteachers to overview all aspects of the school community to identify priorities, plan and action developments for these and to closely monitor outcomes. The Local Governing Board for each school monitors school improvement priorities through regular visits to the school for meetings and learning walks; it also spends time on scrutiny of documentation and ensures that rigorous appraisal procedures of the Headteachers and staff is adhered to. The Trust have recently appointed a Trust and School Development Director who will take on this role from the start of the Spring Term.

Our skilled staff team has been able to take the school forward in a number of ways which has been and continues to be challenging due to the pandemic. The Trust achieved Gold for the Mental Health in Schools Award two years ago. The Staff Wellbeing Working Group has gone from strength to strength in supporting mental health across the Trust. They meet on a regular basis and have a range of initiative and strategies to promote good mental health. There is a weekly yoga class that runs for staff

The Trust is committed to:

- Ensuring our recruitment process is inclusive and accessible;
- Communicating and promoting vacancies;
- Offering an interview to disabled people who meet the minimum criteria for the job;
- Anticipating and providing reasonable adjustments as required; and
- Supporting any existing employee who acquires a disability or long-term Health condition, enabling them to stay in work at least one activity that will make a difference for disabled people.

Public Benefit

The Members confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**OBJECTIVES AND ACTIVITIES (cont'd)****CEAT Priorities 2022-23**

To maximise individual potential CEAT will prioritise:

1 Quality of Education

- Ensure outstanding outcomes in all schools through the implementation of a well-planned, inclusive and aspirational curriculum with strong teaching and learning .
- Deploy the workforce effectively for maximum impact in the classroom.
- Maximise the effectiveness of Teaching Assistants.

2 Behaviour and Attitudes

- Develop Trust Relational Procedures to ensure outstanding behaviour across the schools through developing proactive strategies that will both meet school requirements and the individual needs of young people.

3 Personal Development

- Develop learning opportunities for pupils to work on joint projects across the schools and access facilities and business opportunities within the local community and beyond.

4 Leadership and Management

- Develop and deliver a 5-year MAT Growth Plan.
- Develop Trust Central Support Services (business and education) through strengths-based and collaborative approaches .
- Increase revenue through grants and bids.
- Building projects (Higham Lane North Academy, Oak Wood Primary extension, Oak Wood Secondary Sixth Form Centre).

5 Safeguarding and Wellbeing

- Further develop good practice effectively supporting the mental health and wellbeing of pupils and staff post-COVID.
- Aligned approach to safeguarding across the Trust including joint projects.
- Integrated approach to safeguarding, behaviour management, pastoral and SEND.

STRATEGIC REPORT**Achievements and performance**

Oak Wood Primary and Oak Wood Secondary School were both inspected by Ofsted in the Autumn Term of 2023.

Both schools were again judged as good.

The Progress 8 score, a key national benchmark, for the 2022-23 cohort for Higham Lane School was +0.57. This puts the School in the top 6% of schools nationally based on this metric.

The Trust continues to explore possibilities for growth.

Outreach led by Jen Roberts, Trust Outreach Lead and Oak Wood Primary School Headteacher, has gone from strength to strength and it has been very popular amongst local schools. Projects have ranged from whole school staff training to individual pupil support.

Key performance indicators

	2023	2022
Pupil numbers	1,742	313
Staff costs as % of total revenue grant income	93%	94%
Staff costs as % of total costs	80%	84%
Capital expenditure per pupil	321	1,038
Net Current Assets	3,236,000	2,468,000
Net Assets	18,664,000	6,927,000

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Going concern**

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust 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.

FINANCIAL REVIEW**Reserves policy**

The Trustees review the level of reserves of the Academy 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 Academy held fund balances at 31 August 2023 of £18,664,000 (2022 : £6,927,321) consisting of £17,716,000 (2022 : £2,151,672) restricted funds and £948,000 (2022 : £316,225) unrestricted funds. Included in restricted funds is an amount of £15,535,000 (2022 : £5,319,424) invested in fixed assets and a pension reserve of £Nil (2022 : £860,000 deficit).

Investment policy

Investments must be made only in accordance with written procedures written by the Board of Trustees. All investments must be recorded in sufficient detail to identify the cost and description of the investment, the date of purchase and a calculation of current market value.

Principal risks and uncertainties

The principal risks to the Academy, as for most educational establishments, include failure to maintain and improve standards of pupils' achievements and their personal development and welfare resulting in damage to reputation. Both of these areas could ultimately result in a decline in student numbers which would have a detrimental impact on funding for the Trust.

Control measures have been put in place with the aim to mitigate and/or minimise these risks.

The presence of RAAC concrete in buildings became a national issue in August for many schools and the wider public sector. Given the period over which RAAC was commonly used as well as the ages of the vast majority buildings of the schools in the Trust, it was unlikely that RAAC would be found. From the work undertaken by the external investigations commissioned by the Department for Education, no RAAC concrete has been found. The Trust sees Estates Management becoming a more prominent national issue in the education sector in future years.

The Trust has a full risk assessment in place which is updated on a regular basis to take into account the COVID-19 pandemic, alongside the risk register and emergencies, incidents and business continuity plan.

Fundraising

The majority of the Academy Trust's income is provided by the government, either local or national. Oak Wood Schools have a Fundraising Committee which has been resurrected following the pandemic. The Trust intends to commission a fundraising consultant this forthcoming academic year.

Plans for the future periods

- Further outreach provision and grow the MAT;
- Grow the MAT with a view of attracting local mainstream schools in the first instance;
- To embed the curriculum programmes and initiatives; and

Funds held as custodian on behalf of others

Central England Academy Trust does not administer the funds of another entity as its agent or as custodian trustee.

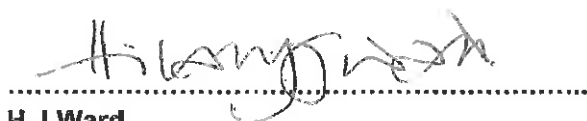
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Auditors**

Insofar as the Trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 20 December 2023 and signed on its behalf by:



H J Ward

Chair of Trustees

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Central England Academy 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 Chief Executive Officer, 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 England Academy 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
H J Ward, Chair	4	4
G R Smith, CEO & Member of Audit & Risk Committee	4	4
J Brooks	4	4
P Orrill	4	4
J Allen	0	4
T Snaith, Member of Audit & Risk Committee	4	4
I Richardson	2	4
J Davenport	2	4
E Johnson	4	4
P Kelly	2	4
N Khan, Member of Audit & Risk Committee	3	4
J Nason, Member of Audit & Risk Committee	2	4
A Malek	1	2
S Bibby	1	2

The above board of trustees are responsible for the financial aspects of the governance of the academy trust.

Conflicts of Interest

It is important that the Trust recognises conflicts of interest when they arise and ensures that these are managed appropriately. In order to comply with this, the Trust follows a 3 step approach:

- identify a conflict of interest
- deal with a conflict of interest
- record a conflict of interest

In following the above, this means that trustees are ensuring that they are acting in the best interest of the Trust should any conflicts arise.

Meetings

The Audit & Risk Committee is also a sub-committee of the main board of Trustees. Its purpose is to support:

- the Chief Executive in his role as Accounting Officer
- the work of the Chief Finance Officer (CFO)
- the Trustee Board in its responsibility for ensuring the adequacy of risk management, internal control and governance arrangements and that public funds are used efficiently and effectively.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a Possible
G Smith	2	3
J Allen	-	3
N Khan	2	3
T Snaith	3	3
F Ahmedabadi-Patel	-	-
J Allen	-	3
J Nason	2	3

Review of value for money

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

- Despite the pandemic and its long-lasting impacts on education, Higham Lane School has delivered an excellent Progress 8 score of +0.57, placing it in the top 6% of schools nationally.
- During the 2022/23 year, the Trust successfully obtained a CIF grant to replace doors and windows to support compliance.
- 2022/23 has been the first year of Higham Lane School joining the Trust. This has meant each of the schools have been able to work together on new contracts, initiatives and sharing staff.

The purpose of the system of internal control

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

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023**The risk and control framework (cont'd)**

- regular reviews by the Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guideline
- identification and management of risks

The Board of Trustees has decided to employ Warwickshire County Council as internal auditor.

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

- ICT Security and cybercrime
- Financial oversight
- Financial plans and financial health

On an annual basis, the internal auditor reports to the board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares a summary report to the committee outlining areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The academy trust has confirmed that the appointee has delivered their schedule of work as planned and that no material control issues were noted as having arisen as a result of the work

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external 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;
- correspondence from the ESFA.

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

Approved by order of the members of the Board of Trustees on 20 December 2023 and signed on its behalf by:


.....
H J Ward
Chair of Trustees


.....
G R Smith
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Central England Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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



.....
G R Smith
Accounting Officer
20 December 2023

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

The trustees (who act as governors of Central England Academy Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy 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 the 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 20 December 2023 and signed on its behalf by:



H J Ward
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL ENGLAND ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023**Opinion**

We have audited the financial statements of Central England Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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 financial statements. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL ENGLAND ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the Strategic Report, and the Trustees Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters where 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 trustees' responsibilities statement set out on page 14, the trustees 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 Central England 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL ENGLAND ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Trust's legal advisors.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL ENGLAND ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)**Use of our report**

This report is made solely to the Central England 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 Central England 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 Central England Academy Trust's and the Central England Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Malcolm Winston****Senior Statutory Auditor****UHY Hacker Young (Birmingham) LLP, Statutory Auditor****9-11 Vittoria Street****Birmingham****B1 3ND****20 December 2023**

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO CENTRAL ENGLAND ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 19 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Central England Academy Trust and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Higham Lane School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Central England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Central England Academy Trust funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academy Trust Handbook extant from 1 September 2022 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Summary of the work undertaken was as follows:

- Analytical review of the Academy Trust's general activities are within the Academy Trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity,
- Review of the general control environment for the Academy Trust on financial statements and
- Sample testing of expenditure transactions to ensure the activity is permissible within the
- Confirmation that a sample of expenditure has been appropriately authorised in accordance

**INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON
REGULARITY TO CENTRAL ENGLAND ACADEMY TRUST AND THE EDUCATION AND
SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2023****Approach (con't)**

- Formal representations obtained from the board of trustees and the accounting officer
- Confirmation that any extra contractual payments such as severance and compensation
- Review of credit card expenditure for any indication of personal use by staff, principal or
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or
- Review of income received in accordance with the activities permitted within the Academy

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant****UHY Hacker Young (Birmingham) LLP****9-11 Vittoria Street****Birmingham****B1 3ND****20 December 2023**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023
(Including Income and Expenditure Account)

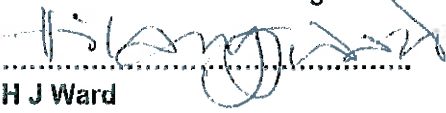
		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2023	2022
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Income from:						
Donations and capital grants	3	4	-	550	554	27
Transfer of academy into academy trust	3 & 31	979	8	10,268	11,255	-
Charitable activities:						
- Funding for the AcademyTrust's educational operations	4	9	15,955	-	15,964	7,099
Other trading activities	5	142	-	-	142	31
Investment income	6	80	-	-	80	-
Total		1,214	15,963	10,818	27,995	7,157
Expenditure on:						
Raising funds	7	5	-	-	5	15
Charitable activities:						
- Academy Trust's educational operations	7	577	17,077	1,006	18,660	7,974
Total		582	17,077	1,006	18,665	7,989
Net income/(expenditure)		632	(1,114)	9,812	9,330	(832)
Transfers between funds	17	-	(404)	404	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	26	-	2,407	-	2,407	7,056
Net movement in funds		632	889	10,216	11,737	6,224
Reconciliation of funds						
Total funds brought forward	17	316	1,292	5,319	6,927	703
Total funds carried forward	17	948	2,181	15,535	18,664	6,927

The notes on pages 24 to 46 form part of these financial statements.

BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	13	<u>16,016</u>	<u>5,319</u>
		<u>16,016</u>	<u>5,319</u>
Current assets			
Debtors	14	492	399
Cash at bank and in hand	22	<u>3,527</u>	<u>2,419</u>
		<u>4,019</u>	<u>2,818</u>
 Creditors: Amounts falling due within one year	15	<u>(783)</u>	<u>(350)</u>
Net current assets		<u>3,236</u>	<u>2,468</u>
 Total assets less current liabilities		<u>19,252</u>	<u>7,787</u>
 Creditors: Amounts falling due after more than one year	16	(588)	-
 Net assets excluding pension liability		<u>18,664</u>	<u>7,787</u>
 Defined benefit pension scheme liability	26	-	(860)
 Total Net Assets		<u>18,664</u>	<u>6,927</u>
 Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	15,535	5,319
- Restricted income fund	17	2,181	2,152
- Pension reserve	17	-	(860)
Total restricted funds		<u>17,716</u>	<u>6,611</u>
 Unrestricted income fund	17	948	316
Total unrestricted funds		<u>948</u>	<u>316</u>
 Total Funds		<u>18,664</u>	<u>6,927</u>

The financial statements on pages 21 to 46 were approved by the trustees and authorised for issue on 20 December 2023 and signed on their behalf by:



 H J Ward
 Chair of Trustees

The notes on pages 24 to 46 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities	19	1,346	275
Cash flows from investing activities	20	(33)	(302)
Cash flows from financing activities	21	(205)	-
Change in cash and cash equivalents in the reporting period		<u>1,108</u>	<u>(27)</u>
 Cash and cash equivalents at 1 September	22	2,419	2,446
Cash and cash equivalents at 31 August	23	<u>3,527</u>	<u>2,419</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**1 Statement of Accounting Policies**

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Central England Academy Trust meets the definition of a public benefit entity under FRS 102.

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 net 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 donations and capital grant income to the net assets acquired. See note 31.

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 company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 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 period is deducted from income and recognised as a liability.

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

• Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

• Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**1 Statement of Accounting Policies (cont'd)****• Other income**

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

• 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 stock 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'.

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

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.

Government Grants

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

Tangible Fixed Assets

Assets costing £1,500 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.

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

1 Statement of Accounting Policies (cont'd)**Tangible Fixed Assets (cont'd)**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

Long Term Leasehold Property	2%
Furniture and fixtures	10 - 15%
Computer equipment	33%
Motor vehicles	20%

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.

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.

Operating leases

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

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.

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

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.

Provisions

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

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

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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in notes 15 and 16. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**1 Statement of Accounting Policies (cont'd)****Taxation**

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). 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. The TPS is a 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 multi funded 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 the 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**1 Statement of Accounting Policies (cont'd)****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.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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

Critical areas of judgement

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below:

Depreciation and residual values

Tangible fixed assets are depreciated over the 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. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values, and plans to dispose of an asset before the previously expected date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023 (See note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2023 £'000	Total 2022 £'000
Devolved formula capital	-	-	53	53	23
CIF	-	-	394	394	-
Additional capital grants	-	-	103	103	-
Transfer of academy into academy trust (note 31)					
- Fixed assets donation	-	-	10,268	10,268	-
- Revenue funds unrestricted	979	-	-	979	-
- Revenue funds restricted	-	652	-	652	-
- LGPS pension deficit transferred	-	(644)	-	(644)	-
Donations	4	-	-	4	4
	<u>983</u>	<u>8</u>	<u>10,818</u>	<u>11,809</u>	<u>27</u>

The income from donations and capital grants was £11,809,000 (2022 : £27,000) of which £983,000 (2022 : £4,000) was unrestricted, £8,000 (2022 : £Nil) restricted and £10,818,000 (2022 : £23,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	9,427	9,427	2,550
Post 16-19 core grant funding	-	1,600	1,600	550
Rates relief grant	-	29	29	-
Other DfE/ESFA Grants				
Pupil premium grant	-	358	358	143
Teachers pay grant	-	55	55	-
Teachers pension grant	-	192	192	199
UIFSM grant	-	15	15	16
PE sports grant	-	17	17	17
Supplementary Grant	-	213	213	-
New School Opening Grant	-	30	30	-
National tutoring programme	-	34	34	5
Mainstream School Additional Grant	-	104	104	-
Other DfE/ESFA Grants	-	86	86	13
	<u>-</u>	<u>12,160</u>	<u>12,160</u>	<u>3,493</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS (Cont'd)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Other Government grants				
Special educational needs grant	-	3,437	3,437	3,133
Pupil premium grant	-	-	-	20
Supplementary grant	-	-	-	115
Other Grants	-	28	28	-
	-	3,465	3,465	3,268
COVID-19 DfE/ESFA additional funding				
Recovery premium	-	91	91	-
Catch up premium	-	39	39	33
Other DfE/ESFA COVID-19 funding	-	-	-	1
	-	130	130	34
Other income from the academy trust's educational operations				
Other income	9	200	209	304
	9	200	209	304
	9	15,955	15,964	7,099

The funding from the Academy Trusts's educational operations was restricted for both 2023 and 2022.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Lettings	39	-	39	26
Uniform Sales	-	-	-	5
Other Income	103	-	103	-
	142	-	142	31

The income from the Academy Trusts's other trading activities was unrestricted for both 2023 and 2022.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Bank interest received	80	-	80	-
	80	-	80	-

The income from the Academy Trusts's investment income was unrestricted for both 2023 and 2022.

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2023 £'000	Total 2022 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	5	5	15
- Allocated support costs	-	-	-	-	-
Academy's educational operations					
- Direct costs	11,717	-	879	12,596	6,024
- Allocated support costs	3,149	1,905	1,010	6,064	1,950
	14,866	1,905	1,889	18,660	7,974
	14,866	1,905	1,894	18,665	7,989

The expenditure was £18,665,000 (2022 : £7,989,046) of which £582,000 (2022 : £6,634) was unrestricted, £17,077,000 (2022 : £7,669,268) restricted and £1,006,000 (2022 : £313,144) restricted fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

7 EXPENDITURE (cont'd)

	Total 2023 £'000	Total 2022 £'000
Net (income)/expenditure for the year includes:		
Operating lease rentals	35	7
Depreciation	1,001	308
Loss on disposal of fixed assets	5	5
Fees payable to auditor for:		
- audit	14	11
- other services	4	3
	<u>14</u>	<u>3</u>

8 CHARITABLE ACTIVITIES

	Total 2023 £'000	Total 2022 £'000
Direct costs - educational operations	12,596	6,024
Support costs - educational operations	6,064	1,950
	<u>18,660</u>	<u>7,974</u>

Analysis of Support Costs

Support staff costs	3,150	1,045
Depreciation	1,001	308
Other support costs	839	237
Loss on disposal of fixed assets	5	5
Technology costs	48	59
Legal costs - conversion/transfer	7	-
Legal costs - other	12	-
Premises Costs	904	225
Governance costs	98	71
	<u>6,064</u>	<u>1,950</u>

9 STAFF COSTS

a Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	9,835	4,232
Social security costs	982	377
Pension costs	3,091	1,690
	<u>13,908</u>	<u>6,299</u>
Agency staff costs	910	402
Staff restructuring costs	48	-
	<u>14,866</u>	<u>6,701</u>

Staff restructuring costs comprise:

Redundancy payments	-	-
Severance payments	10	-
Other restructuring costs	38	-
	<u>48</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

9 STAFF COSTS (cont'd)**b Staff severance contractual and non contractual payments**

The academy trust paid 3 (2022:Nil) severance payments in the year, disclosed in the following bands:

	2023	2022
0 - £25,000	2	-
£25,001 - £50,000	1	-
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-
£150,000+	-	-

c Special staff severance non contractual payments

Included in staff restructuring costs is 1 special severance payment totalling £9,500 (2022: £Nil). Individually, the payment was £9,500.

d Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2023 expressed as whole persons was as follows:

	2023	2022
Charitable Activities	No	No
Teachers	123	43
Administration and support - including Teaching Assistants	219	124
Management	12	10
	354	177

e Higher paid staff

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

	No	No
£60,001 - £70,000	8	3
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£110,000 - £120,000	1	-

f Key management personnel

The key management 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 £1,428,546 (2022 : £802,278).

10 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 including technology/ICT provision
- non education supplies and services including technology/ICT provision

The academy trust charges for these services on the following basis:

The charge to the two Oak Wood schools has remained on the same basis in 2022-23 as in the prior year, with the exception of a one-off charge to fund capital expenditure incurred by the Central Function. Similarly, Higham Lane School has continued to pay for the services described above on the same basis as it has in previous academic years. Such an approach was agreed as part of Higham Lane School joining the Trust. A revised central service recharge has been established for the 2023-24 academic year for each of the schools which reflects their usage of the central service provision.

The Trust is expected to grow over the coming years and the methodology used for the central service charge will be kept under review.

The amounts charged during the year were as follows:

	2023 £'000	2022 £'000
Oak Wood Primary School	198	117
Oak Wood Secondary School	232	143
Higham Lane School	-	-
	<u>430</u>	<u>260</u>

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The chief executive officer and other staff trustees receive remuneration in respect of their contracts of employment as chief executive officer and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

	2023	2022
G R Smith (Chief Executive Officer and Trustee)		
Remuneration	£115,000 - £120,000	£100,000 - £105,000
Employers pension contributions	£25,000 - £30,000	£20,000 - £25,000

During the year ended 31 August 2023, expenses totalling £1,331 were reimbursed or paid directly to 2 Trustees (2022 - £94 to 1 Trustee). The expenses incurred were travel costs for attending a Trust conference and addressing a strategic matter on behalf of the Trust.

Other related party transactions including trustees are set out in note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

12 TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. 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.

13 TANGIBLE FIXED ASSETS

	Leasehold				Assets	
	Land & Buildings	Fixture & Fittings	Computer Equipment	Motor Vehicles	Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2022	5,555	833	506	53	-	6,947
Transfer of academy into academy trust	10,566	213	111	-	253	11,143
Additions	-	349	211	-	-	560
Disposals	-	(76)	(57)	-	-	(133)
At 31 August 2023	<u>16,121</u>	<u>1,319</u>	<u>771</u>	<u>53</u>	<u>253</u>	<u>18,517</u>
Depreciation						
At 1 September 2022	990	335	276	27	-	1,628
Charged in year	660	189	147	5	-	1,001
Disposals	-	(76)	(52)	-	-	(128)
At 31 August 2023	<u>1,650</u>	<u>448</u>	<u>371</u>	<u>32</u>	<u>-</u>	<u>2,501</u>
Net book value						
At 31 August 2023	<u>14,471</u>	<u>871</u>	<u>400</u>	<u>21</u>	<u>253</u>	<u>16,016</u>
At 31 August 2022	<u>4,565</u>	<u>498</u>	<u>230</u>	<u>26</u>	<u>-</u>	<u>5,319</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

	2023	2022
	£'000	£'000
14 DEBTORS		
Trade debtors	105	145
VAT recoverable	105	50
Other debtors	13	-
Prepayments and accrued income	269	204
	<u>492</u>	<u>399</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
CIF loan	187	-
Trade creditors	93	210
Accruals	378	92
Deferred income	125	48
	<u>783</u>	<u>350</u>

Deferred Income	2023	2022
	£'000	£'000
Deferred income at 1 September 2022	48	9
Resources deferred in	125	48
Amounts released from previous	(48)	(9)
Deferred income at 31 August 2023	<u>125</u>	<u>48</u>

At the balance sheet date the academy trust was holding funds received in advance for 2023/24 for universal free school meals £9,000 (2022:£10,000), the National Tutoring Programme £41,000 (2022:£39,000), Ski Trip £7,000 (2022:£Nil), Family support worker income £65,000 (2022:£Nil) and D of E £3,000 (2022:£Nil).

For terms of the CIF loan see note 16.

16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

	2023	2022
	£'000	£'000
CIF loan	588	-
	<u>588</u>	<u>-</u>

In 2016, Higham Lane School took out an ESFA funded CIF loan repayable over 10 years at an interest rate of 2.21% per year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

17 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2022	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds	£'000	£'000	£'000	£'000	£'000
General annual grant (GAG) (note i)	2,102	10,079	(9,596)	(404)	2,181
Post 16-19 core grant funding (note i)	-	1,600	(1,600)	-	-
Rates relief grant	-	29	(29)	-	-
Pupil premium grant (note ii)	-	358	(358)	-	-
Teachers pay (note vi)	-	55	(55)	-	-
Teachers pension (note vi)	-	192	(192)	-	-
UIFSM grant (note xiv)	-	15	(15)	-	-
PE sports grant	-	17	(17)	-	-
National tutoring programme	-	34	(34)	-	-
Covid catch up premium	-	39	(39)	-	-
Covid recovery premium	-	91	(91)	-	-
Other DfE/ESFA	-	86	(86)	-	-
Other LA grants	50	28	(78)	-	-
LA Pupil premium grant	-	3,437	(3,437)	-	-
Supplementary grant	-	213	(213)	-	-
New school opening grant	-	30	(30)	-	-
Mainstream School Additional Grant	-	104	(104)	-	-
Other income from the Trust's educational operations	-	200	(200)	-	-
	<u>2,152</u>	<u>16,607</u>	<u>(16,174)</u>	<u>(404)</u>	<u>2,181</u>
Restricted fixed asset funds					
Fixed assets donation (note viii)	3,818	-	(31)	-	3,787
Transfer on Conversion	-	7,589	(496)	-	7,093
Devolved formula capital grant (note vii)	17	350	(29)	-	338
CIF grant (note vii)	-	2,357	(55)	-	2,302
Capital expenditure from GAG (note ix)	1,484	142	(321)	404	1,709
Capital expenditure from school fund (note x)	-	20	-	-	20
Capital expenditure from Unrestricted fund	-	155	(7)	-	148
Private sector sponsorship donation (note Unrestricted funds transfer (note xii)	-	205	(67)	-	138
	<u>5,319</u>	<u>10,818</u>	<u>(1,006)</u>	<u>404</u>	<u>15,535</u>
Restricted pension scheme liability					
Pension reserve (note xiii)	(860)	(644)	(903)	2,407	-
	<u>(860)</u>	<u>(644)</u>	<u>(903)</u>	<u>2,407</u>	<u>-</u>
Total restricted funds	6,611	26,781	(18,083)	2,407	17,716
Unrestricted funds					
Unrestricted funds (notes xi and xii)	316	637	(5)	-	948
WCC prior years surplus b/fwd	-	577	(577)	-	-
Total unrestricted funds	316	1,214	(582)	-	948
Total funds	6,927	27,995	(18,665)	2,407	18,664

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

17 FUNDS (cont'd)

Notes

- i) General Annual Grant must be used for the normal running costs of the School. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2023. (see note 2)
- ii) Pupil Premium grant has been used to support children from low income families placed at the School.
- iii) Pupil Premium catch-up money was used for individual and small-group tuition for year 7 pupils to promote improvements with literacy and numeracy.
- iv) Special needs grant from WCC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- v) School funds are contributions received from parents which are used to support the Academy Trust's activities.
- vi) Teachers pay, teachers pension and free school meal supplementary grants have been used to improve skills for employment and behaviour in school.
- vii) Devolved formula capital and CIF grant has been used for a new replacement building and a new boiler.
- viii) Restricted fixed assets were funded by government grants, a transfer from General Annual Grant (GAG) and by WCC donating Academy land and buildings on a 125 year lease at a pepper corn rent.
- ix) The gross transfer from the restricted general fund to the restricted fixed asset fund of £404,000 (2022: £363,000) represents the total capital expenditure from GAG during the year and contribution to the repayment of a CIF loan.
- x) A gross transfer from the restricted school fund to the restricted fixed asset fund was used to contribute to the finance of the new 6th Form building.
- xi) A private sector sponsorship unrestricted donation was received in 2016 from Chartwells which has been used to contribute to the finance of the new 6th Form building.
- xii) An unrestricted funds transfer of £Nil (2022: £Nil) has been used to contribute to the repayment of a CIF loan.
- xiii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 27).
- xiv) Universal infant free school meals (UFSM) provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

17 FUNDS (cont'd)

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

	Balance at 1 September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General annual grant (GAG) (note i)	2,153	3,100	(2,737)	(414)	2,102
Rates relief grant	-	-	-	-	-
Pupil premium grant (note ii)	-	143	(143)	-	-
Teachers pay (note vi)	-	199	(199)	-	-
Teachers pension (note vi)	-	8	(8)	-	-
UIFSM grant (note xiv)	-	21	(21)	-	-
PE sports grant	-	17	(17)	-	-
National tutoring programme	-	5	(5)	-	-
Catch up premium	-	33	(33)	-	-
Other DfE/ESFA COVID-19 funding	-	1	(1)	-	-
LA Special educational needs grant	-	3,133	(3,083)	-	50
LA Pupil premium grant	-	20	(20)	-	-
LA Supplementary grant	-	115	(115)	-	-
Other income from the Trust's educational operations	-	296	(347)	51	-
	2,153	7,091	(6,729)	(363)	2,152
Restricted fixed asset funds					
Fixed assets donation (note viii)	3,910	-	(110)	-	3,800
Devolved formula capital grant (note vii)	-	-	-	-	-
CIF grant (note vii)	1,332	23	(200)	363	1,518
LA capital grants	5	-	(4)	-	1
Capital expenditure from GAG (note ix)	-	-	-	-	-
Capital expenditure from school fund (note x)	-	-	-	-	-
Private sector sponsorship donation (note xi)	-	-	-	-	-
Unrestricted funds transfer (note xii)	-	-	-	-	-
	5,247	23	(314)	363	5,319
Restricted pension scheme liability					
Pension reserve (note xiii)	(6,984)	-	(932)	7,056	(860)
	(6,984)	-	(932)	7,056	(860)
Total restricted funds	416	7,114	(7,975)	7,056	6,611
Unrestricted funds					
Unrestricted funds (notes xi and xii)	287	43	(14)	-	316
Total unrestricted funds	287	43	(14)	-	316
Total funds	703	7,157	(7,989)	7,056	6,927
TOTAL FUNDS ANALYSIS BY ACADEMY				Total	Total
Fund balances at 31 August 2023 were allocated as follows:				2023	2022
				£'000	£'000
Oak Wood Primary School				1,120	1,525
Oak Wood Secondary School				579	943
Higham Lane School				1,349	-
Central Services				81	-
Total before fixed assets and pension reserve				3,129	2,468
Restricted fixed assets fund				15,535	5,319
Pension reserve				-	(860)
Total				15,535	4,459
				18,664	6,927

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

17 FUNDS (cont'd)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (exc Depn)	2023 Total £'000	2022 Total £'000
Academies	£'000	£'000	£'000	£'000	£'000	£'000
Oak Wood Primary School	2,662	737	193	276	3,868	3,598
Oak Wood Secondary School	2,671	1,130	156	294	4,251	3,807
Highham Lane School	6,223	1,201	529	1,232	9,185	-
Central services	161	81	6	112	360	276
Academy Trust	11,717	3,149	884	1,914	17,664	7,681

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	16,016	16,016
Current assets	948	-	2,595	476	4,019
Current liabilities	-	-	(414)	(369)	(783)
Non current liabilities	-	-	-	(588)	(588)
Pension scheme liability	-	-	-	-	-
	948	-	2,181	15,535	18,664

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	5,319	5,319
Current assets	316	-	2,366	136	2,818
Current liabilities	-	-	(214)	(136)	(350)
Pension scheme liability	-	(860)	-	-	(860)
	316	(860)	2,152	5,319	6,927

19 RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	9,330	(832)
Adjusted for:		
Depreciation (note 12)	1,001	308
Loss on asset disposals	5	5
Fixed asset donations transferred from existing academy trust (note 30)	(11,143)	-
LGPS pension deficit transfer from existing academy trust (note 30)	644	-
CiF Loan transferred from existing academy trust (note 30)	957	-
Capital grants from DfE and other capital income	(447)	(23)
Interest receivable (note 6)	(80)	-
Interest payable	24	-
Defined benefit pension scheme cost less contributions payable (note 27)	836	810
Defined benefit pension scheme finance cost (note 27)	67	122
Increase in debtors	(93)	(167)
Decrease in creditors	245	52
Net cash provided by operating activities	1,346	275

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£'000	£'000
Interest received	80	-
Purchase of tangible fixed assets	(560)	(325)
Capital grants from DfE/ESFA	447	23
Net cash used in investing activities	(33)	(302)

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2023	2022
	£'000	£'000
Repayments of borrowing	(181)	-
Interest on borrowing	(24)	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(205)	-

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug 2023	At 31 Aug 2022
	£'000	£'000
Cash in hand and at bank	3,527	2,419
Total cash and cash equivalents	3,527	2,419

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept 2022	Cash Flows	At 31 Aug 2023
	£'000	£'000	£'000
Cash at bank	2,419	1,108	3,527
Overdraft	-	-	-
	2,419	1,108	3,527
Loans within one year	-	(187)	(187)
Loans within more than one year	-	(588)	(588)
	2,419	333	2,752

24 CAPITAL COMMITMENTS

	2023	2022
	£'000	£'000
Contracted for, but not provided in the financial statements	239	14
Authorised by trustees, but not yet contracted	-	-

25 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases which expire:

	2023	2022
	£'000	£'000
- Within one year	9	7
- Within two to five years	10	3
	19	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2023 was £3,092,000 (2022: £1,690,267) of which £1,323,000 (2022 : £330,267) relates to the TPS and £1,769,000 (2022: £1,362,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

No contributions were payable to the scheme at 31 August in either the current or prior financial year.

Teachers' Pension Scheme**Introduction**

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

The TPS is an unfunded scheme 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,00 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employers pension costs paid to TPS in the period amounted to £1,323,000 (2022: £330,267).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2023 was £1,102,000 (2022: £538,000) of which employers contributions totalled £866,000 (2022: £430,000) and employees contributions totalled £236,000 (2022: £108,000). The agreed contributions for future years are 28.68% (2022: 21.1%) for employers and 5.5% to 12.5% (2022: 5.5% to 12.5%) 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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2023 % per annum	At 31 August 2022 % per annum
Discount rate	5.20	4.25
Salary increases	4.00	3.50
Pension increase	3.00	3.05

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2023 Approx % Increase to Employers Liability	At 31 August 2023 Approx £'000	At 31 August 2022 Approx % Increase to Employers Liability	At 31 August 2022 Approx £'000
Discount rate reduced by 0.1% per annum	2	196	25.6	220
Salary growth increased by 0.1% per annum	-	16	2	17
CPI Rate +0.1%	2	184	23.8	205

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

	2023 years	2022 years
Longevity at age 65 retiring today		
- Men	20.1	21.6
- Women	22.9	24.1
Longevity at age 65 retiring in 20 years		
- Men	20.1	22.7
- Women	25.0	25.9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	Fair value at 31 Aug 2023 £'000	Fair value at 31 Aug 2022 £'000
The Academy's share of the assets in the scheme were:		
Equity instruments	7,988	4,998
Debt instruments	3,443	2,249
Property	2,204	916
Cash	138	167
Other	-	-
Total market value of assets	13,773	8,330
Present value of scheme liabilities		
- Funded	(13,773)	(8,330)
- Unfunded	-	(860)
Total liabilities	(13,773)	(9,190)
Deficit in the scheme	-	(860)

The actual return on the scheme assets in the year was a deficit of £124,000 (2022 : £356,000).

Amounts recognised in the Statement of Financial Activities	2023 £'000	2022 £'000
Current service cost	1,702	1,240
Interest cost	618	262
Interest income	(551)	(140)
Total amount recognised in the SOFA	1,769	1,362

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

	2023 £'000	2022 £'000
Movement in deficit during the period		
Deficit in the scheme at 1 September 2022	860	6,984
Movement in year:		
- Transfer in of existing academy	644	-
- Employer service cost (net of employee contributions)	1,702	1,240
- Employer contributions	(866)	(430)
- Expected return on scheme assets	(551)	(140)
- Interest cost	618	262
- Actuarial gain	(2,407)	(7,056)
Deficit in the scheme at 31 August 2023	-	860

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

	2023 £'000	2022 £'000
Scheme liabilities at 1 September 2022	9,188	15,276
Transfer in of existing academy	4,876	-
Current service cost	1,702	1,240
Past Service Cost	-	-
Interest cost	618	262
Contributions by scheme participants	236	108
Benefits paid	(240)	(146)
Actuarial gain	(2,607)	(7,552)
Scheme liabilities at 31 August 2023	13,773	9,188

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

	2023 £'000	2022 £'000
Fair value of scheme assets at 1 September 2022	8,328	8,292
Transfer in of existing academy	4,232	-
Expected return on scheme assets	551	140
Actuarial loss	(200)	(496)
Contributions by employer	866	430
Benefits paid	(240)	(146)
Contributions by scheme participants	236	108
Fair value of scheme assets at 31 August 2023	13,773	8,328

The estimated value of employers contributions for the year ended 31 August 2024 is £865,000 (2023 : £440,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**27 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As a result of the *Harpur Trust v Brazel* (2011) case, the Supreme Court has ruled that employees who only work for part of the year are entitled to 5.6 weeks of holiday pay like employees that work all year round. This will potentially impact any employer with term time employees, zero hours employees or other working arrangements which involve employees being employed for a full year, but working only for part of that year.

The government hopes to amend legislation to allow holiday entitlement to be pro-rated for part-year and irregular hours workers, so that annual leave is directly proportionate to the time they spend working. Pending any law change being approved by parliament, there remains a potential obligation for the Trust of uncertain timing, value and likelihood.

28 MEMBERS LIABILITIES

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.

29 RELATED PARTY TRANSACTIONS

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

In entering into the transactions the trust has complied with the requirements of the Academy Trust Handbook 2022.

30 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £21,936 (2022: £4,828) and disbursed £19,558 (2022: £4,828) from the fund. An amount of £2,378 (2022: £Nil) is included in other creditors relating to undistributed funds repayable to the ESFA.

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

31 TRANSFER IN OF AN EXISTING ACADEMY

Higham Lane School	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
Leasehold land	891	-	891
Leasehold buildings	9,675	-	9,675
Assets under construction	253	-	253
Computer equipment	111	-	111
Furniture & equipment	213	-	213
Current assets			
Trade debtors	16	-	16
VAT recoverable	36	-	36
Other debtors	3	-	3
Prepayments and accrued income	96	-	96
Cash at bank	1,809	-	1,809
Liabilities			
Creditors: amounts falling due within one year			
Trade creditors	-	-	-
Taxation and social security	-	-	-
Other creditors	(44)	-	(44)
Accruals and deferred income	(203)	-	(203)
CIF loan	(182)	-	(182)
Creditors: amounts falling due after more than one year			
CIF loan	(775)	-	(775)
Pensions			
Pensions - pension scheme assets	4,232	-	4,232
Pensions - pension scheme liabilities	(4,876)	-	(4,876)
Net assets	11,255	-	11,255

On 1 September 2022 the assets and liabilities of Higham Lane School were transferred to Central England Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

32 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.