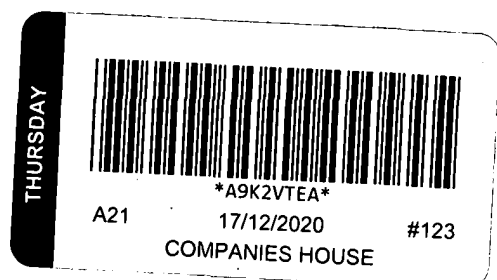


CORE EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



CORE EDUCATION TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the financial statements	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28 - 29
Balance sheet	30 - 31
Statement of cash flows	32
Notes to the financial statements	33 - 64

CORE EDUCATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Amarjit Talwar MBE Prof. Monder Ram OBE Yvonne Wilkinson Dr. Lynne Morris CBE Type text here
Trustees	Thomas Gibbins Professor Monder Ram Jeremy Sagoe (appointed 30 September 2019) Laura Thursfield (appointed 30 September 2019) Shuang (Michelle) Wang Andrew Argyle, (appointed Chair of Trustees 11 September 2020) Adrian Packer CBE, Chief Executive Officer (CEO) Amarjit Talwar MBE, Chair of Trustees (resigned 12 November 2020)
Company registered number	07949154
Company name	CORE Education Trust
Principal/Registered office	55 St Paul's Square Birmingham West Midlands B3 1QS
Company secretary	Joanne Tyler
Executive Team	Adrian Packer, Chief Executive Officer Joanne Tyler, Chief Operating Officer Saiqa Liaqat, Director of Education
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Lloyds Bank 22A Great Hampton Street Birmingham West Midlands B18 6AH
Solicitors	Trowers and Hamlins 10 Colmore Row Birmingham B3 2QD

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operated as an Academy Trust up to 31 March 2020 for pupils aged 3 to 16 serving a catchment area in Birmingham, with a pupil capacity of 4,128 and 4,228 pupils currently enrolled based on the October 2019 Census. On 1 April 2020 the Trust became a secondary specialist Academy Trust for pupils aged 11 to 16 serving a catchment area in Birmingham, with a pupil capacity of 3,460 and 3,409 pupils currently enrolled based on October 2020 Census.

Nansen Primary School was transferred to Leigh Trust on 1 April 2020.

Structure, governance and management

a. Constitution

CORE Education Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum, Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Trustees of CORE Education Trust are also the Directors of the charitable company for the purpose of company law. The charitable company is known as CORE Education Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Trustees are directors of the charitable company for the purpose of the Companies Act 2006 and Trustees for the purpose of charity legislation. The Trust is part of the Department for Education Risk Protection Arrangement and has professional indemnity cover.

d. Method of recruitment and appointment or election of Trustees

New Trustees are recruited in accordance with the Articles of Association. All new Trustees are recruited through a rigorous process which includes completion of a written application form, formal interview with the Members, skills audit, references and due diligence. The term of office for any Trustee is four years, although this time limit does not apply to the CEO.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School(s) and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governance Association training and all Trustees receive regular National Governance Association and Confederation of School Trust updates. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust. Trustees undertake a range of training to develop their skills. Trustee engagement with training and development is monitored and supported by the Head of Governance.

f. Organisational structure

At 31 August 2020, the Academy Trust comprised the following individual academies:

- Arena Academy
- Central Academy
- City Academy Birmingham
- Jewellery Quarter Academy
- Rockwood Academy

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meet four times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one Committee of the Board of Trustees as follows:

- Finance and Audit Committee

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

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

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee
- to appoint or remove the Chair and / or Vice Chair; and
- to review and approve the pay framework for Executive Team and Headteachers

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The Trustees have devolved the day-to-day management of the Academy Trust to the Executive Team ('Exec'), which is led by the Chief Executive. The Exec comprises the Chief Executive, Chief Operating Officer and the Director of Education. The Chief Executive is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The Exec implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates a number of functions to the Local Governing Bodies ('LGB') for each of the Trust's Academies. This is set out in detail in the Trust's scheme of delegation and includes monitoring the academy's School Improvement Plan, reviewing end of key stage results and destinations, and monitoring the academy's use of Pupil Premium and Catch Up grants.

The expectation is that each Local Governing Body deals with agreed aspects of academy standards as set out in the scheme of delegation. The following aspects of the academy should be dealt with via a single purpose panel:

- Pupil and staff discipline
- Staff capability
- Appeal committees

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Board of Trustees / Finance and Audit Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

The salaries of senior Trust staff are reviewed annually by the CEO through a performance management process which is verified by other individual specialist Trustees where appropriate; the CEO's salary is reviewed by the Chair of the Board of Trustees. All senior staff are performance managed against Trust KPIs relevant to their job role. In line with the Scheme of Delegation, incremental pay awards are recommended by the CEO through consultation with the Board of Trustees. The recommendation for the CEO's award is made by the Chair of the Board of Trustees.

At the end of 2017-18, the CEO recommended an incremental pay freeze on the CEO salary. This was accepted by the Board but not as reflection of his performance, rather as a gesture of the Board's commitment to ensure that senior executive salaries do not increase at levels disproportionately beyond that of other staff across the Trust, including teachers. This arrangement has remained in place since then.

The Headteachers in the Trust were set performance management objectives through a process with the Director of Education and the Chair of the LGB.

All pay awards for senior Trust staff are in line with annual percentage levels awarded to teaching staff in the Trust's Schools.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The CORE & Co Foundation, which is a separate registered charity in which CORE Education Trust Member Amarjit Talwar and Academy Trust Trustee Adrian Packer are Trustees. The charity will make donations and contributions to support particular projects and facilities of the Academy Trust and its pupils and is therefore treated as a related party of the Academy Trust for the purposes of the financial statements. In 2019/20 there are no transactions to report.

The CORE Education Trustees do not consider the charity to be a connected charity as the Trustees of the charity are not appointed by the Academy Trust or the Academy Trustees, are not directed by or accountable to the Trustees of the Academy Trust and as the charity's objects differ to and are wider than those of the Academy Trust.

i. Engagement with Employees (including Disabled Persons)

The Academy Trust's policy is to consult and discuss with employees, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The principal object of the Charitable Company is the operation of CORE Education Trust and its Schools: Arena Academy; Central Academy; City Academy; Jewellery Quarter Academy, Rockwood Academy. The purpose is "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum".

b. Objectives, strategies and activities

The key priorities for the period are set out in the Academy Trust's Development Plan which is available from the Chief Executive.

The key activities of the Academy Trust for the year ended 31 August 2020 were focused on Year Two of a Three Year Strategic Development Plan as follows:

- Distinctive Strategic Priorities broadly focusing on partnerships, civic engagement programmes and life beyond school for students.
- ~~Dynamic Strategic Priorities broadly focusing on core subjects, expansion plans, and coaching and curriculum development.~~
- Developmental Strategic Priorities broadly focusing on continuously improving student outcomes.

c. Public benefit

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

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

d. Volunteers

The Trust is grateful for the unstinting efforts of its volunteers who are involved in serving as nonexecutive Members, Trustees and Governors. It is estimated that over 3,500 volunteer hours were provided during the year.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its eighth year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2020 was 3,327

The Academy Trust is committed to continuous improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2020 were as follows:

- All schools within the Academy Trust showed improvement in the outcome measures normally published in the national performance tables. Unvalidated progress 8 and attainment 8 figures follow the trajectory for improvement set by the trust and agreed by the schools.
- External quality assurance visits validated the internal quality assurance conducted at school level. External judgements have been consistent with school evaluations and demonstrate incremental improvements as planned.
- Careers education has been enhanced in all schools with the addition of a scientifically validated online career assessment to support students identify their ideal job and career.
- The CORE Cares guarantee to all students has been shared with all schools to embed into the curriculum giving learners additional experiences, opportunities to accelerate and develop leadership skills.
- Building projects continued at both Arena Academy and Rockwood Academy and were delivered as expected for the start of the new academic year.
- The Trust's Echo Eternal project was awarded a prestigious national Gold Award from the Pearson's Teaching Awards

Covid 19 Control Measures

In response to the pandemic and the effects on student learning and well-being, the Trust implemented a suite of additional curriculum, enrichment, fitness and mental well-being activities to supplement a newly devised distance learning offer. This was coordinated centrally. During this period the Trust monitored online attendance which indicated levels of student engagement at levels higher than reported national averages.

The academies remained open to vulnerable students and children of key workers and supported the local authority during holiday periods, making at least one of the academies available to any vulnerable children from anywhere in the city.

The Trust implemented a Covid Recovery Plan which was overseen by the CEO. This plan specific Covid related priorities including addressed vulnerable learners; distance learning; Year 10 transition into Year 11; September 2020 Plan. A plan was also put in place to provide support for Year 11s particularly with progression related challenges,

The Trust took a view to continue to honour many of its contracts with self-employed service providers on the basis that they would adapt their provision. For example, arts providers adapted their offer to an online platform.

During the summer holidays, the Trust commissioned a children activity provider to give new Year 7 students an opportunity to reengage with day to day school life in the setting of their new academy.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

In preparation for full opening in September 2020, the Trust led separate risk assessment workshops with each senior leadership team in each of the academies.

e. Key performance indicators

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

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2020, the balance of the unrestricted and restricted income reserves was £3,927,989 (2019: £2,078,430), which is after transfers of £654,291 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 3,409 which is a decrease from the previous census due to Nansen transferring out of the Trust.

~~Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA for the year was 71.8% (2019: 70.9%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 83.6% (2019: 71.5%).~~

f. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 within the financial statements.

g. Promoting the success of the Trust

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

Our educational business relationships and community

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

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

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

Our stakeholders

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

Our people

The Academy Trust's key asset is its people. It employs over 370 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

The Trustees are committed and openly engaged with our Members through the active involvement of some Members as Trustees. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

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

The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

The COVID-19 pandemic inevitably impacted staff development. This was particularly the case with supporting teachers with their performance. The Trust took a view to approach Performance Management of all staff in a pragmatic way. Many staff were personally affected by the pandemic. In general, the view was to support staff with incremental progression.

Nansen Primary Transfer

Following discussions with the Regional Schools Commissioner and approval from the West Midlands Head Teacher Board, CORE Education Trust agreed to transfer Nansen Primary School to a new sponsor on 1 April 2020. CORE Education Trustees had recommended that the school be transferred to a primary specialist trust

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

with strong local links. There has been a long history of below average academic outcomes at the school. Leigh Trust is well placed to address this issue. CORE Education Trust is proud of the work it did to support Nansen as a sole primary academy in the Trust during some challenging circumstances from September 2014. The transfer of Nansen involved a commercial contribution of £400k to Leigh Trust, which ensured all liabilities transferred as part of this process. The decision to transfer Nansen makes CORE Education Trust a secondary academy specialist Trust only which is more consistent with the capacity and expertise in the Trust.

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2020, the Academy Trust's total income (excluding capital grants) was £26,984,915 (2019: £28,050,107) while the total expenditure (excluding depreciation, LGPS FRS102 pension cost charges and net assets transferred from academies leaving the Trust in the year) was £25,600,635 (2019: £27,248,749).

The COVID-19 pandemic had an impact on the financial position of the trust resulting in it exceeding the budget forecast prediction. This was mainly due to the reduction in cover staff and being unable to complete the FF&E of the new build at Rockwood Academy.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Chief Executive, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

a. Reserves policy

The Trustees review the Trust reserves policy annually. The Board of Trustees has determined that the minimum level of free reserves should equate approximately to 1 month of the Trust payroll costs, which is approximately £1.4m. Beyond that, the policy of the Trust is to build a prudent level of reserves designed to meet the long term needs of renewal and any other unforeseen contingencies. In line with the approach of the previous 2 years, the overall reserves are pooled to mitigate the risks related to the £1.5m liability inherited from PBAT. This liability is attributed to the ESFA as a creditor. In addition, the Trustees have considered the considerable expansion programme at Rockwood Academy. In doing so they have noted the necessity to ring fence at least £400k to fund FF&E costs from 2020.

The Trust's free reserves that are available to be used on the Trust's charitable objects as at 31st August 2020 were £4,553,531, including £578,875 of Unrestricted reserves and £3,974,565 of Restricted General reserves.

The purpose of this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies or unplanned population growth as required by local circumstances. In future years, capital maintenance and development projects may be considered in the reserves policy review.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Although the current level of free reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years.

The value of the restricted fixed asset fund at 31 August 2020 is £44,563,005 (2019: £52,701,854), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2020 of £8,345,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust entity's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

The COVID19 pandemic resulted in the trust increasing its reserves position against the forecast. An element of this will increase expenditure in 2020/21 due to the handover of the new building at Rockwood Academy.

b. Investment policy

The Trust receives its income from the ESFA on a monthly basis which covers recurring income. Cash balances are maintained at appropriate level. The aims of the investment policy are:

- To ensure adequate cash balances are maintained in the current accounts to cover the day to day working capital requirements of the schools
- To minimise the risk of loss of capital
- To optimize returns on invested funds

During the year the Trust did not invest any money and all funds remained in the current accounts.

c. Principal risks and uncertainties

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

Educational

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

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. There is a nominated safeguarding link Trustee.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. 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, particularly in light continuing changes in to the National Funding Formula for schools.

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

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

The Trust continues to pay the inherited debt of £1.44m from Perry Beeches Academy Trust due to unpaid Pupil Number Adjustments (PNA) The outstanding debt at 31 August 2020 is £620,778

Pupil-Numbers

Numbers on Roll (NOR) at Central Academy and City Academy Birmingham continue to be well below capacity. The significant change to amalgamate the two schools was approved in July 2020 and the new School, City Academy, opened on 1 September 2020. The new school will be run over a split site until funding can be secured to expand the Langley Walk site. This school still has no sports facilities which continues to be an added issue when securing pupils.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and / or management

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

Fraud and mismanagement of funds

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

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

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

COVID-19

In 2020/21 the academy trust has already seen a high increase in the cost of supply staff and cleaning. This will have an impact on the financial position of the trust and may result in an in-year deficit if the current trends continue for the remainder of the year.

It has been identified that there will be an inevitable adverse impact on student outcomes for the next academic year. This has been mitigated through accelerated learning programmes and tutoring interventions. However, the levels of disruption remain unprecedented.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2020.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

	2020
Energy consumption used to calculate emissions (kWh):	5,127,503
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	601.62
Owned transport	1.62
Total scope 1	<u>603.24</u>
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	<u>430.35</u>
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	<u>0.78</u>
Total gross emissions (in tonnes of CO2 equivalent)	<u><u>1,034.37</u></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.

CORE Education has four academies all using gas fuelled boilers and purchased electricity, the Trust has five diesel mini buses and has approx. 15 staff members who claim business mileage

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting (continued)

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and due to COVID 19 have increased video conferencing technology for staff meetings, individual schools have taken steps to increase use of LED lights and CIF bid being undertaken to help increase efficiencies with Rockwood academy looking to reduce Gas consumption by 25% if successful after installation of new heating and water systems

Plans For Future Periods

We plan to conduct an energy audit in our Trust and understand the actions we need to take to reduce our carbon footprint.

We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our Carbon Footprint.

We have installed smart meters across all sites to improve our understanding of energy consumption.

We have prepared CIF bid submission to help with energy efficiencies.

Note:

Arena Academy are a PFI academy. We pay a contribution of 57.16% towards the cost and receive an invoice for the PFI contribution. Bills have been requested to get an accurate figure but not forthcoming, an estimated figure of 800,000 kwh used to calculate Arena gas figure using figures across the estate, the information has been requested from Birmingham City Council so can be used for future reporting.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

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

The Academy Trust's plans for future periods are:

- During the academic year 2020-21, to work with an external facilitator and Trustees to determine a new Three Year Trust Development Plan to launch in 2021.
- During the academic year 2020-21, to determine a student entitlement programme called CORE Cares.
- During the academic year 2020-21, to set up a new Trust Faculty of Education drawing on expertise from the schools across the Trust.
- From September 2020 to ensure that the merger of City and Central Academies is managed in such a way to cause minimal disruption to students and their families.
- During the academic year 2020-21 establish a working party to agree how best to utilise the former Central Academy site in Newhall Street from September 2021.
- During the academic year 2020-21 to seek investment to provide sports facilities to students in the city centre schools.
- During the academic year 2020-21 to establish an Innovation and Development fund for schools to apply for facilities, equipment and services to support development opportunities for students and staff.
- During the academic year 2020-21, to support the setting up of the new CORE & Co Foundation to maximise opportunities for CORE Education Trust children and secure new funding streams to facilitate these opportunities.

The Trust has no short-term plans to expand the number of academies it sponsors but student numbers have increased at Rockwood and Arena academies. However, the new 3 Year Plan will set out a roadmap for the potential sponsorship of more academies in the future. There is uncertainty around what impact the COVID-19 pandemic may have on student numbers entering the schools in September 2021

Funds held as custodian on behalf of others

The Trust holds funds for the Combined Cadet Force Association. The funds are held on behalf of the cadets and will be drawn down by the cadets upon application to the Trust.

CORE EDUCATION TRUST
(A company limited by guarantee)

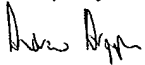
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2020 and signed on its behalf by:



Andrew Argyle
(Chair of Trustees)

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

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

Trustee	Meetings attended	Out of a possible
Thomas Gibbins	4	4
Professor Monder Ram	4	4
Jeremy Sagoe	3	4
Laura Thursfield	4	4
Michelle (Shuang) Wang	3	4
Andrew Argyle, (appointed Chair of Trustees 11 September 2020)	4	4
Adrian Packer CBE, Chief Executive Officer (CEO)	3	4
Amarjit Talwar MBE, Chair of Trustees	4	4

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance and Audit Committee as detailed further below. This is a sub-committee of the Board of Trustees and they met 5 times during the year. The minutes of these sub-committee meetings are provided to the full Board of Trustees at each Board of Trustees meeting, and the Chair of this sub-committee reports to each full Board of Trustees meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

Since March 2020 all meetings have taken place remotely and no meetings were cancelled.

The scheme of delegation sets out clearly the responsibilities of the office holders in the governance and executive teams within the Trust. The scheme ensures that all the headteachers in the schools continue to be held to account by the Local Governing Bodies with the involvement of the CEO, Executive team and Head of Governance to provide additional guidance and professional advice.

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance at meetings of the Finance and Audit Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Argyle	4	5
Laura Thursfield	5	5
Kiran Vithal	5	5
Joanne Tyler	5	5
Adrian Packer CBE	4	5

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the 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 Trustees 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:

- Renegotiating key contracts such as Catering, Photocopying and IT support.
- Introducing more robust performance management systems.
- Improved sharing of resources across the schools.
- Review of the Curriculum across the trust as part of Curriculum Financial Planning.

Due to the COVID-19 pandemic there have been a few instances where it was not possible to procure goods and services through the trust's financial handbook. Adaptions were urgently required to provide protection screens in the academy's receptions and some offices. We were unable to obtain 3 quotes, therefore we used companies we have used in the past who did meet our VfM and procurement procedures. This was in line with the Procurement Policy Note – Responding to COVID-19 (Information Note PPN 01/20 March 2020)

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 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 CORE Education Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to Handle Risk

The board of Trustees 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 Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

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

As detailed above, the Trustees have previously appointed the external auditors to undertake the internal scrutiny services for the Academy Trust. As a result of the changes introduced by the Financial Reporting Council's revised Ethical Standard for Auditors, the Trustees, via the Finance and Audit Committee, have appointed Dains LLP to undertake the internal scrutiny work for the Academy Trust from May 2020.

The 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 year included:

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of bank control procedures
- Review of management information preparation procedures, including information prepared for and presented to the Board of Trustees

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

The auditor has delivered their program of work during the year ended 31 August 2020 as planned. While no significant internal control weaknesses were identified from the work completed, the Trustees and management have developed an action plan to continue to strengthen and improve internal controls over the next 6 months.

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

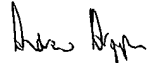
Review of Effectiveness

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

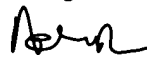
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Andrew Argyle
Chair of Trustees



Adrian Packer CBE
Accounting Officer

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of CORE Education Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

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



Adrian Packer CBE
Accounting Officer
Date: 8 December 2020

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

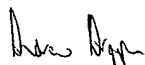
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 8 December 2020 and signed on its behalf by:



Andrew Argyle
(Chair of Trustees)

CORE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CORE
EDUCATION TRUST**

Opinion

We have audited the financial statements of CORE Education Trust (the 'academy') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CORE EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CORE EDUCATION TRUST (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CORE
EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

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

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

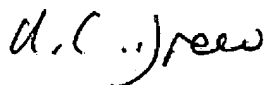
Auditor's responsibilities for the audit of the financial statements

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.

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

8 December 2020

CORE EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 8 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CORE Education Trust during the year 1 September 2019 to 31 August 2020 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 CORE Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to CORE Education 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 CORE Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of CORE Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of CORE Education Trust's funding agreement with the Secretary of State for Education dated 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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.

CORE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CORE
EDUCATION 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 2019 to 31 August 2020 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: 8 December 2020

CORE EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	15,454	-	752,747	768,201	691,285
Charitable activities	4	193,583	26,727,408	-	26,920,991	27,946,431
Other trading activities	6	43,229	-	-	43,229	95,224
Investments	7	5,241	-	-	5,241	2,740
Total income		257,507	26,727,408	752,747	27,737,662	28,735,680
Expenditure on:						
Raising funds		51,774	-	-	51,774	93,750
Charitable activities	8	196,026	25,352,835	1,403,735	26,952,596	29,127,273
Transfer out of Academy Trust	31	56,374	(3,254,374)	8,142,152	4,944,152	-
Total expenditure		304,174	22,098,461	9,545,887	31,948,522	29,221,023
Net (expenditure)/income		(46,667)	4,628,947	(8,793,140)	(4,210,860)	(485,343)
Transfers between funds	18	-	(654,291)	654,291	-	-
Net movement in funds before other recognised gains/(losses)		(46,667)	3,974,656	(8,138,849)	(4,210,860)	(485,343)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,378,000)	-	(2,378,000)	(1,557,000)
Net movement in funds		(46,667)	1,596,656	(8,138,849)	(6,588,860)	(2,042,343)

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
	Note					
Reconciliation of funds:						
Total funds brought forward	18	625,542	(7,352,112)	52,701,854	45,975,284	48,017,627
Total funds carried forward		<u>578,875</u>	<u>(5,755,456)</u>	<u>44,563,005</u>	<u>39,386,424</u>	<u>45,975,284</u>

The notes on pages 33 to 64 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07949154

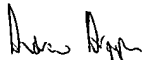
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	43,327,690	52,146,786
		<u>43,327,690</u>	<u>52,146,786</u>
Current assets			
Debtors	15	1,225,904	795,087
Cash at bank and in hand		6,108,306	6,009,938
		<u>7,334,210</u>	<u>6,805,025</u>
Creditors: amounts falling due within one year	16	(2,628,691)	(3,573,636)
Net current assets		4,705,519	3,231,389
Total assets less current liabilities		<u>48,033,209</u>	<u>55,378,175</u>
Creditors: amounts falling due after more than one year	17	(301,785)	(597,891)
Net assets excluding pension liability		<u>47,731,424</u>	<u>54,780,284</u>
Defined benefit pension scheme liability	26	(8,345,000)	(8,805,000)
Total net assets		<u><u>39,386,424</u></u>	<u><u>45,975,284</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	44,563,005	52,701,854
Restricted income funds	18	2,589,544	1,452,888
		<u>47,152,549</u>	<u>54,154,742</u>
Restricted funds excluding pension asset	18	47,152,549	54,154,742
Pension reserve	18	(8,345,000)	(8,805,000)
Total restricted funds	18	38,807,549	45,349,742
Unrestricted income funds	18	578,875	625,542
Total funds		<u><u>39,386,424</u></u>	<u><u>45,975,284</u></u>

CORE EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07949154

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 28 to 64 were approved by the Trustees, and authorised for issue on 08 December 2020 and are signed on their behalf, by:



Andrew Argyle
(Chair of Trustees)

The notes on pages 33 to 64 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	521,014	2,680,489
Cash flows from investing activities	23	31,197	241,905
		<hr/>	<hr/>
Cash flows from financing activities	22	(453,843)	(315,092)
Change in cash and cash equivalents in the year		98,368	2,607,302
Cash and cash equivalents at the beginning of the year		6,009,938	3,402,636
Cash and cash equivalents at the end of the year	24, 25	<hr/> <hr/> 6,108,306	<hr/> <hr/> 6,009,938

The notes on pages 33 to 64 form part of these financial statements

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Company status

The academy trust is a company limited by guarantee, incorporated and registered in England and Wales (registration no. 07949154). The registered office is CORE Education Trust, 55 St Paul's Square, Birmingham, B3 1QS. The members and directors of the company are named on page 1. 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 Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 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.

1.6 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Expenditure (continued)

The trust has agreed to accept historical pupil number adjustment deficits of certain Perry Beeches The Academy Trust schools, in the form of a loan that will be repaid out of each schools future GAG entitlement. This loan has been accounted for as charitable donation expenditure through the sofa with an equal and opposite loan on the Balance sheet. This loan is considered to meet the definition of a concessionary loan. Further details are provided in the notes to the financial statements.

1.7 Tangible fixed assets

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

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

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:

Depreciation is provided on the following bases:

Leasehold land and buildings	- between 10 and 125 years
Furniture and fixtures	- 10 years
Motor vehicles	- 4 years
Computer equipment	- 3 years

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

1.8 Operating leases

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

1.9 Taxation

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 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.

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

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

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Agency arrangements

The academy trust is acting as an agent to distribute a one-off amount from the Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets from the academy trust. These funds have been excluded from the statement of financial activities as the academy trust does not have control over the charitable application of funds.

The funds received and paid and any balance held are disclosed in note 29.

1.16 Transfer out of Academies

The transfer out of an existing Academy within the Trust involves the transfer of identifiable assets and liabilities and the operation of the school for a £Nil consideration.

The assets and liabilities of Nansen Primary Academy have been transferred out of the Trust at fair value in accordance with the accounting policies set out for CORE Education Trust. The amounts have been removed from the appropriate balance sheet categories with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2020. 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.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	15,454	-	15,454
Capital grants	-	752,747	752,747
Total 2020	15,454	752,747	768,201
	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	5,712	-	5,712
Capital grants	-	685,573	685,573
Total 2019	5,712	685,573	691,285

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations (note 5)	-	26,727,408	26,727,408
School trip income	117,457	-	117,457
Catering income	19,921	-	19,921
Other income	56,205	-	56,205
Total 2020	193,583	26,727,408	26,920,991

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations (note 5)	-	27,507,631	27,507,631
School trip income	174,174	-	174,174
Catering income	70,595	-	70,595
Other income	194,031	-	194,031
Total 2019	438,800	27,507,631	27,946,431

5. Funding for the academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General annual grant (GAG)	22,680,877	22,680,877
Other DfE/EFSA grants	3,471,039	3,471,039
	26,151,916	26,151,916
Other government grants		
Local Authority Grants	553,722	553,722
	553,722	553,722
Other funding		
Other grants	21,770	21,770
	21,770	21,770
Total 2020	26,727,408	26,727,408

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Funding for the academy's educational operations (continued)

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants		
General annual grant (GAG)	24,242,130	24,242,130
Other DfE/EFSA grants	3,228,904	3,228,904
	<u>27,471,034</u>	<u>27,471,034</u>
Other government grants		
Local Authority Grants	4,770	4,770
	<u>4,770</u>	<u>4,770</u>
Other funding		
Other grants	31,827	31,827
	<u>31,827</u>	<u>31,827</u>
Total 2019	<u><u>27,507,631</u></u>	<u><u>27,507,631</u></u>

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	23,247	23,247
Sale of goods	5,195	5,195
Other income	14,787	14,787
Total 2020	<u><u>43,229</u></u>	<u><u>43,229</u></u>

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	58,050	58,050
Sale of goods	8,564	8,564
Other income	28,610	28,610
<i>Total 2019</i>	<u>95,224</u>	<u>95,224</u>

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	<u>5,241</u>	<u>5,241</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	<u>2,740</u>	<u>2,740</u>

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	38,034	13,740	51,774
Funding for educational operations:				
Direct costs	15,419,777	-	1,618,871	17,038,648
Support costs	3,367,295	3,657,457	2,889,196	9,913,948
Trf out of academy costs (note 31)	-	-	4,944,152	4,944,152
Total 2020	18,787,072	3,695,491	9,465,959	31,948,522
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:				
Direct costs	-	82,188	11,562	93,750
Funding for educational operations:				
Direct costs	15,807,536	-	1,722,753	17,530,289
Support costs	3,676,812	4,076,671	3,843,501	11,596,984
Total 2019	19,484,348	4,158,859	5,577,816	29,221,023

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	17,038,648	9,913,948	26,952,596
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational operations	17,530,289	11,596,984	29,127,273

Analysis of support costs

	Activities 2020 £	Total funds 2020 £
Staff costs	3,367,295	3,367,295
Depreciation	1,403,735	1,403,735
Premises costs	3,103,305	3,103,305
Cleaning	554,152	554,152
Legal fees	63,927	63,927
Other support costs	944,857	944,857
Governance costs	32,326	32,326
Professional fees	444,351	444,351
Total 2020	9,913,948	9,913,948

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the trust's activities. These costs include statutory requirements including the audit of the statutory accounts and other legal costs.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Activities</i> 2019 £	<i>Total funds</i> 2019 £
Staff costs	3,700,900	3,700,900
Depreciation	1,972,274	1,972,274
Premises costs	3,325,830	3,325,830
Cleaning	750,841	750,841
Legal fees	76,451	76,451
Other support costs	1,249,743	1,249,743
Governance costs	35,171	35,171
Professional fees	485,774	485,774
<i>Total 2019</i>	<u>11,596,984</u>	<u>11,596,984</u>

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	1,289,369	1,519,982
Depreciation of tangible fixed assets	1,403,735	1,972,274
Transfer out of Academy	4,944,152	-
Fees paid to auditor for:		
- audit	21,650	21,000
- other services	4,625	6,600
	<u> </u>	<u> </u>

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	13,131,029	14,082,817
Social security costs	1,378,116	1,471,218
Pension costs	3,354,093	2,878,020
	<u>17,863,238</u>	<u>18,432,055</u>
Agency staff costs	923,557	889,087
Staff restructuring costs	277	163,206
	<u>18,787,072</u>	<u>19,484,348</u>

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	277	29,122
Severance payments	-	134,084
	<u>277</u>	<u>163,206</u>

b. Non-statutory/non-contractual staff severance payments

Included in severance and redundancy payments were 1 (2019 - 10) severance payments totalling £277 (2019 - £163,206). Of this total none related to non-contractual payments (2019: £20,028, £13,000, £20,000, £6,090 and £8,500.).

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	217	230
Administration and support	173	190
Management	43	41
	<u>433</u>	<u>461</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	7	7
In the band £80,001 - £90,000	2	4
In the band £90,001 - £100,000	4	2
In the band £100,001 - £110,000	1	1
In the band £160,001 - £170,000	1	1
	<u>15</u>	<u>15</u>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £565,767 (2019 £629,044).

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Trustees' remuneration and expenses

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

	2020	2019
	£	£
Adrian Packer CBE, Chief Executive Remuneration Officer (CEO)	165,000 - 170,000	160,000 - 165,000
Pension contributions paid	35,000 - 40,000	25,000 - 30,000

During the year ended 31 August 2020, expenses totalling £28 were reimbursed or paid directly to 1 Trustee (2019 - £38 to 1 Trustee). These expenses related to subsistence.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2019	55,558,012	1,300,835	2,154,374	25,050	-	59,038,271
Additions	-	349,123	296,066	-	81,602	726,791
Transfer out of Academy	(9,803,204)	(624,389)	(450,344)	-	-	(10,877,937)
At 31 August 2020	45,754,808	1,025,569	2,000,096	25,050	81,602	48,887,125
Depreciation						
At 1 September 2019	5,168,286	423,068	1,275,081	25,050	-	6,891,485
Charge for the year	729,448	122,754	551,533	-	-	1,403,735
On transfer out of Academy	(2,049,487)	(306,547)	(379,751)	-	-	(2,735,785)
At 31 August 2020	3,848,247	239,275	1,446,863	25,050	-	5,559,435
Net book value						
At 31 August 2020	41,906,561	786,294	553,233	-	81,602	43,327,690
At 31 August 2019	50,389,726	877,767	879,293	-	-	52,146,786

The trust occupies long leasehold land and buildings that have been provided to the trust by Birmingham City Council on 125 year leases. The legal owner of the properties is Birmingham City Council and The Secretary of State for Department of Education.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	66,373	72,803
Other debtors	15,200	15,200
Prepayments and accrued income	853,480	663,931
Tax recoverable	290,851	43,153
	<u>1,225,904</u>	<u>795,087</u>

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,967,975	2,438,415
Other creditors	44,837	37,220
Accruals and deferred income	296,886	621,271
ESFA pupil number adjustment	318,993	476,730
	<u>2,628,691</u>	<u>3,573,636</u>

	2020	2019
	£	£
Deferred income at 1 September 2019	142,924	315,387
Resources deferred during the year	44,144	142,924
Amounts released from previous periods	(142,924)	(315,387)
	<u>44,144</u>	<u>142,924</u>

Deferred income relates to grants received in advance of entitlement for the 20-21 academic year.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	2020	2019
	£	£
ESFA pupil number adjustment	301,785	597,891

On 1 March 2018, the trust inherited a pupil number adjustment from Perry Beeches the Academy Trust as part of the re-brokerage of Arena Academy, Central Academy, City Academy and Jewellery Quarter Academy.

This adjustment is repayable over the next 3 years out of future GAG funding, agreed as part of an interest free, repayment plan with the ESFA.

The loan is considered to meet the definition of a concessionary loan.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	625,542	257,507	(304,174)	-	-	578,875
Restricted general funds						
General Annual Grant	2,527,509	22,680,877	(21,343,773)	(654,291)	-	3,210,322
Other DfE/EFA grants	-	3,471,039	(3,471,039)	-	-	-
Other government grants	-	553,722	(553,722)	-	-	-
Non government grants	-	21,770	(21,770)	-	-	-
ESFA PNA adjustment	(1,074,621)	-	453,843	-	-	(620,778)
Pension reserve	(8,805,000)	-	2,838,000	-	(2,378,000)	(8,345,000)
	<u>(7,352,112)</u>	<u>26,727,408</u>	<u>(22,098,461)</u>	<u>(654,291)</u>	<u>(2,378,000)</u>	<u>(5,755,456)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	52,146,786	-	(9,545,887)	726,791	-	43,327,690
Capital grants	555,068	752,747	-	(72,500)	-	1,235,315
	<u>52,701,854</u>	<u>752,747</u>	<u>(9,545,887)</u>	<u>654,291</u>	<u>-</u>	<u>44,563,005</u>
Total Restricted funds	<u>45,349,742</u>	<u>27,480,155</u>	<u>(31,644,348)</u>	<u>-</u>	<u>(2,378,000)</u>	<u>38,807,549</u>
Total funds	<u>45,975,284</u>	<u>27,737,662</u>	<u>(31,948,522)</u>	<u>-</u>	<u>(2,378,000)</u>	<u>39,386,424</u>

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

Unrestricted funds

This fund represents unrestricted funds accumulated over time that can be spent at the discretion of the Trustees in the furtherance of the charitable objects.

Restricted general funds

This fund represents grants received for the trust's operational activities and development to be spent on the furtherance of the Trust's charitable objects.

Restricted fixed asset fund

This fund represents the carrying value of the fixed assets that have been funded by grants from the ESFA plus amounts received to be expended in the future on fixed assets.

Gains and losses

These represent the actuarial gains and losses on the Local Government Pension Scheme.

Transfers

These represent funds transferred from GAG to fund capital purchases and transfers between funds where costs have been borne out of different funds.

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
CORE Education Trust	3,168,419	636,337
Rockwood Academy	-	815,375
Nansen Primary School	-	870,161
Arena Academy	-	124,047
Central Academy	-	10,437
City Academy Birmingham	-	(673,103)
Jewellery Quarter Academy	-	295,176
Total before fixed asset funds and pension reserve	3,168,419	2,078,430
Restricted fixed asset fund	44,563,005	52,701,854
Pension reserve	(8,345,000)	(8,805,000)
Total	39,386,424	45,975,284

Overall reserves are pooled and held centrally, they are not attributed to individual academies. However, the policy allows for each academy to have access to 5% of any underspend from their delegated budget from the previous year.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
CORE Education Trust	19,453	1,619,107	240,284	518,286	2,397,130
Rockwood Academy	3,092,535	396,427	274,316	748,632	4,511,910
Nansen Primary School	1,560,361	256,315	171,863	9,108,605	11,097,144
Arena Academy	3,805,885	468,874	316,362	1,630,994	6,222,115
Central Academy	2,504,131	187,446	147,395	674,194	3,513,166
City Academy Birmingham	2,028,775	237,029	68,329	582,029	2,916,162
Jewellery Quarter Academy	2,408,637	202,097	242,591	631,835	3,485,160
Academy	15,419,777	3,367,295	1,461,140	13,894,575	34,142,787

Note Nansen Primary School transferred out of the Trust as at 1 April 2020, see note 31.

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
CORE Education Trust	59,517	1,898,177	52,983	570,499	2,581,176
Rockwood Academy	2,775,727	343,273	346,047	1,034,574	4,499,621
Nansen Primary School	2,537,495	388,482	424,622	875,684	4,226,283
Arena Academy	3,468,566	412,884	393,039	1,517,655	5,792,144
Central Academy	2,515,740	212,979	160,478	745,174	3,634,371
City Academy Birmingham	2,124,788	184,744	143,394	624,435	3,077,361
Jewellery Quarter Academy	2,325,703	236,273	237,840	637,977	3,437,793
Academy	15,807,536	3,676,812	1,758,403	6,005,998	27,248,749

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	560,667	542,476	(512,373)	34,772	-	625,542
Restricted general funds						
General Annual Grant	1,694,021	24,242,130	(23,057,967)	(350,675)	-	2,527,509
Other DfE/EFA grants	-	3,228,904	(3,228,904)	-	-	-
Other government grants	-	4,770	(4,770)	-	-	-
Non government grants	-	31,827	(31,827)	-	-	-
ESFA PNA adjustment	(1,389,713)	-	315,092	-	-	(1,074,621)
Pension reserve	(6,520,000)	-	(728,000)	-	(1,557,000)	(8,805,000)
	<u>(6,215,692)</u>	<u>27,507,631</u>	<u>(26,736,376)</u>	<u>(350,675)</u>	<u>(1,557,000)</u>	<u>(7,352,112)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	53,672,652	-	(1,972,274)	446,408	-	52,146,786
Capital grants	-	685,573	-	(130,505)	-	555,068
	<u>53,672,652</u>	<u>685,573</u>	<u>(1,972,274)</u>	<u>315,903</u>	<u>-</u>	<u>52,701,854</u>
Total Restricted funds	<u>47,456,960</u>	<u>28,193,204</u>	<u>(28,708,650)</u>	<u>(34,772)</u>	<u>(1,557,000)</u>	<u>45,349,742</u>
Total funds	<u>48,017,627</u>	<u>28,735,680</u>	<u>(29,221,023)</u>	<u>-</u>	<u>(1,557,000)</u>	<u>45,975,284</u>

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Central services

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

- Leadership, Finance and Administrative support
- Audit fees
- Governance costs

The academy charges for these services on the following basis:

A flat rate based on 7% of GAG income which is considered to broadly represent the relative size and complexity of each constituent academy.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Rockwood Academy	349,290	318,212
Nansen Primary School	283,277	282,199
Arena-Academy	338,862	341,058
Central Academy	230,331	250,063
City Academy Birmingham	211,789	225,662
Jewellery Quarter Academy	241,622	242,754
Total	1,655,171	1,659,948

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	43,327,690	43,327,690
Current assets	578,875	5,520,020	1,235,315	7,334,210
Creditors due within one year	-	(2,628,691)	-	(2,628,691)
Creditors due in more than one year	-	(301,785)	-	(301,785)
Provisions for liabilities and charges	-	(8,345,000)	-	(8,345,000)
Total	578,875	(5,755,456)	44,563,005	39,386,424

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	52,146,786	52,146,786
Current assets	557,224	5,692,733	555,068	6,805,025
Creditors due within one year	-	(3,573,636)	-	(3,573,636)
Creditors due in more than one year	-	(597,891)	-	(597,891)
Provisions for liabilities and charges	-	(8,805,000)	-	(8,805,000)
Total	557,224	(7,283,794)	52,701,854	45,975,284

21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(4,210,860)	(485,343)
Adjustments for:		
Depreciation	1,403,735	1,972,274
Capital grants from DfE and other capital income	(656,405)	(685,573)
Interest receivable	(5,241)	(2,740)
Defined benefit pension scheme cost less contributions payable	641,000	560,000
Defined benefit pension interest and finance cost	119,000	168,000
Increase in debtors	(430,817)	(271,639)
(Decrease)/increase in creditors	(883,550)	1,425,510
Transfer out of Academy Trust	4,544,152	-
Net cash provided by operating activities	521,014	2,680,489

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Cash flows from financing activities

	2020	2019
	£	£
Repayments of PNA adjustment	(453,843)	(315,092)
Net cash used in financing activities	(453,843)	(315,092)

23. Cash flows from investing activities

	2020	2019
	£	£
Interest received	5,241	2,740
Purchase of tangible fixed assets	(630,449)	(446,408)
Capital grants from DfE Group	656,405	685,573
Net cash provided by investing activities	31,197	241,905

24. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	6,108,306	6,009,938
Total cash and cash equivalents	6,108,306	6,009,938

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	6,009,938	98,368	-	6,108,306
ESFA Pupil number adjustment <1 year	(476,730)	453,843	(296,106)	(318,993)
ESFA Pupil number adjustment >1 year	(597,891)	-	296,106	(301,785)
	4,935,317	552,211	-	5,487,528

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,906,641 (2019 - £1,338,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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 2020 was £693,000 (2019 - £791,000), of which employer's contributions totalled £518,000 (2019 - £592,000) and employees' contributions totalled £ 176,000 (2019 - £199,000). The agreed contribution rates for future years are 18.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.65	1.85
Inflation assumption (CPI)	2.25	2.2

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	13,786,000	15,557,000
Discount rate -0.1%	14,561,000	16,341,000
Mortality assumption - 1 year increase	14,698,000	16,528,000
Mortality assumption - 1 year decrease	13,657,000	15,381,000
CPI rate +0.1%	14,205,000	16,013,000
CPI rate -0.1%	14,131,000	15,876,000

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

	2020 £	2019 £
Equities	3,271,000	4,159,000
Government bonds	632,000	655,000
Other bonds	226,000	262,000
Property	439,000	565,000
Cash and other liquid assets	386,000	250,000
Other	869,000	1,028,000
Total market value of assets	5,823,000	6,919,000

The actual return on scheme assets was £301,000 (2019 - £402,000).

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

	2020 £	2019 £
Current service cost	1,262,000	940,000
Past service cost	-	212,000
Net interest on defined liability	133,000	165,000
Administrative expenses	4,000	3,000
Total amount recognised in the Statement of Financial Activities	1,399,000	1,320,000

CORE EDUCATION TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

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

	2020	2019
	£	£
At 1 September	15,724,000	12,312,000
Transferred out on existing academies leaving the trust	(5,981,000)	-
Current service cost	1,291,000	940,000
Employee contributions	159,000	201,000
Actuarial losses/(gains)	2,894,000	1,796,000
Interest cost	233,000	328,000
Benefits paid	(152,000)	(65,000)
Unfunded pension payments	-	212,000
At 31 August	<u>14,168,000</u>	<u>15,724,000</u>

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

	2020	2019
	£	£
At 1 September	6,919,000	5,792,000
Interest income	-	163,000
Actuarial gains	516,000	239,000
Employer contributions	650,000	592,000
Employee contributions	159,000	201,000
Benefits paid	-	(65,000)
Administration expenses	-	(3,000)
At 31 August	<u>8,244,000</u>	<u>6,919,000</u>

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,201,525	1,294,933
Later than 1 year and not later than 5 years	4,348,927	4,406,137
Later than 5 years	4,857,766	5,937,270
	<u>10,408,218</u>	<u>11,638,340</u>

The Trust is committed to funding payments under the PFI Scheme for Arena Academy. The current annual cost of the PFI contract is £1,100,000. Annual funding is received from the ESFA towards these costs which is approximately £930,000 per year.

28. 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.

29. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial 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.

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

30. Agency arrangements

As at 31 August 2020 the academy trust was showing £44,836 (2019: £37,220) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the trust.

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

31. Transfer out on academies leaving the academy

At 1 April 2020, Nansen Primary transferred out of the Academy Trust for nil consideration.

The transfer of Nansen assets and liabilities at 1 April 2020 included fixed assets of £8,142,152, and a pension liability of £3,598,000. As part of the agreement a further cash payment of £400,000 was paid out of Nansen reserves.

There were no fair value adjustments required as part of the transfer out.

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Long-term leasehold property	7,753,717
Furniture and equipment	317,842
Computer equipment	70,593
Current assets	
Cash at bank and in hand	400,000
Pensions	
Pensions - pension scheme assets	2,383,000
Pensions - pension scheme liabilities	(5,981,000)
Net assets	<u><u>4,944,152</u></u>

32. Post balance sheet events

Growth funding income has been awarded to the Trust for an ongoing building project in Rockwood of approximately £14 million. This income and all related expenditure is being undertaken and administered by Birmingham City Council on the Trust's behalf.

The building project was completed and Birmingham City Council handed over legal ownership to the Trust as of October 2020, the property is to be revalued to reflect the new extension and accounted for as a donation within 2021.