

Company Registration Number: 07661164 (England & Wales)

FAIRFAX MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



FAIRFAX MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Miss L Chandler
Mr A Keane
Mr S Rowney
Mr S Small
Mr T Rollins (appointed 23 June 2022)

Directors

Mr A Best, Vice Chair (Now Chair from 3 November 2021)
Ms K Bloor, Vice Chair
Mr M Bolshaw
Mr B Cooper
Mr S Davies (appointed 1 May 2022)
Mrs C Fiddis (resigned 11 May 2022)
Mr S Jones, CEO
Mrs K Parmar
Mr S Sheppard
Mr S Small, Chair (resigned 3 November 2021)
Mr R Veys (appointed 5 October 2021)

Company registered number

07661164

Company name

Fairfax Multi Academy Trust (FMAT)

Principal and registered office

Fairfax Road
Sutton Coldfield
West Midlands
B75 7JT

Company secretary

Mr J Fitzgerald, COO

Chief executive officer

Mr S Jones, CEO

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

Executive leadership team

Mr J Fitzgerald, Chief Operations Officer
Mr S Jones, Chief Executive Officer
Mrs A Pugh, HR Director (resigned 12/11/2021)
Mr M Jobling, Director of Education
Ms J Harrison, HR Director (appointed 05/09/2022)

Senior management group

Mrs D Bunn, Principal of Fairfax Academy (resigned 31/08/2022)
Miss M Green, Executive Principal of Bournville Academy and Smith's Wood Academy
Mr S Mallet, Principal of Erdington Academy
Mr R Cornell, Principal of Smith's Wood Academy (resigned 31/08/2022)
Mr S Castle, Principal of Fairfax Academy (appointed 01/09/2022)

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds
9 Birmingham Road
Sutton Coldfield
West Midlands
B72 1QA

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
East Midlands
NG2 1BJ

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Directors present their annual report together with the financial statements and the Auditors' report of the Charitable Company for the year ending 31 August 2022.

The Trust operates three secondary academies and one all through academy in the West Midlands. The academies have a combined pupil capacity of 4,322 and had a roll of 4,113 on the school census in October 2022.

Structure, governance and management

a. Constitution

On the 1 November 2014 Fairfax Multi-Academy Trust was established, incorporating Fairfax Academy and the newly sponsored Bournville School. Erdington Academy joined the Trust on 1 September 2016 and Smith's Wood Academy joined on 1 April 2017.

The Directors act as the Trustees for the charitable activities of the Trust and are also the Directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Fairfax Multi Academy Trust (FMAT).

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administration Details on page 2 of this document.

b. Members' liability

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

c. Directors' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

The Trust shall have the following Directors as set out in its Articles of Association and funding agreement:

The number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subjected to any maximum.

Subject to Articles of Association 48-49 and 64, the Trust shall have the following Directors:

- a. up to five Directors appointed under Article 50;
- b. up to three Academy Directors appointed under Article 51;
- c. a minimum of two Parent Directors if appointed under Articles 53-56D.

Directors are appointed for a four-year period. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Trust will consider the skills and experience mix of existing Directors in order to ensure that the necessary skills required are available to contribute fully to the Trusts development.

e. Policies adopted for the induction and training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include online training modules, a tour of an Academy and a chance to meet staff and students. All Directors also receive:

- Introduction to Governance in a Multi-Academy Trust.
- Face to face training on the FMAT Guide to Governance
- Updated KCSiE training
- Safeguarding training
- Risk management training
- Academy data and performance training
- Mechanisms of external scrutiny

All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and the Trust's Governance Booklet. As part of the recruitment process prospective Director's complete a skills audit, as a result, the induction of newly appointed Directors is tailored specifically to the individual. Internal training is provided by the Director of Education annually, with external advice or support provided where necessary or when requested.

The Trust is a member of the National Governors' Association and through this body each member receives regular updates on current legislation by email and via the NGA portal. In addition Directors have access to advice, training and support from the Confederation of the Schools Trust. Additional training is provided as required based on individual or collective need. External advice and support are commissioned where necessary.

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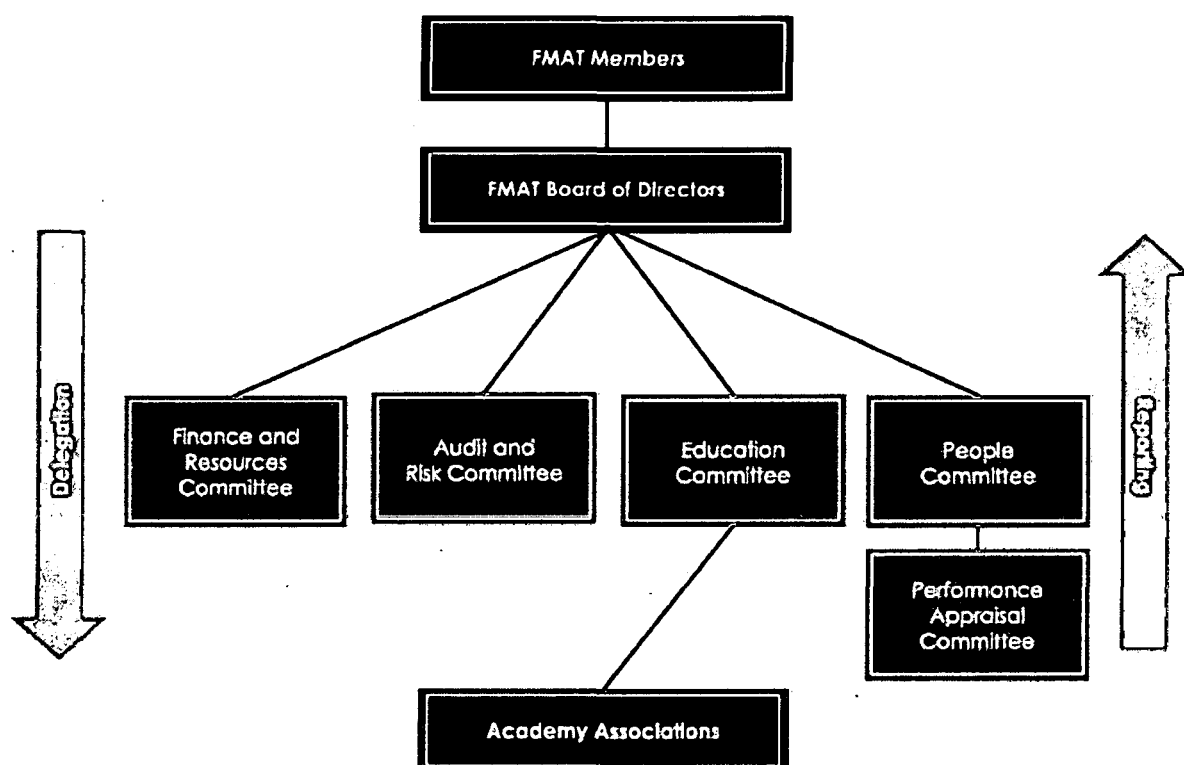
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

f. Organisational structure

The Trust has established a clear organisational structure with identified lines of accountability and reporting for all of its operations. This includes defining the responsibilities of the Trust Board and those responsibilities delegated to its committees and officers within the Trust.

The diagram below sets out the governance structure of Fairfax Multi-Academy Trust (FMAT) and its committees.



The responsibilities of the FMAT Board and its committees are set out in the Trust's Scheme of Delegation. Decisions reserved for the Trust Board are set out in the Scheme of Reservation. The Trust Board has agreed terms of reference for each committee. The different roles and responsibilities of Trustees and Company Officers are laid out in the scheme of delegation. The scheme makes it clear how methods of escalation operate between officers, committees, and the Trust Board and on what matters committees are required to make recommendations or provide advice to the Board.

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

The Trust Board is comprised of non-executive directors, is responsible for the overall strategic directions of the Trust and holding the executive to account for delivering agreed priorities.

Specific responsibilities include:

- priority setting and ratification of new projects
- holding the executive to account for the delivery of strategic objectives and the overall performance of the Trust and its academies through receiving regular performance data and analysis
- appointment, appraisal, discipline, and dismissal of the Chief Executive Officer
- setting the Executive Team pay and remuneration
- approval of the annual budget, medium-term financial plans, the Trust's Business Plans and risk management policy
- approval of the Trust's annual report and statutory accounts receiving the annual management letter and governance report of the External Auditor and agreement of proposed action
- continuous appraisal of the affairs of FMAT and its Academies
- consideration of the Trust's overall performance, including financial performance
- approval of statutory policies
- safeguarding (incorporating PREVENT) and receiving assurance from the executive that such policies are being implemented
- requiring and receiving the declaration of Board members' interest that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration and maintaining a register(s) of pecuniary interests for Board members, Academy Associates and staff

Finance and Resources Committee

The main purpose of the Finance and Resource Committee is to assist in the decision making of the Trust Board, by enabling more detailed consideration of the Trust's / individual Academy's planning, control and monitoring of finances and resources. This includes making recommendations to the Trust Board in relation to annual budgets, medium term financial plans, financial policy, budget monitoring etc.

Audit and Risk Committee

The Audit Committee provides independent advice and assurance to the Trust Board primarily in relation to matters of probity, propriety and the effective stewardship of public funds. A key input to the committee is external assurance.

Specific responsibilities of the Audit and Risk Committee include:

- considering the appointment of the external auditor, assessing their independence, and reviewing their management letter and management's response
- reviewing the Trust's procedures for handling allegations from whistle-blowers and allegations of fraud, bribery, and corruption
- reviewing and challenging the actions and judgements of management, in relation to the annual financial statements before submission to the Board of Directors.
- reviewing the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money.
- Overseeing the implementation of a risk management culture and processes within the Trust.

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

People Committee

The People Committee considers the workforce aspects of the Trust, their specific responsibilities include:

- receiving proposals regarding policies on performance and pay
- monitoring and evaluation of the performance of the Chief Executive Officer
- advising on the strategic planning of the Trust's human assets, including the investment programme to ensure that all staff are developed to support realisation of the Trust's mission and values.

Education Committee

The Education Committee provides assurance to the Trust Board in relation to the education performance of the Trust's academies. The Committee responsibilities include monitoring:

- the performance of individual academies, and the whole Trust, against agreed KPIs
- the quality of leadership in each academy to account for academic performance, quality of SEND provision, quality of teaching, exclusions, and pupil attendance
- school development plans and progress made against targets for all academies within the Trust
- any Ofsted or DfE inspection reports
- the effective use of SEND, Pupil and Sport Premium funding by the Trust as a whole and by academies individually
- pupil progress for the Trust and for each academy
- assurance to the Board that changes to national legislation about curriculum, examination, SEND and report to parents are being effectively implemented across the Trust
- Monitoring the performance of the Academy Associations in the discharge of their specific responsibilities.

Academy Associations

Each academy within the Trust has an Academy Association that provides oversight at a local level. The remit and terms of reference are established by the Trust board. They have responsibilities which include:

- Supporting and challenging the Head of Academy on key performance matters (KPIs) as determined by the Chief Executive Officer
- Providing local intelligence to the Executive on matters of safeguarding, SEND provision, Pupil Premium and Careers Provision
- Supporting and challenging leaders on specific development areas as identified by the Trust Board
- Ensuring the values of the Trust are reflected in leaders' plans to provide opportunities for all students to participate in and be enriched by activities that prepare them to contribute positively to society when they leave school
- Reviewing and supporting the academy's strategy for income generation through pupil recruitment
- Supporting on any permanent exclusions within the trust
- Engaging with wider academy activities as a means of monitoring overall quality

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

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

The pay and remuneration of the Executive team within the Trust is a transparent process which takes place annually.

The CEO's remuneration is considered by a remuneration working party. The Chair of Board, Vice Chair and the Chair of the People Committee review the performance of the CEO and recommend new targets and objectives for the forthcoming academic year. Benchmarking of salary nationally is taken into consideration and suggestions are made for ratification by the Board.

The CEO of the Trust, reviews and sets Performance Targets of the Executive Team (Director of Education, Chief Operating Officer, and HR Director). Where relevant, dependent on outcomes and performance, the Senior Manager is then given a one or two-point increment within their designated range. The CEO will then take his recommendations to the Pay Appraisal Committee for ratification and approval. Where the Senior Manager is on a spot salary the CEO will then take his recommendations to the Board of Directors for ratification and approval.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	10,148
Total pay bill	14,737,138
Percentage of total pay bill spent on facility time	0.07 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Related parties and other connected charities and organisations

There are no related parties that either control or significantly influence the decisions and operations of the Trust. There are no sponsors associated with the Academy.

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

j. Engagement with employees (including disabled persons)

The Trust has a trade union recognition agreement with the recognised trade unions in place and an established Trust-wide joint consultation committee which meets regularly to discuss matters of mutual interest. At Trust level, meetings are held termly with the relevant representatives of the recognised trade unions; at an academy level, meetings are held half termly with the relevant representatives of the recognised trade unions.

During employment, the Trust seeks to work with all employees, irrespective of disability or otherwise and considering their personal circumstances, to ensure appropriate training, development and opportunities are available to them to reach their full potential. It is the Trust's policy that the training, career development and promotion opportunities of disabled persons should, as far as possible, be identical to that of other employees.

Exit interviews are in place and upward feedback is provided, as necessary.

The Trust has implemented several policies (which apply to teaching and support staff) in relation to all aspects of personnel matters, e.g.:

- Health & Safety Policy
- Pay Policy
- Appraisal Policy
- Sickness Absence Management Policy
- Special Leave Policy
- Staff Code of Conduct
- Flexible Working Policy

k. Engagement with suppliers, customers and others in a business relationship with the Academy

A core value of the trust is an adherence to paying all suppliers within agreed terms.

The directors commit to maximising the resources used in servicing the needs of its pupils to the highest possible standard. In addition to this full engagement with parents, guardians and the local communities is a key aim of the Trust with the view to building successful, long term relationships.

Both the directors and the key personnel work closely and collaboratively with the Local Authorities to ensure that there is a shared strategy that is mutually beneficial to all parties. Similarly, directors and leaders of the Trust work hard to establish and maintain good relationships with the Regional Schools Commissioner, the DfE and the ESFA.

Objectives and activities

a. Objects and aims

The principal object and activity of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing their associated Academies, offering a broad and balanced curriculum.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

	STRATEGIC AIM DESCRIPTION	AREAS OF FOCUS
STRATEGIC AIM REF SA01	Deliver high-quality education for all students	<ol style="list-style-type: none"> 1. Develop and implement high-quality curricula that meet the needs all students 2. Ensure high quality teaching is delivered for the benefit all students 3. Ensure assessments are relevant, accurate and can lead to further improvements 4. A model of school improvement is developed and implemented to provide appropriate levels of challenge, support and where needed intervention 5. Ensure students are safe and provided with high quality pastoral care 6. Develop and implement a consistent quality assurance programme that leads to positive improvements
STRATEGIC AIM REF SA02	Recruit, develop and retain high-calibre members of staff	<ol style="list-style-type: none"> 1. Develop and implement efficient and effective recruitment and induction strategies that attract high calibre staff to the Trust 2. Ensure appropriate and timely CPD is available for all staff, including the development of leaders at all levels 3. Ensure all unnecessary work is removed 4. Ensure succession plans have been considered for all roles across the Trust 5. Implement a professional and robust performance management system for all staff that provides positive motivation 6. All staff are appropriately rewarded, listened to and valued 7. Maintain positive and productive employee relations
STRATEGIC AIM REF SA03	Develop and maintain effective governance across the Trust	<ol style="list-style-type: none"> 1. Implement a robust governance framework and guide 2. Ensure a strategy to recruit and develop Governors is implemented and reviewed regularly 3. Ensure a strong culture of risk management is developed, including the implementation of regularly reviewed risk registers 4. Ensure all statutory and contractual obligations are met 5. Where possible align Trust-wide statutory policies

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

Objectives and activities (continued)

	STRATEGIC AIM DESCRIPTION	AREAS OF FOCUS
STRATEGIC AIM REF SA04	Ensure effective financial management of the Trust	<ol style="list-style-type: none"> 1. Comply with all financial regulations 2. Ensure internal and external processes provide adequate assurance 3. Ensure all financial reporting is robust, timely and fit for purpose 4. Implement streamlined procurement processes that provide value for money 5. Ensure financial strategy is intrinsically linked to the aims of the Trust 6. Systems are in place to budget effectively at all levels within the Trust 7. Develop and implement a successful income generation strategy
STRATEGIC AIM REF SA05	Develop and implement professional, effective centrally led operations	<ol style="list-style-type: none"> 1. Develop and implement effective operations in the following areas: <ul style="list-style-type: none"> • Finance • HR • Estates • Data Protection 2. Ensure roles and responsibilities within the organisation are outlined within a core offer document 3. Lead the implementation and management of Trust-wide third-party services e.g. IT, catering and contract cleaning
STRATEGIC AIM REF SA06	Develop systems to improve the effectiveness of the organisation as a Multi-Academy Trust (MAT)	<ol style="list-style-type: none"> 1. Agree and implement a consistent data collection cycle 2. Integrated planning and reporting are implemented across the MAT 3. Develop and implement MAT wide improvement strategies 4. All communications adhere to consistent expectations that support the positive reputation of the MAT 5. Develop a culture of professionalism across the MAT that challenges and supports all stakeholders to be the best that they can be

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

Objectives and activities (continued)

c. Public benefit

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trusts aims and objectives and in planning its future activities.

The Trusts Academies provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the interest of improving the life of the said community.

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

Strategic report

Achievements and performance

a. Key performance indicators

Each establishment monitors its budget against allocations that constitute their key financial performance indicators for each financial year. These categories include employee costs, environmental costs, educational/non-educational supplies, professional services etc enabling any variations in spending against budgets to be identified and addressed.

Additionally, schools benchmark costs across the Trust to ensure best value and where appropriate will aim to purchase collaboratively to achieve economies of scale. Further comparisons can be seen within the financial report where spends in the reporting year are shown against previous year's spends.

Below are the current Ofsted ratings for each academy across the Trust.

	Bournville School	Erdington Academy	Fairfax	Smith's Wood Academy
Previous Ofsted rating:	4 Inadequate	3 Requires improvement	2 Good	4 Inadequate
Current Ofsted rating:	3 Requires Improvement	3 Requires Improvement	2 Good	3 Requires Improvement
Progress	EYFS – Good PD – Good L&M – Good	L&M – Good Personal development, behaviour and welfare – Good	N/A	L&M – Good
Date of inspection:	10th November 2021 (Monitoring 15th September 2022)	9th May 2019	19th March 2019	2nd May 2019

b. Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence.

For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

Despite the continuing Covid and post Covid challenges faced during the 2021-22-year, progress has continued to be made across the Trust.

In addition to providing financial, governance and staffing stability, key successes have included:

- Implementation of a decarbonisation Estates Strategy which will in time release funds for the benefited students;
- Embedded a Trust-wide aligned Risk Strategy which has enabled focused allocation of resources;
- Embedded a Trust wide procurement electronic system to reduce time needed for processing and thus release additional funding for the benefit of students;
- Appointment of a central group of education experts to improve the outcome of students, whilst reducing the wider staff workload;
- Implementation of 'Best Practice' guides to support with improvements in attendance, reduction in exclusions, reducing EHE's etc.;
- The work on student attendance led to 2 of the 4 academies being considerably above NA attendance figures with 1 Academy delivering attendance figures which fell within the highest 3 non-selective schools in Birmingham at almost 4% above the NA.
- Implementation of collaborative CPD networks have enabled shared workloads and professional challenge, whilst increasing the rate of progress;
- Significant investment in ICT infrastructure;
- Appointment of a sector leading ICT managed service to better support staff being able to swiftly meet student needs;
- Fully implement five of the six keys areas of the Annual Development Plan, in addition to meeting the challenges of the pandemic which national research has evidenced has adversely impacted disadvantaged communities;
- Increased numbers of students applying to each Academy, with a waiting list in place for year 7 places in three of the four academies;
- Three-year forecast demonstrates year on year balanced budgets for the next three years despite exceptional energy cost increases.
- Appointment of a new governance Member and 2 further Directors all with specific and extensive School Improvement backgrounds
- Close collaboration with a world leading Curriculum development specialist who has worked with leaders to strengthen the curriculum Intent;
- An Ofsted Inspection took place in 1 academy which highlighted strong trust impact on the life of the school which was in turn having a positive impact on students;

Internal Scrutiny Programme has also positively reported on:

- Safeguarding;
- Recruitment;
- Payroll;
- Procurement;
- Health & Safety;

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

Strategic report (continued)

Achievements and performance (continued)

S172(1) statement

The directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Trust for the benefit of its pupils. In performing their duties, the directors make good faith assessments of the potential consequence on various stakeholders of any decisions that are made. In this, the directors have a regard to the following:

- the likely consequences of any decision in the long term
- the interests of the trust's employees
- the need to foster the trust's business relationships with suppliers, customers and others
- the impact of the trust's operations on the community and the environment
- the desirability of the trust maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the trust.

d. Financial Review

Most of the Trusts income is obtained from the DfE via the ESFA in the form of recurrent grants; the use of which is restricted to educational activities. The grants received from the DfE during the year ending 31 August 2022 and the associated expenditure is shown as Restricted Funds in the Statement of Financial Activities.

During the year ending 31 August 2022, total expenditure of £ 30,863,622 (2021: £ 29,021,424), excluding depreciation, was more than the recurrent grant funding from the DfE, excluding capital income, together with other incoming resources of £ 30,622,288 (2021: £ 29,986,060). The deficit of income over expenditure for the year (excluding restricted fixed asset funds, fund transfers and actuarial gains) was £ 241,334.

At 31 August 2022 the net book value of fixed assets was £ 69,973,289 (2021: £ 69,050,163) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

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

Strategic report (continued)

a. Reserves policy

The Board of Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration future redevelopment of the building and infrastructure plans, the uncertainty over future income streams and other key risks identified during the risk review.

The Board of Directors has determined that the appropriate level of free reserves should be equivalent to 10% of total revenue, this is a change from four weeks of expenditure in previous years. The reason for this is to provide sufficient working capital in light of the significant cost of living rises, particularly associated with energy costs, and other external factors. The change is to enable the Trust to continue to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in student numbers and short notice changes to costs associated with increasing rates of inflation and late notification of potential pay awards, and to provide a cushion to deal with unexpected emergencies.

The Trusts free reserve level at the 31 August 2022 is £ 4,215,592 and the value of 10% of total revenue is £3,062,229. The free reserve levels have reduced when compared with last year, the variance between free reserves held and 10% of total revenue is attributable to allocated contributions towards unsuccessful CIF bids, assigned designated funds and planned projects that will be completed 2022-23, this includes the continuation and expansion of delivering the Trust's school improvement activities and decarbonisation strategy.

b. Investment policy

Directors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit, at the most favorable rate available, from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Executive Office and Chief Operating Officer.

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

c. Principal risks and uncertainties

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 94 % of the Trusts incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance and/or Management - the risk in this area arises from potential failure to effectively manage the Trusts finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trusts academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Directors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Safeguarding reviews are commissioned and undertaken in all Trust academies on a regular basis. A report identifying areas of improvement is compiled by the Director of Education specifying timeframes for completion.

Staffing - the success of Trust is reliant on the quality of its staff; the Board of Directors and Academy Associations monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and Mismanagement of Funds - The Trust has actioned their Auditors to carry out checks on financial systems and records as recommended by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees

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

Streamlined energy and carbon reporting

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

	2022	2021
Energy consumption used to calculate emissions (kWh)	5,973,524	6,381,465
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	843.71	895.30
Owned transport	-	1.32
Total scope 1	<u>843.71</u>	<u>896.62</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>-</u>	<u>312.62</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>-</u>	<u>2.96</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>843.71</u>	<u>1,212.20</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.20</u>	<u>0.29</u>

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The intensity measure we are using as a trust assessed the Tonnes of CO2e level per pupil

Measures planned to improve energy efficiency in the next 12 months

We have invested in LED lighting across the Trust estate with the aim of reducing energy consumption by over 20%.

We are looking to install PV panels on the roof of the trusts academies with the aim of reducing energy consumption by over 20%.

We procure all our electricity from renewable sources.

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Plans for future periods

A full review of the future strategic aims has been carried out and approved by the Board of Directors.

A full summary of the three-year strategic plan is provided in Objectives, Strategies and Activities section of this report (page 10)

Funds held as custodian on behalf of others

The Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities, as the Trust does not have control over the charitable application of the funds. In some instances, the Trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

Disclosure of Information to auditor

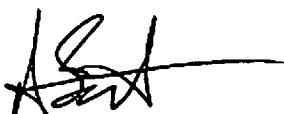
In so far as the Directors are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditors, Crowe LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

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



Mr A Best
Chair of the Board

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Fairfax Multi 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.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to 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 Fairfax Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Trustees' Responsibilities.

Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
Mr A Best, Vice Chair (Now Chair from 3 November 2021)	5	5
Ms K Bloor, Vice Chair	4	5
Mr M Bolshaw	4	5
Mr B Cooper	4	5
Mr S Davies	2	3
Mrs C Fiddis	2	4
Mr S Jones, CEO	5	5
Mrs K Parmar	2	5
Mr S Sheppard	5	5
Mr R Veys	5	5

For 2021/22 there have been five Trust Board meetings. The Trust Board maintained effective oversight of funds with fewer than the six recommended meetings as follows:-

- A 2021/22 budget revision exercise was undertaken and approved in June 2022
- Internal scrutiny programme was completed in 2020/21 and findings and outcomes reported to the Board in June 2022.
- Each month financial monitoring reports were issued to the Board
- The Directors of the Finance and Resource Committee have specific delegated responsibilities to review the Trust's budget position against the Trust's reserves.

The Trust publish on the websites the relevant business and pecuniary interests of Members, Directors, local governors and AO.

The Board ensure requirements for managing related party transactions are applied across the Trust. The Chair of the Board and the Accounting Officer ensure control and influence does not conflict with these requirements. They manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with the seven principles of public life.

The Trust keep sufficient records, and make sufficient disclosures in their annual accounts, to show that transactions with these parties, and all other related parties, have been conducted in accordance with the high

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

standards of accountability and transparency required within the public sector.

The Finance and Resource Committee is a sub-committee of the Board of Directors. Its purpose is to provide oversight, guidance and assistance to the Board of Directors on all matters relating to finance, resources, procurement (including VFM), IT and estates management.

Attendance in the year was as follows:

Director	Meetings attended	Out of a possible
Mr S Sheppard (Chair)	5	5
Mr M Bolshaw	4	5
Mr B Cooper	4	5
Mr A Best	1	1
Mr S Jones	5	5

The Audit and Risk committee is a sub-committee of the Board of Directors. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and health and safety.

Attendance in the year was as follows:

Director	Meetings attended	Out of a possible
Mr M Bolshaw (Chair)	5	5
Mr A Best	4	5
Mr S Sheppard	5	5
Mr S Jones	3	5

Review of value for money

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

- Embedding the centralisation of business functions (Finance, HR, IT and Estates) which resulted in a reduction of costs across the Trust and allowed the Trust and its academies to prioritise budgets to areas which provide the best outcomes for the students in the Trust as a whole.
- A spending review in year and a review of the procurement process has provided rigor and supported to ensure value for money and necessary spend. The review has also support that procurement is aligned to the Trusts priority strategies and development plans.
- The Trust has continued to use group purchasing consortium and government frameworks to allow it to achieve value for money. As contracts in individual academies fall due, group wide contracts have been negotiate driving down the costs of these contracts whilst improving the services provided by these contracts.
- An overhaul of the curriculum and how it is delivered across the Trust.

FAIRFAX MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Embedding of Curriculum Led Financial Planning so that resources can be targeted to priorities and curriculum delivery.
- Curriculum Led Financial Planning outputs reviewed and required changes to staffing structures completed to ensure they are affordable and meet the academy's educational and operational needs.

Conflicts of interest

The Trust manages conflicts of interest by maintaining an up to date and complete register of interests. Information in this register is monitored regularly to assist in the day-to-day management and governance of the academy trust

Trustees consider and agree the approach to managing the conflict of interest by requiring the conflicted trustee to:

1. Leave the discussions.
2. Not to take part in the relevant decision or vote.
3. Not to be counted as part of the quorum for the relevant matter.

Where available, legal or governing document requirements on how conflict of interest must be handled is used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.

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 Fairfax Multi Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

FAIRFAX MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and appointed Beever and Struthers to carry out the agreed assurance and scrutiny programme in order to provide financial scrutiny and deliver assurances. A schedule of objects and areas for the assurance and scrutiny programme is agreed by the Audit and Risk Committee. On completion of the assurance and scrutiny programme, a report is submitted to the Audit and Risk Committee to review and where necessary, report back any matters arising to the Board of Directors.

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

- Financial Control and Reporting
- Estates Management
- IT Contract Management
- Risk Management

On a quarterly basis, the reviewer reports to the Board of Directors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress/

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Chief Operating Officer within the Trust who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and 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 Directors on 14 December 2022 and signed on their behalf by:



Mr A Best
Chair of the Board



Mr S Jones
Accounting Officer

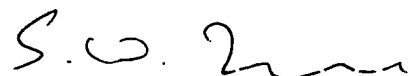
FAIRFAX MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Trust I have considered my responsibilities to notify the Trusts Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook.

I confirm that the Trusts' Board of Directors are able to identify any material irregularity or improper use of funds by the Trust, or material non-compliance with the terms of funding under the Academy Trusts' funding agreement and the Academies Trust Handbook.

I confirm that no instances of irregularity, impropriety or funding non-compliance have been discovered to date.



Mr S Jones
Accounting Officer
Date: 14 December 2022

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

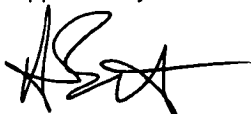
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Directors 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 Directors on 14 December 2022 and signed on its behalf by:



Mr A Best
Chair of the Board

FAIRFAX MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

FAIRFAX MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

FAIRFAX MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of directors' responsibilities, the Directors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy 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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

FAIRFAX MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FAIRFAX MULTI ACADEMY TRUST (CONTINUED)**

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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



Helen Drew (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

14 December 2022

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FAIRFAX
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fairfax Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Fairfax Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fairfax Multi Academy Trust's funding agreement with the Secretary of State for Education dated 8 June 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

FAIRFAX MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FAIRFAX
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Crowe U.K. LLP

Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 14 December 2022

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	87,693	87,693	1,378,579
Other trading activities		131,418	-	-	131,418	110,991
Investments		886	-	-	886	13,321
Charitable activities	4	567,636	29,922,348	-	30,489,984	29,639,198
Total income		699,940	29,922,348	87,693	30,709,981	31,142,089
Expenditure on:						
Raising funds		9,637	-	-	9,637	94,614
Charitable activities		697,275	30,156,710	998,276	31,852,261	29,867,234
Total expenditure		706,912	30,156,710	998,276	31,861,898	29,961,848
Net (expenditure)/income		(6,972)	(234,362)	(910,583)	(1,151,917)	1,180,241
Transfers between funds	18	-	(1,350,713)	1,350,713	-	-
Net movement in funds before other recognised gains/(losses)		(6,972)	(1,585,075)	440,130	(1,151,917)	1,180,241
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	18,146,000	-	18,146,000	(2,312,000)
Net movement in funds		(6,972)	16,560,925	440,130	16,994,083	(1,131,759)
Reconciliation of funds:						
Total funds brought forward		1,698,587	(21,702,948)	69,944,477	49,940,116	51,071,875
Total funds carried forward		1,691,615	(5,142,023)	70,384,607	66,934,199	49,940,116

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

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07661164

BALANCE SHEET
AS AT 31 AUGUST 2022

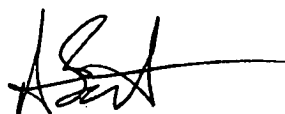
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	69,973,289	69,050,163
		<u>69,973,289</u>	<u>69,050,163</u>
Current assets			
Debtors	15	1,677,705	1,712,570
Cash at bank and in hand		7,654,457	7,107,719
		<u>9,332,162</u>	<u>8,820,289</u>
Creditors: amounts falling due within one year	16	(4,622,026)	(3,626,169)
Net current assets		<u>4,710,136</u>	<u>5,194,120</u>
Total assets less current liabilities		<u>74,683,425</u>	<u>74,244,283</u>
Creditors: amounts falling due after more than one year	17	(83,226)	(32,167)
Net assets excluding pension liability		<u>74,600,199</u>	<u>74,212,116</u>
Defined benefit pension scheme liability	26	(7,666,000)	(24,272,000)
Total net assets		<u><u>66,934,199</u></u>	<u><u>49,940,116</u></u>

FAIRFAX MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07661164

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	70,384,607	69,944,477
Restricted income funds	18	2,523,977	2,569,052
		<u>72,908,584</u>	<u>72,513,529</u>
Restricted funds excluding pension reserve	18	72,908,584	72,513,529
Pension reserve	18	(7,666,000)	(24,272,000)
		<u>65,242,584</u>	<u>48,241,529</u>
Total restricted funds	18	65,242,584	48,241,529
Unrestricted income funds	18	1,691,615	1,698,587
		<u>66,934,199</u>	<u>49,940,116</u>
Total funds		<u>66,934,199</u>	<u>49,940,116</u>

The financial statements on pages 32 to 64 were approved by the Directors, and authorised for issue on 14 December 2022 and are signed on their behalf, by:



Mr A Best
Chair of the Board

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

FAIRFAX MULTI ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,522,030	3,219,993
Cash flows from investing activities	22	(969,352)	(30,520)
Cash flows from financing activities	21	(5,940)	(106,073)
		<u>546,738</u>	<u>3,083,400</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		7,107,719	4,024,319
Cash and cash equivalents at the end of the year	23, 24	<u><u>7,654,457</u></u>	<u><u>7,107,719</u></u>

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

FAIRFAX MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The financial statements represent the financial results and financial position of Invictus Educational Trust ("the trust"), which comprised of the following member academies as at 31 August 2020:

Fairfax Academy
Bournville Academy
Smith's Wood Academy
Erdington Academy

Fairfax Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Trust is a company limited by guarantee and is incorporated in England & Wales, registered number 07661164. The address of the registered office is Fairfax Academy, Fairfax Road, Sutton Coldfield, West Midlands, B75 7JT. The members of the company are named in the reference and administration pages. In the event of the trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.3 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Directors 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.

FAIRFAX MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charitable company can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.5 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.

FAIRFAX MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.5 Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Taxation

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

1.7 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2% Straight Line
Long-term leasehold property	- 125 years straight line
Furniture and equipment	- 10-20% Straight Line
Computer equipment	- 10-33% Straight Line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Debtors

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

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

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

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

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

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

1. Accounting policies (continued)

1.11 Fund accounting

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

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

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

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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

1. Accounting policies (continued)

1.14 Agency arrangements

The Academy trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 liability.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

Critical areas of judgment:

There are no critical judgements which would have a material impact on the financial statements.

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Capital grants	-	-	87,693	87,693
	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	5,650	216,900	-	222,550
Capital grants	-	-	1,156,029	1,156,029
<i>Total 2021</i>	<i>5,650</i>	<i>216,900</i>	<i>1,156,029</i>	<i>1,378,579</i>

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

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Funding for educational operations	-	29,922,348	29,922,348
Catering income	279,687	-	279,687
School trip income	112,848	-	112,848
Other income	162,817	-	162,817
Private Funds income	12,284	-	12,284
Total 2022	567,636	29,922,348	30,489,984

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Funding for educational operations	-	29,376,323	29,376,323
Catering income	129,041	-	129,041
School trip income	3,803	-	3,803
Other income	127,260	-	127,260
Private Funds income	2,771	-	2,771
Total 2021	262,875	29,376,323	29,639,198

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

5. Funding for the Academy's charitable activities

	Restricted funds 2022 £	Total funds 2022 £
Funding for educational operations		
DfE/ESFA grants		
Other DfE/ESFA grants		
General annual grant (GAG)	25,994,435	25,994,435
Other DfE/ESFA GRANTS	123,856	123,856
Pupil Premium	1,910,078	1,910,078
PFI grants	412,583	412,583
Teachers' pension grant	61,673	61,673
	<u>28,502,625</u>	<u>28,502,625</u>
Other Government grants		
Local authority grants	1,153,613	1,153,613
Other income from the Academy's funding for educational operations	22,636	22,636
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	201,964	201,964
Other DfE/ESFA COVID-19 funding	41,510	41,510
	<u>243,474</u>	<u>243,474</u>
	<u><u>29,922,348</u></u>	<u><u>29,922,348</u></u>

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

5. Funding for the Academy's charitable activities (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Funding for educational operations		
DfE/ESFA grants		
Other DfE/ESFA grants		
General annual grant (GAG)	24,818,646	24,818,646
Other DfE/ESFA GRANTS	412,915	412,915
Pupil Premium	1,779,930	1,779,930
PFI grants	402,431	402,431
Teachers' pension grant	814,504	814,504
	<u>28,228,426</u>	<u>28,228,426</u>
Other Government grants		
Local authority grants	477,246	477,246
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	320,680	320,680
Other DfE/ESFA COVID-19 funding	329,142	329,142
	<u>649,822</u>	<u>649,822</u>
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	20,829	20,829
	<u>29,376,323</u>	<u>29,376,323</u>
	<u><u>29,376,323</u></u>	<u><u>29,376,323</u></u>

6. Income from other trading activities

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Hire of facilities	131,418	131,418
	<u><u>131,418</u></u>	<u><u>131,418</u></u>

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

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hire of facilities	57,581	57,581
Staff secondment	30,417	30,417
Sports centre	264	264
Sponsorship income	22,729	22,729
Total 2021	110,991	110,991

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	9,637	9,637
Funding for educational operations:				
Direct costs	16,183,686	964,635	3,854,271	21,002,592
Support costs	6,258,870	1,628,717	2,962,082	10,849,669
Total 2022	22,442,556	2,593,352	6,825,990	31,861,898

	<i>Staff Costs 2021 £</i>	<i>Premises 2021 £</i>	<i>Other 2021 £</i>	<i>Total 2021 £</i>
Expenditure on fundraising trading activities:				
Direct costs	25,928	-	68,686	94,614
Funding for educational operations:				
Direct costs	16,034,212	940,424	3,104,070	20,078,706
Support costs	5,686,067	1,669,912	2,432,549	9,788,528
Total 2021	21,746,207	2,610,336	5,605,305	29,961,848

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

8. Support costs

	2022 £	2021 £
Staff costs	6,258,870	5,686,067
Technology costs	827,204	741,970
Maintenance of premises	1,628,717	1,669,912
Professional fees	138,093	134,243
Legal fees	6,351	2,430
Other support costs	1,062,757	549,090
Governance costs	69,472	54,180
PFI contract	858,205	950,636
	<u>10,849,669</u>	<u>9,788,528</u>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	800,020	508,232
Depreciation of tangible fixed assets	998,276	940,424
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	28,230	26,360
Fees payable to the Academy's auditor and its associates in respect of:		
- other services	7,670	7,160
	<u>7,670</u>	<u>7,160</u>

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

10. Central services

No central services were provided by the Academy to its academies during the year as GAG pooling has been applied since 1 September 2017.

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	14,581,958	14,590,346
Social security costs	1,598,516	1,564,238
Pension costs	5,026,624	4,993,352
	<u>21,207,098</u>	<u>21,147,936</u>
Agency staff costs	1,170,835	542,069
Staff restructuring costs	64,623	56,202
	<u><u>22,442,556</u></u>	<u><u>21,746,207</u></u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	15,794	9,624
Severance payments	48,829	46,578
	<u><u>64,623</u></u>	<u><u>56,202</u></u>

b. Severance payments

The Academy paid 3 severance payments in the year (2021 - 8), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	2	7
£25,001 - £50,000	1	1
	<u><u>1</u></u>	<u><u>8</u></u>

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

11. Staff (continued)

c. Special staff severance payments

There were two non-statutory/non-contractual severance payments during the year amounting to £29,250 (2021: £39,975). Individually the payments were £20,000 and £9,250.

d. Staff numbers

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Teachers	244	<i>226</i>
Support staff	214	<i>200</i>
Management	29	<i>26</i>
	<hr/> 487 <hr/>	<hr/> <i>452</i> <hr/>

e. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	13	<i>7</i>
In the band £70,001 - £80,000	3	<i>5</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £90,001 - £100,000	3	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	-	<i>1</i>
In the band £140,001 - £150,000	1	<i>-</i>
	<hr/> 1 <hr/>	<hr/> <i>-</i> <hr/>

f. Key management personnel

The key management personnel of the Academy comprise the Executive Leadership Team and the Senior Management Group as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £946,223 (2021: £1,102,873).

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

12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2022	2021
		£	£
Mr S Jones	Remuneration	145,000 -	135,000 -
		150,000	140,000
	Pension contributions paid	35,000 -	30,000 -
		40,000	35,000

During the year ended 31 August 2022, travel expenses totalling £728 were reimbursed or paid directly to 2 Directors (2021 - £Nil).

13. Directors' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects directors 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 directors and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

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

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant & equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2021	32,113,883	40,937,498	1,009,887	1,186,454	90,060	75,337,782
Additions	103,028	-	77,093	235,818	1,505,463	1,921,402
Transfers between classes	90,060	-	-	-	(90,060)	-
At 31 August 2022	<u>32,306,971</u>	<u>40,937,498</u>	<u>1,086,980</u>	<u>1,422,272</u>	<u>1,505,463</u>	<u>77,259,184</u>
Depreciation						
At 1 September 2021	3,488,709	1,471,047	631,776	696,087	-	6,287,619
Charge for the year	430,476	324,504	89,198	154,098	-	998,276
At 31 August 2022	<u>3,919,185</u>	<u>1,795,551</u>	<u>720,974</u>	<u>850,185</u>	<u>-</u>	<u>7,285,895</u>
Net book value						
At 31 August 2022	<u>28,387,786</u>	<u>39,141,947</u>	<u>366,006</u>	<u>572,087</u>	<u>1,505,463</u>	<u>69,973,289</u>
At 31 August 2021	<u>28,625,174</u>	<u>39,466,451</u>	<u>378,111</u>	<u>490,367</u>	<u>90,060</u>	<u>69,050,163</u>

15. Debtors

	2022 £	2021 £
Trade debtors	30,096	9,620
Prepayments and accrued income	733,113	764,745
Capital grants receivable	400,690	742,121
VAT recoverable	513,806	196,084
	<u>1,677,705</u>	<u>1,712,570</u>

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Loans	14,082	5,940
Trade creditors	958,080	1,088,161
Other taxation and social security	362,741	354,134
Other creditors	763,642	520,275
Accruals and deferred income	2,523,481	1,657,659
	<u>4,622,026</u>	<u>3,626,169</u>
	2022 £	2021 £
Deferred income at 1 September 2021	69,118	-
Resources deferred during the year	149,111	69,118
Amounts released from previous periods	(69,118)	-
	<u>149,111</u>	<u>69,118</u>

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

	2022 £	2021 £
Loans	<u>83,226</u>	<u>32,167</u>

The loans totalling £97,308 are Salix loans which were agreed as part of the CIF applications. The four loans originally totalled £118,749. Two loans are interest free originally totalling £47,518, unsecured and repayable in equal monthly instalments which total £2,970 over a period up to 8 years to 2029. While, the remaining two loans originally totalling £71,231 attract an interest rate of 2.03%, unsecured and repayable in equal monthly instalments £742 over a period up to 8 years to 2030.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	1,698,587	699,940	(706,912)	-	-	1,691,615
Restricted general funds						
Restricted Funds - all funds	2,289,357	25,994,435	(24,409,102)	(2,150,713)	-	1,723,977
Other ESFA/DfE grants	-	123,856	(123,856)	-	-	-
Pupil Premium	-	1,910,078	(1,910,078)	-	-	-
PFI Grants	-	412,583	(412,583)	-	-	-
Teachers' pension grant	-	61,673	(61,673)	-	-	-
Local authority grants	-	1,153,613	(1,153,613)	-	-	-
COVID-19 Catch-up Premium	91,695	201,964	(293,659)	-	-	-
Other DfE/ESFA COVID-19 funding	-	41,510	(41,510)	-	-	-
Designated reserve	188,000	-	(188,000)	800,000	-	800,000
Other income from the academy's funding for educational operations	-	22,636	(22,636)	-	-	-
Pension reserve	(24,272,000)	-	(1,540,000)	-	18,146,000	(7,666,000)
	(21,702,948)	29,922,348	(30,156,710)	(1,350,713)	18,146,000	(5,142,023)

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18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
General asset funds	69,050,163	-	(998,276)	1,921,402	-	69,973,289
DFC grant	-	87,693	-	(87,693)	-	-
Capital improvement fund grant	894,314	-	-	(482,996)	-	411,318
	<u>69,944,477</u>	<u>87,693</u>	<u>(998,276)</u>	<u>1,350,713</u>	<u>-</u>	<u>70,384,607</u>
Total Restricted funds	<u>48,241,529</u>	<u>30,010,041</u>	<u>(31,154,986)</u>	<u>-</u>	<u>18,146,000</u>	<u>65,242,584</u>
Total funds	<u>49,940,116</u>	<u>30,709,981</u>	<u>(31,861,898)</u>	<u>-</u>	<u>18,146,000</u>	<u>66,934,199</u>

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

The restricted fixed asset income is provided for specific capital projects.

The restricted income funds are subject to specific expenditure within the Charitable Company's declared objectives.

Transfers between funds relate to amounts expended on fixed assets from GAG and restricted expenditure in excess of restricted income.

Other gains and losses relates to the actuarial gain for the year on the Local Government Pension Scheme.

A designated reserve has been recognised during the year for funds that the Charitable Company has put aside for finishing the LED refresh and delivering PV projects, as part of the decarbonisation strategy. Prior year designated funds have been fully expensed in the current financial year.

Included within Restricted Fixed Assets fund is £411,318 (2021: £894,314) of unspent income from the Conditional Improvement Fund Grant awarded and recognised in full in income during the previous year.

A designated reserve has been recognised during the year for funds that the Charitable Company has put aside to settle the outstanding balances on their operating leases with their lessor.

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

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18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	2,024,893	392,837	(719,143)	-	-	1,698,587
Restricted general funds						
General Annual Grant (GAG)	504,092	24,818,646	(22,385,398)	(647,983)	-	2,289,357
Other ESFA/DfE grants	-	412,915	(412,915)	-	-	-
Pupil Premium	-	1,779,930	(1,779,930)	-	-	-
PFI Grants	-	402,431	(402,431)	-	-	-
Teachers' pension grant	-	814,504	(814,504)	-	-	-
Local authority grants	-	477,246	(477,246)	-	-	-
COVID-19 Catch-up Premium	-	320,680	(228,985)	-	-	91,695
Other DfE/ESFA COVID-19 funding	-	329,142	(329,142)	-	-	-
Coronavirus Job Retention Scheme grant	-	20,829	(20,829)	-	-	-
Donations	-	216,900	(216,900)	-	-	-
Designated reserve	-	-	-	188,000	-	188,000
Pension reserve	(20,726,000)	-	(1,234,000)	-	(2,312,000)	(24,272,000)
	<u>(20,221,908)</u>	<u>29,593,223</u>	<u>(28,302,280)</u>	<u>(459,983)</u>	<u>(2,312,000)</u>	<u>(21,702,948)</u>

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18. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted fixed asset funds						
General asset funds	68,790,717	-	(940,425)	1,199,871	-	69,050,163
DFC grant	-	91,294	-	(91,294)	-	-
Other capital grants	-	85,000	-	(85,000)	-	-
Capital improvement fund grant	478,173	979,735	-	(563,594)	-	894,314
	<u>69,268,890</u>	<u>1,156,029</u>	<u>(940,425)</u>	<u>459,983</u>	<u>-</u>	<u>69,944,477</u>
Total Restricted funds	<u>49,046,982</u>	<u>30,749,252</u>	<u>(29,242,705)</u>	<u>-</u>	<u>(2,312,000)</u>	<u>48,241,529</u>
Total funds	<u><u>51,071,875</u></u>	<u><u>31,142,089</u></u>	<u><u>(29,961,848)</u></u>	<u><u>-</u></u>	<u><u>(2,312,000)</u></u>	<u><u>49,940,116</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	69,973,289	69,973,289
Current assets	1,691,615	7,229,229	411,318	9,332,162
Creditors due within one year	-	(4,622,026)	-	(4,622,026)
Creditors due in more than one year	-	(83,226)	-	(83,226)
Provisions for liabilities and charges	-	(7,666,000)	-	(7,666,000)
Total	<u><u>1,691,615</u></u>	<u><u>(5,142,023)</u></u>	<u><u>70,384,607</u></u>	<u><u>66,934,199</u></u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	69,050,163	69,050,163
Current assets	1,698,587	6,227,388	894,314	8,820,289
Creditors due within one year	-	(3,626,169)	-	(3,626,169)
Creditors due in more than one year	-	(32,167)	-	(32,167)
Provisions for liabilities and charges	-	(24,272,000)	-	(24,272,000)
Total	1,698,587	(21,702,948)	69,944,477	49,940,116

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,151,917)	1,180,241
Adjustments for:		
Interest receivable	(886)	(13,321)
Depreciation charges	998,276	940,424
Capital grants from DfE and other capital income	(87,693)	(1,156,029)
Defined benefit pension scheme cost less contributions payable	1,130,000	909,000
Defined benefit pension scheme finance cost	410,000	325,000
Increase in debtors	(306,566)	(72,213)
Increase in creditors	530,816	1,106,891
Net cash provided by operating activities	1,522,030	3,219,993

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21. Cash flows from financing activities

	2022 £	2021 £
Repayments of loans	(5,940)	(106,073)
Net cash used in financing activities	(5,940)	(106,073)

22. Cash flows from investing activities

	2022 £	2021 £
Interest paid	886	13,321
Purchase of tangible fixed assets	(1,405,302)	(1,199,870)
Capital grants from DfE Group	435,064	1,156,029
Net cash used in investing activities	(969,352)	(30,520)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	7,654,457	7,107,719

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	New loans £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	7,107,719	546,738	-	-	7,654,457
Loans due within 1 year	(5,940)	5,940	(65,141)	51,059	(14,082)
Loans due after 1 year	(32,167)	-	-	(51,059)	(83,226)
	7,069,612	552,678	(65,141)	-	7,557,149

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25. Capital commitments

	2022	2021
	£	£
Contracted for but not provided in these financial statements	<u>1,032,365</u>	<u>264,009</u>

26. Pension commitments

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

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

Contributions amounting to £354,911 were payable to the schemes at 31 August 2022 (2021 - £272,983) and are included within creditors.

Teachers' Pension Scheme

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

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

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,655,334 (2021 - £2,307,900).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,075,226 (2021 - £981,196), of which employer's contributions totalled £831,290 (2021 - £751,545) and employees' contributions totalled £ 243,936 (2021 - £232,651). The agreed contribution rates for future years are 21 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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26. Pension commitments (continued)

The trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

22/23: £438,780

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.05	3.89
Rate of increase for pensions in payment/inflation	3.05	2.89
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.2	21.6
Females	23.6	24.0
<i>Retiring in 20 years</i>		
Males	22.9	23.4
Females	25.4	25.8

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	24,801	40,181
Discount rate -0.1%	25,935	42,300
Mortality assumption - 1 year increase	26,472	43,010
Mortality assumption - 1 year decrease	24,264	39,516
CPI rate +0.1%	25,455	42,160
CPI rate -0.1%	25,281	40,046

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26. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	11,861,000	10,327,000
Gilts	3,717,000	1,401,000
Other bonds	-	1,039,000
Property	1,416,000	1,191,000
Cash and other liquid assets	708,000	624,000
Other	-	2,372,000
Total market value of assets	17,702,000	16,954,000

The actual return on scheme assets was £496,000 (2021 - £2,468,000).

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

	2022	<i>2021</i>
	£	£
Current service cost	2,382,000	1,947,000
Interest cost	410,000	324,000
Administrative expenses	-	1,000
Total amount recognised in the Statement of Financial Activities	2,792,000	2,272,000

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

	2022	<i>2021</i>
	£	£
At 1 September	41,226,000	34,199,000
Interest cost	699,000	549,000
Employee contributions	241,000	236,000
Actuarial (gains)/losses	(18,931,000)	4,555,000
Benefits paid	(269,000)	(364,000)
Current service cost	2,382,000	1,947,000
Past service costs	20,000	104,000
At 31 August	25,368,000	41,226,000

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26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	16,954,000	13,473,000
Interest income	289,000	225,000
Actuarial (losses)/gains	(785,000)	2,243,000
Employer contributions	1,272,000	1,142,000
Employee contributions	241,000	236,000
Benefits paid	(269,000)	(364,000)
Administration expenses	-	(1,000)
At 31 August	17,702,000	16,954,000

27. Members' liability

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

28. Related party transactions

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

One related party transaction took place in the period of account, in addition to certain directors' remuneration and expenses already disclosed in note 12:

Word360 Ltd - a company which K Parmar (a trustee) has a majority interest provided translation services for the trust totalling £44 (2021:£Nil) during the period. There were no amounts outstanding at 31 August 2022 (2021:£Nil).

The services were provided at no more than cost which is supported by a statement of assurance from the related party confirming this.

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29. Agency arrangements

The Academy distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £25,484 (2021: £27,478) and disbursed £22,530 (2021: £42,904) from the fund, which includes a 5% admin fee. An amount of £38,608 (2021: £35,654) is included in other creditors relating to undistributed funds.

The Academy distributes funds to other schools based in Sutton Coldfield as an agent for the Birmingham City Council Education and Skills Directorate. In the accounting period ending 31 August 2022 the trust received £Nil (2021: £78,050) and disbursed £60,960 (2021: £Nil) from the fund. An amount of £17,090 (2021: £78,050) is included in other creditors relating to undistributed funds.

30. Long-term commitments, including operating leases

a. Operating leases

At 31 August 2022 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	123,881	45,696
Amounts due between one and five years	170,414	26,391
	<u>294,295</u>	<u>72,087</u>

b. Other contractual commitments

At 31 August 2022 the total of the Academy's future minimum lease payments under other contractual commitments was:

	2022 £	2021 £
Amounts due within one year	412,265	412,265
Amounts due between one and five years	1,649,060	1,649,060
Amounts due after five years	3,298,120	3,710,385
	<u>5,359,445</u>	<u>5,771,710</u>

The charitable company is committed to funding payments under the PFI Scheme for Smith's Wood Academy. The annual cost of the PFI contract fluctuates with RPI and is approximately £778,000. Annual funding is received from the ESFA towards these costs of which £412,583 was received in the year to 31 August 2022 (2021: £402,431).