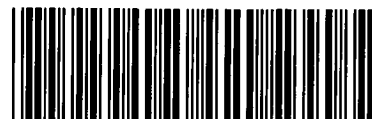


Company Registration Number: 10011570 (England & Wales)

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr Rhandir Kaur Auluck Mark Bailie Alan East Peter Thomas Steven White (resigned 31 December 2021)
Trustees	Victor Bellanti Patricia Cox Ian Dunn Sarah Jane Durkin (resigned 1 January 2022) Kenneth Leonard Holmes David Kershaw Beverley Mabey Peter Thomas
Company registered number	10011570
Company name	Central Academies Trust Limited
Principal and registered office	Lordswood Boys' School Meadow Court Hagley Road Birmingham B17 8BJ
Company secretary	St Pauls Secretaries Limited
Chief executive officer	David Kershaw
Senior management team	Michael Rennie, School Improvement Director (resigned November 2022) Lee Williams, Headteacher and CFO Rajdip Kang, Deputy Headteacher Jane Thompson, Assistant Headteacher Lindsay Greatrix, Deputy Headteacher Marie Lownds-Ford, Assistant Headteacher Kiran Sandhu, Assistant Headteacher
Independent auditors	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	Lloyds Bank Coventry High Street Dept 2534 1 Legg Street Chelmsford CM1 1JS

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

Solicitors

Hill Dickinson
1 St Paul's Square
Liverpool
L3 9SJ

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

Central Academies Trust Limited operates a secondary academy, Lordswood Boys' School ("LBS") in South West Birmingham. The academy has a pupil capacity of 750 and had a roll of 431 in the school census of October 2021.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charity was incorporated on 18 February 2016 as a company limited by guarantee (number 10011570) and has such as no share capital. The charitable company's memorandum and articles of association dated 17 February 2016 are the primary governing documents of the academy trust. The trustees of Central Academies Trust Limited are also directors of the charitable company for the purposes of company law. The charitable company operates as Central Academies Trust Limited.

The Trustees are a highly successful and vastly experienced team of educationalists and Senior Public and Private Sector professionals. This group have created an exceptional team, with a deep commitment to school improvement and raising standards in schools and academies serving challenging communities whilst providing 'good' value for money. They will work in the West Midlands where the Trust has a strong understanding of the local context.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

The principal activities of the charity, which is a Department for Education approved academy sponsor, are the delivery and improvement of state funded education to school age children and the development of a range of education services for those schools.

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

In accordance with the normal commercial practice the Academy Trust provides indemnity insurance to protect its Members, Trustees, Academy Trust representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This insurance does not extend to any claim arising from any act or omission, which Trustees knew to be a breach of trust or breach of duty, or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty, or to the costs of any unsuccessful defense to a criminal prosecution brought against the Trustees, in their capacity as Trustees. The insurance provider provides up to £10 million in aggregate claims.

d. Method of recruitment and appointment or election of Trustees

In accordance with the Memorandum and Articles of Association, Central Academies Trust Limited has appointed a strong board with a range of experience and expertise. This leaves the charity well placed to enforce strong accountability and to lead the organisation through a period of growth.

CENTRAL ACADEMIES TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

New Trustees receive induction training appropriate to the role they are to fulfil. Trustees regularly review their requirement for training and this is provided as and when required. In the course of the previous year a training session covering responsibilities under charity law was held.

f. Organisational structure

There is a Headteacher and 2 Deputy Headteachers of which one is SENDCo. There are 3 Assistant Headteachers. There are 48 employees at LBS. There are 36 teachers, of which two are ECTs and two more trainees. LBS is fully staffed and all subjects are taught by qualified specialist teachers.

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

Staff pay at all levels is overseen by the Trustees taking into account the standard recommendations appropriate to the role and the size of the school. With the move to performance related pay for teaching staff, progression within the scales is proposed by the Headteacher, and approved by the Governing body, based on the achievement of objectives that are set and reviewed annually. Remuneration of senior staff is approved by the Board of Trustees.

h. Connected organisations, including related party relationships

Central Academies Trust was incorporated on 18 February 2016 and became a Multi Academy Trust with one school, Lordswood Boys School, on 1 September 2017. The Trust has concentrated on the performance of this school for the first 5 years of operation but is already supporting a number of local schools on an informal basis.

Objectives and activities

a. Objects and aims

The Charity's mission is to enable students to flourish in school by giving them a knowledge-rich academic education and developing their character and values. Students learn how to work hard and study well, and also to be good and to do good to others. This will prepare them well for a future of success and wellbeing, whatever they choose to do in their lives.

CENTRAL ACADEMIES TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

Strategic intent: A commitment to school improvement and raising standards in schools and academies serving challenging communities.

Central Academies Trust Limited is committed to raising aspirations for everybody within its school community. The Trust is also passionate about seeking to raise the ambitions of students and adults in the local community and beyond.

The Trust's decision making and actions focus upon five values :

1. **Every Student Matters**
CAT believes every student has potential and therefore they can succeed, even in the most challenging circumstances.
2. **Quality Learning**
CAT Academies are led by inspirational leaders who are driven by a desire to focus on quality learning and recruit, develop and support great staff.
3. **The Highest Expectations of Behaviour and Attendance**
CAT Academies will become orderly environments, developing mutual respect between students and students, and students and adults.
4. **No Excuses**
In CAT Academies, teachers working in partnership with support staff , parents, carers, Governors and community are responsible for ensuring all students reach their potential.
5. **No Islands**
In CAT Academies it will be the aim to develop sustainable improvement by outstanding leaders, sharing their expertise across primary, secondary school and the community.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

CENTRAL ACADEMIES TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

a. Key performance indicators

The 2022 outcomes can be seen below. Student outcomes continue to show an ever increasing level against prior attainment with the key headlines meeting or beating those of the LA and National averages.

LBS 2022 OUTCOMES	National Average	Birmingham Average	Lordswood Boys' School
English Standard Pass (Grade 4 & above)	70%	80%	75%
Maths Standard Pass (Grade 4 & above)	65%	74%	78%
English & Maths Standard Pass (Grade 4 & Above)	TBC	70%	69%
English Strong Pass (Grade 5 & above)	53%	68%	53%
Maths Strong Pass (Grade 5 & above)	47%	58%	58%
English & Maths Strong Pass (Grade 5 & Above)	TBC	55%	53%
English High Pass (Grade 7 & above)	20%	TBC	13%
Maths High Pass (Grade 7 & above)	20%	TBC	16%

Outcomes: Five years of a completely new approach has delivered an unprecedented school transformation journey:

Lordswood Boys' School							
OUTCOMES	2018		2019		2020 & 2021 - Accountability measures abandoned due to Covid-19	2022	
	Target	Outcome	Target	Outcome		Target	Outcome
English 4+ %	66	71	65	65		61	75
Maths 4+ %	63	68	63	65		66	78
EnMa 4+ %	63	63	58	56		61	66
English 5+ %	44	54	27	40		42	53
Maths 5+ %	32	39	29	39		40	58
EnMa 5+ %	44	31	19	31		39	46

The data in the table above describes one of the fastest and most significant school improvements in the schools recent history.

37% of LBS students are EAL. The student base is in quintile 5 (most deprived) of all schools in terms of deprivation.

CENTRAL ACADEMIES TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Achievement and Performance

We were inspected by Ofsted in March 2022. This was the first Ofsted inspection since we became an academy under the auspices of Central Academies Trust. This was a very thorough and rigorous process and we were delighted with a 'Good' judgement in all areas.

CAT began sponsorship of Lordswood Boys' School on 1st September 2017. The Inspection earlier that year described the school as having 'Serious Weaknesses', an alternative way of describing a school in 'Special Measures'; as the school had not made enough progress to be described as 'Requires Improvement', to all intents and purposes it was in the lowest Ofsted category.

Intake numbers were in serious decline with the September 2017 Year 7 intake falling to as low as 46 by the start of the academic year. Primary partners reported that parents had little faith in the school and that LBS was not a first choice for almost any family. Student attendance languished significantly below the national averages and almost a third of all students were missing 10% or more school days (persistent absence).

Finances were in a poor state with CAT beginning as the new sponsor with a £100k inherited debt, a not insignificant challenge for a single academy Trust in the first weeks of its existence. Coupled with the task of turning around a school in almost terminal decline and serially Birmingham's lowest achieving school, the challenges were enormous. Leadership was poor.

Governance, oversight and accountability

The CAT Board of Trustees and Members contains three currently serving Headteachers, Executive Headteachers or Chief Executive Officers. There is an additional retired Headteacher with more than 50 years experience of successful Headship and leadership experience. Other support exists in the form of a legal professional, an architect, and an accountant. Meetings are held six times per school year on a half-termly basis with emphasis on student progress and finance. The Trust employs a Director of School Improvement, a school improvement specialist with a proven track record of successful school turnaround projects.

Leadership of the school is directed by a small Senior Management Team comprising the CEO, Director of School Improvement, Headteacher and Deputy Headteachers. Strategy is determined by the Director of School Improvement with the school-based Headteacher and Deputy Headteachers in turn leading a team of three Assistant Headteachers. This model is somewhat unique when compared to other schools nationally and has been very successful. All staff have two identical performance management targets: student attendance and student literacy, alongside a personal target around student progress.

It is a model that is fully transferable and scalable as we prepare to sponsor and/or support and challenge other schools in the West Midlands area.

Financial challenges and deficit reduction: The integrated planning tool

Critical to the school improvement strategy is gaining, and using a crystal clear oversight of staffing, staffing costs, budgets, expenditure, curriculum modelling and timetable parameters. Modelling is always done at least 12 months ahead and the IPT is used to predict in-year variations to staffing and budgets and likely medium to long-term changes in all three key variables: Staffing, Budget and Curriculum. The IPT is critical to the success of LBS and is a fully transferable philosophy. By September 2020, the school had eradicated the inherited debt position. This is despite ensuring unallocated teaching capacity to facilitate substantial academic intervention as the year progresses. As of November 2022 the school had a vastly improved financial position from what was inherited from the previous sponsor with an in-year surplus having been generated in 2019, 2020, and 2021.

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

Strategic report (continued)

Achievements and performance (continued)

Curriculum

We have introduced an innovative Thematic Foundation Studies curriculum for Year 7 where students are taught in a structure not unfamiliar to their experience at primary school spending 18 hours per week with their class teacher. A key is to raise Literacy standards.

Key Stage 3 is taught from Years 7-9. For Key Stage 4, slimming down to 9 subjects was important whilst ensuring a broad and balanced curriculum offer. Schools are measured by performance in the Best 8 subject areas for all students. However, whilst what is taught and in what quantity is clearly of great importance, it is not as fundamentally critical as is ensuring the right quality of teaching.

In 2017, LBS taught Technology as it had since time immemorial. On two occasions, (not just once) in the previous five examinations seasons, the department had achieved 0% passes at the Level 2 threshold. Since the demolition of the old school building Technology has not been taught at LBS. For September 2022 this will change and Technology will become a newly established, thriving department.

LBS is a data rich school and the diligent use of key performance metrics enables leaders to quickly and efficiently adjust practice. The school has a meritocratic, performance-related culture for staff remuneration and CPD support. Staffing costs are 79% of total expenditure and Trust staff costs are 2.5%. It was possible because:

The IPT directed the strategic thinking and revealed areas of inefficiency and, thus, potential savings.

Everything is accurately costed before decisions were implemented.

Forward planning is done very early in the school year. The flow of information enabled the Leadership Team to draw support from other leaders, informing colleagues properly and in good time and advising strategic changes based upon quality information.

From our vision of high aspirations for all, our vision of perfection perhaps, we have been able to simplify our understanding of how we continuously improve, how we keep and support each other looking ahead and how we expect the highest standards from one another. In short, it has led us to understand that school improvement is best described as: Intent, Implementation and Impact.

Intent

A curriculum that is ambitious and demanding for all students. A curriculum that is coherently planned and sequenced.

A curriculum that is successfully adapted designed and developed for students with special educational needs and/or disabilities.

A curriculum that is broad and balanced for all students.

Implementation

Plan to succeed, carve each step carefully and deliver first time, every time.

Measure, reflect, change and vary, be flexible and be realistic. But... get it done...

CENTRAL ACADEMIES TRUST LIMITED
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**TRUSTEES' REPORT (CONTINUED),
FOR THE YEAR ENDED 31 AUGUST 2022**

Strategic report (continued)

Achievements and performance (continued)

Impact

Always know how you are doing against your targets.

Always know how far through delivering the annual strategic plan you are. Never stray from the plan, always measure twice.

The big idea: Literacy

In 2017, at the very start of the CAT sponsorship of the school, there was little understanding of the reasons why students were failing; leaders were not using metrics to any significant degree and underperformance in key areas like Attendance, for example, were not being identified. Most pointed to attitudes to learning (behaviour) and blame was apportioned to those least to blame. CAT commissioned a report on the standard of Literacy across the school and, as a starting point, all students were tested for reading age. We found that on average all students were forty-four months behind their chronological age. Worse still, this deficit between what they could and what they should be able to read grew year-on-year the longer they were at the school. The implications were widespread, not least for gaining a clear understanding of what was wrong. In simple terms and as an example, students were being entered for a History GCSE exam with a reading age of eleven. We know that access to the

At Lordswood Boys' School, we have experienced a dramatic and rapidly improving school improvement journey. From P8 of -0.50 in 2017 we are estimating ourselves this year to be around the +1.0 mark. The last 'recognised' P8 score was +0.69 in 2019. Clearly, things have changed for us all. In 2017, the Year 11 cohort unperformed against targets by more than 1,000 grades at an average of 11 grades under target per student, on average. Grades have been surpassed by at least 6 per student in the last 3 years, an overall improvement, or swing, of +17 grades...per student.

There are many factors that have contributed to this success story, none more than the relentless pursuit of our LITERACY STRATEGY. Then a relentless pursuit of key milestone targets through a genuinely collective whole-school effort, focus and drive. LITERACY has changed the face of our school.

In September 2017 CAT commissioned a survey of reading ages across the entire school.

2017 Literacy Audit	
Year Group	Reading age lag v chronological age (Literacy Gap)
7	-29.0
8	-43.0
9	-47.0
10	-58.0
Average	-44.3

The new Year 7s were operating at some 29 months behind their chronological age, a LITERACY GAP that then appeared to widen as students spent more time in the school...indeed, by Year 10 this gap had become a totally unacceptable at 58 months. In short, after four years at the school, students were, on average, almost 5 years behind chronological age. We track reading ages at four way points, per year. We use a team of four dedicated Literacy Managers to manage the workload. These important colleagues along with all the teaching staff in school perform a range of tasks to deliver our Literacy strategy. The latest data for September 2022 is:

CENTRAL ACADEMIES TRUST LIMITED
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• **TRUSTEES' REPORT (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

September 2021 Literacy Tracker		
Year Group	Reading age lag v chronological age (Literacy Gap): September 2021	17-22 Net Gains (% improvement in Literacy per cohort)
7	-4.3	+85.2
8	-5.7	+86.7
9	-10.8	+77.0
10	-4.6	+92.1
Average	-6.4	+85.6

Where the average gap across the school in 2017 was almost 4 years (-44.3 months), it is now massively reduced to -6.4, as of September 2022. This means we have effectively reduced the LITERACY GAP by 85.6% and, at the current trajectory, by the time Year 10 sit their GCSEs in 2023, the average deficit in that cohort will be more or less ZERO.

The CEO and The Headteacher discuss on a weekly basis weekly strategy and then the Headteacher works with the Deputy Headteachers to triangulate detailed Quality Assurance exercises to validate every aspect of daily school life, all the time measuring, all the time responding. With so much information and such careful planning, mistakes are rare. Using a simple Delivery Matrix, we ensure what we say we are going to do actually gets done. It really is that simple. As others have said... 'Just do it...'

We measure fourteen performance metrics, many in real-time. We use excel spreadsheets as they can be shared easily on school server platforms and can be opened simultaneously by various users. Most staff are able to work with spreadsheets so we find that we were able to quickly collect the information we need to more efficiently appraise and alter, if necessary, strategy. The fourteen are:

1. Year 11 progress data: all students, all subjects.
2. Year 10 progress data: all students, all subjects.
3. Year 9 progress data: all students, all subjects.
4. Year 8 progress data: all students, all subjects.
5. Year 7 progress data against age-related expectations.
6. Whole-school daily attendance. Persistent Absence is half-termly.
7. Lateness.
8. Behaviour.
9. Commendations.
10. Reading age.
11. Spelling test data.
12. Staff attendance.
13. The quality of teaching, learning and literacy (QATLL). Six times per school year, we measure through classroom observations and planning and marking trawls.
14. The Validation Matrix. We ensure we have sufficient confidence in what we are reporting.

Conclusion

The school demonstrates excellent progress which was endorsed by Ofsted's judgement of Good in March 2022.

The school has a stable budget with projected surpluses.

Vital indicators of sustainability are prevalent in terms of academic success, a strong attendance and Literacy base as well as in other key metrics.

Leadership is strong and stable. Planning for key 'next steps' is constant.

CENTRAL ACADEMIES TRUST LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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 Accounting Policies.

Financial review

a. Reserves policy

The amount of reserves held by the academy at 31 August 2022 was £158k.

The directors have worked hard to return the school to a surplus budget over the past 4 years and are happy that the Trust will have a positive financial future

b. Investment policy

The Academy Trust reserves the right to make investments with regards to the cash balances of the Academy Trust in accordance with all relevant legislation relating to the use of public funds. Given the risk profile and expected returns with the current external market climate it has been agreed that no investments, excluding the operational current bank accounts, should be made at this time. It has also been agreed that this will be reviewed regularly by the Trustees.

c. Principal risks and uncertainties

Trustees have reviewed the risks at each board meeting to which the Academies Trust is exposed, and systems and procedures have been put in place to manage them.

The principal financial risk to the Trust concerns the ability to grow, both the Trust itself and currently Lordswood Boys' School. The long term plans for the Trust includes planned growth and after the first 4 years of operation the Trust is on target. The Ofsted judgement of Good in March, alongside good examination results for Lordswood Boys' School were a key part of securing the growth of student numbers, so the trustees are delighted that the targets set were achieved.

The risk associated with the Lordswood building has now been removed by the completion of the new school in March 2020.

Other key factors that face the Trust are lagged funding due to rapid increasing pupil numbers, educational results and recruitment / retention of key staff. These risks, along with relevant controls in place, are fully documented within the risk register which is reviewed periodically by the Trustees.

The risks associated with increasing costs alongside stagnant future funding levels can only be mitigated by close monitoring of funding announcements and modelling funding levels where appropriate. The Trust also has a very effective school improvement plan, which has already impacted Lordswood Boys' School. The school improvement plan and the involvement of specialist staff is the plan for future success.

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

d. Financial performance

The Trust has worked hard on curriculum development and resource planning, working closely with qualified School Resource Management Advisers to ensure that maximum efficiency could be obtained.

The Trust returned a revenue fund deficit of £124k in the year. This is per the plan set by the Trustees which included significant investment in resources to expand the curriculum of the school.

Most of the academy trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted. The grants received from the ESFA during the year ended 31 August 2022 of £3,089k and the associated expenditure of £3,172k are shown as restricted funds in the Statement of Financial Activities.

Total funds at the year end were £7,741k of which £7,872k related to fixed assets, £158k related to general reserves and £(289)k related to the pension reserve deficit.

Plans for future periods

Lordswood Boys School transferred into a new building in March 2020 and we now enjoy ultra modern facilities along with some of the best sports facilities in the area. The new facilities have been funded by the DfE and ESFA at no cost to the Trust.

The CAT future strategy based on this detailed and proven School Improvement Model and is ready to be used elsewhere. The entire structure is well-defined, well-tested and now has 4 and a half years of proven successful implementation and impact. CAT has the capacity to support and/or sponsor other schools through:

Advice, support and guidance via the CAT CEO and Director of School Improvement. Ready-made, ready-to-go data and tracking mechanisms.

Performance management. Leadership and management support. Whole-school Literacy.

Behaviour management.

Key Stage 3 re-modelling e.g. Foundation Studies.

Experienced, committed and ready-to-share leaders in most areas of school improvement, with the capacity to work in other schools without having a detrimental effect upon LBS.

Finance and budgeting.

Curriculum design, innovation and implementation. Governance.

Attendance and Persistent Absence. Key Stage 4 Intervention.

Planning, Marking and Assessment. Teacher development.

Leadership development.

Recruitment.

The Directors are aware of the risks of remaining a Single Academy Trust and are therefore exploring opportunities to bring its expertise and knowledge to an established Multi-Academy Trust. The Trust is exploring the establishment of a new multi-academy trust to which Lordswood would ultimately transfer to. Nothing formal has yet been confirmed, and the Trustees still consider it appropriate to prepare the accounts on a going concern basis as a result of this. The Directors are aware that working in partnership with other Trust's for mutual benefit is at the heart of the Trusts vision and ethos and, as such, are examining the practicalities of such an initiative with potential Trusts.

Funds held as custodian on behalf of others

There are no Funds held as Custodian Trustee on behalf of others.

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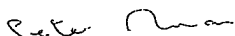
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28 November 2022 and signed on its behalf by:



Peter Thomas
Chair of Trustees

CENTRAL ACADEMIES TRUST LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Central Academies Trust Limited 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, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Central Academies Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Victor Bellanti	5	6
Patricia Cox	5	6
Ian Dunn	6	6
Kenneth Leonard Holmes	6	6
David Kershaw	6	6
Beverley Mabey	5	6
Peter Thomas	6	6

Meetings have taken place in person and remotely, enabling the governance of the trust to continue almost unchanged.

This has been just the fifth year of operation for the board although much has been achieved. The Board has worked closely with the executive team to closely monitor the progress of Lordswood Boys School. The Trust recruited the trustees on the basis of skills and are about to review this as they continue to grow. The Trust decided to appoint a governance professional to further strengthen the leadership and management of the Trust. This is a part-time appointment in the first instance for two days per week.

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee and scrutinise the financial procedures, regulations and management of the Trust's financial budget and to oversee the management of the school facilities. It reports directly to the Board of Trustees and account for their review of the financial statements, budgeting and value for money and monitor, review and evaluate financial propriety.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
David Kershaw	6	6
Victor Bellanti	6	6
Kenneth Holmes	6	6
Beverley Mabey	2	2
Patricia Cox	3	6

CENTRAL ACADEMIES TRUST LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive 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 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:

- Continued review of the staffing resource to ensure maximum efficiency was achieved;
- Reviewing all SLAs for the school and seeking best price once contracts came to an end.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

The 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MLG Education Services Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included a review of the internal control structure looking at the controls that were in place for the year. The report has been considered by the Finance and Audit committee and recommendations for improvements have been agreed. The Trust has agreed a programme of work with MLG which will include reports looking at the control structure of the Trust.

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, the internal 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.

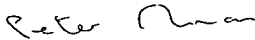
Review of effectiveness

As accounting officer, the Chief Executive 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 financial management and governance self-assessment process;
- the work of the external auditor;
- the work of the executive leaders within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 28 November 2022 and signed on their behalf by:



Peter Thomas
Chair of Trustees



David Kershaw
Accounting Officer

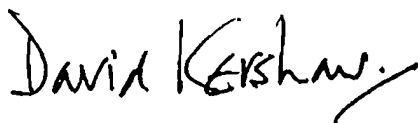
CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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

A handwritten signature in black ink, reading "David Kershaw". The signature is written in a cursive style with a long horizontal stroke at the end.

David Kershaw
Accounting Officer

Date: 28 November 2022

CENTRAL ACADEMIES TRUST LIMITED

(A company limited by guarantee)

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

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

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

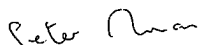
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 28 November 2022 and signed on its behalf by:



Peter Thomas
Chair of Trustees

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL ACADEMIES TRUST LIMITED**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL ACADEMIES TRUST LIMITED (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL ACADEMIES TRUST LIMITED (CONTINUED)**

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

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

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

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

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

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

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

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

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL ACADEMIES TRUST LIMITED (CONTINUED)**

Use of our report

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

Glen Bott FCA

Glen Bott FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date: 19 December 2022

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Academies Trust Limited during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Central Academies Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Central Academies Trust Limited's funding agreement with the Secretary of State for Education dated 31 August 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

Approach

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

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

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

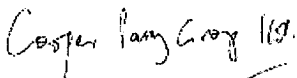
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

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



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Date: 19 December 2022

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	-	10,328	10,328	10,202
Other trading activities	5	16,355	-	-	16,355	4,694
Charitable activities		6,592	3,090,515	-	3,097,107	2,994,627
Total income		22,947	3,090,515	10,328	3,123,790	3,009,523
Expenditure on:						
Charitable activities	6	-	3,270,593	170,805	3,441,398	2,977,998
Total expenditure		-	3,270,593	170,805	3,441,398	2,977,998
Net income/(expenditure)		22,947	(180,078)	(160,477)	(317,608)	31,525
Transfers between funds	15	-	(64,830)	64,830	-	-
Net movement in funds before other recognised gains/(losses)		22,947	(244,908)	(95,647)	(317,608)	31,525
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	1,581,000	-	1,581,000	(60,000)
Net movement in funds		22,947	1,336,092	(95,647)	1,263,392	(28,475)
Reconciliation of funds:						
Total funds brought forward		25,414	(1,515,771)	7,967,872	6,477,515	6,505,990
Net movement in funds		22,947	1,336,092	(95,647)	1,263,392	(28,475)
Total funds carried forward		48,361	(179,679)	7,872,225	7,740,907	6,477,515

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

The notes on pages 28 to 49 form part of these financial statements.

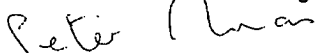
CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 10011570

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	7,872,225	7,967,872
		<u>7,872,225</u>	<u>7,967,872</u>
Current assets			
Debtors	13	284,027	214,941
Cash at bank and in hand		115,471	330,664
		<u>399,498</u>	<u>545,605</u>
Creditors: amounts falling due within one year	14	(241,816)	(262,962)
Net current assets		157,682	282,643
Total assets less current liabilities		<u>8,029,907</u>	<u>8,250,515</u>
Net assets excluding pension liability		8,029,907	8,250,515
Defined benefit pension scheme liability	21	(289,000)	(1,773,000)
Total net assets		<u><u>7,740,907</u></u>	<u><u>6,477,515</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	15	7,872,225	7,967,872
Restricted income funds	15	109,321	257,229
Pension reserve	15	(289,000)	(1,773,000)
Total restricted funds	15	7,692,546	6,452,101
Unrestricted income funds	15	48,361	25,414
Total funds		<u><u>7,740,907</u></u>	<u><u>6,477,515</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue on 28 November 2022 and are signed on their behalf, by:



Peter Thomas
Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(150,363)	188,704
Cash flows from investing activities	18	(64,830)	(27,298)
Change in cash and cash equivalents in the year		(215,193)	161,406
Cash and cash equivalents at the beginning of the year		330,664	169,258
Cash and cash equivalents at the end of the year	19, 20	<u>115,471</u>	<u>330,664</u>

The notes on pages 28 to 49 form part of these financial statements

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

As explained in the trustees report, the Trust is exploring the establishment of a new multi-academy trust to which Lordswood would ultimately transfer to. Nothing formal has yet been confirmed, and the Trustees still consider it appropriate to prepare the accounts on a going concern basis as a result of this.

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

• **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.

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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.

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

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

Expenditure on raising funds 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**

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

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Leasehold property	-	2% (50 years)
Furniture and equipment	-	10% (10 years)
Computer equipment	-	33% (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.

1.6 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.

1.7 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.

1.8 Liabilities

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

1.9 Lease assets

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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1. Accounting policies (continued)

1.13 Pensions (continued)

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.

1.14 Fund accounting

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

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

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

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2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgement:

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

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

3. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Capital Grants	10,328	10,328	10,202
Total 2021	10,202	10,202	

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

4. Funding for Academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,714,418	2,714,418	2,546,914
Other DfE/ESFA grants				
Pupil Premium	-	203,065	203,065	181,878
Teacher Pay grant	-	-	-	25,714
Teacher Pension grant	-	-	-	133,748
Supplementary grant	-	38,626	38,626	-
School-led Tutoring Grant	-	30,983	30,983	-
Other DfE Group grants	-	53,923	53,923	42,159
	-	3,041,015	3,041,015	2,930,413
Other Government grants				
Local authority income	-	1,295	1,295	1,200
	-	1,295	1,295	1,200
Other income from the Academy's educational operations	6,592	-	6,592	5,434
COVID-19 additional funding (DfE/ESFA)				
Recovery / Catch-up Premium	-	48,205	48,205	30,400
Mass testing	-	-	-	27,180
	-	48,205	48,205	57,580
Total 2022	6,592	3,090,515	3,097,107	2,994,627
	6,592	3,090,515	3,097,107	2,994,627
Total 2021	5,434	2,989,193	2,994,627	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	10,518	10,518	339
School trips	5,837	5,837	4,355
Total 2022	<u>16,355</u>	<u>16,355</u>	<u>4,694</u>
Total 2021	<u>4,694</u>	<u>4,694</u>	

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	1,886,199	-	322,119	2,208,318	2,001,033
Support costs	487,362	247,178	498,540	1,233,080	976,965
Total 2022	<u>2,373,561</u>	<u>247,178</u>	<u>820,659</u>	<u>3,441,398</u>	<u>2,977,998</u>
Total 2021	<u>2,152,041</u>	<u>303,871</u>	<u>522,086</u>	<u>2,977,998</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	<u>2,208,318</u>	<u>1,233,080</u>	<u>3,441,398</u>	<u>2,977,998</u>
Total 2021	<u>2,001,033</u>	<u>976,965</u>	<u>2,977,998</u>	

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

Analysis of support costs

	Educational operations 2022 £	Total funds 2022 £	Total funds 2021 £
LGPS net interest costs	37,000	37,000	26,000
Support staff costs	487,362	487,362	444,353
Premises costs	247,178	247,178	148,637
Other support costs	219,013	219,013	166,780
Governance costs	14,092	14,092	16,330
Technology costs	64,103	64,103	46,914
Leasing costs	46,145	46,145	39,648
School trips	11,929	11,929	8,227
Catering costs	103,248	103,248	69,754
Legal fees	3,010	3,010	10,322
	<u>1,233,080</u>	<u>1,233,080</u>	<u>976,965</u>
Total 2021	<u>976,965</u>	<u>976,965</u>	

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	46,145	39,648
Depreciation of tangible fixed assets	170,805	155,234
Fees paid to auditors for:		
- audit	13,200	10,400
- other services	<u>1,750</u>	<u>1,200</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	1,727,334	1,523,940
Social security costs	186,949	156,345
Pension costs	414,524	394,521
	<u>2,328,807</u>	<u>2,074,806</u>
Agency staff costs	44,754	53,127
Staff restructuring costs	-	24,108
	<u>2,373,561</u>	<u>2,152,041</u>
	2022	2021
	£	£
Severance payments	-	24,108
	<u>-</u>	<u>24,108</u>

b. Special staff severance payments

There were no non-statutory or non-contractual staff severance payments in either the current or previous year.

c. Staff numbers

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

	2022	Restated
	No.	2021
Teachers	26	26
Administration and support	12	12
Management	7	7
	<u>45</u>	<u>45</u>

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

9. Staff (continued)

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £632,428 (2021 - £614,338).

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The 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:

		2022 £	2021 £
David Kershaw	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	-	5,000 - 10,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 2022 is included within total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	8,065,000	65,191	46,443	8,176,634
Additions	-	69,459	5,699	75,158
At 31 August 2022	<u>8,065,000</u>	<u>134,650</u>	<u>52,142</u>	<u>8,251,792</u>
Depreciation				
At 1 September 2021	175,000	15,232	18,530	208,762
Charge for the year	148,000	10,714	12,091	170,805
At 31 August 2022	<u>323,000</u>	<u>25,946</u>	<u>30,621</u>	<u>379,567</u>
Net book value				
At 31 August 2022	<u>7,742,000</u>	<u>108,704</u>	<u>21,521</u>	<u>7,872,225</u>
At 31 August 2021	<u>7,890,000</u>	<u>49,959</u>	<u>27,913</u>	<u>7,967,872</u>

13. Debtors

	2022 £	2021 £
Trade debtors	8,073	-
Other debtors	99,276	105,821
Prepayments and accrued income	176,678	109,120
	<u>284,027</u>	<u>214,941</u>

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

14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	122,964	159,024
Other taxation and social security	54,564	42,264
Other creditors	37,047	41,923
Accruals and deferred income	27,241	19,751
	<u>241,816</u>	<u>262,962</u>

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

15. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	25,414	22,947	-	-	-	48,361
Restricted general funds						
General Annual Grant (GAG)	257,229	2,732,716	(2,815,794)	(64,830)	-	109,321
Other ESFA/DfE grants	-	153,439	(153,439)	-	-	-
Pupil premium	-	203,065	(203,065)	-	-	-
LAC income	-	1,295	(1,295)	-	-	-
Pension reserve	(1,773,000)	-	(97,000)	-	1,581,000	(289,000)
	<u>(1,515,771)</u>	<u>3,090,515</u>	<u>(3,270,593)</u>	<u>(64,830)</u>	<u>1,581,000</u>	<u>(179,679)</u>
Restricted fixed asset funds						
Capital grants	118,211	10,328	-	-	-	128,539
Fixed asset fund	7,849,661	-	(170,805)	64,830	-	7,743,686
	<u>7,967,872</u>	<u>10,328</u>	<u>(170,805)</u>	<u>64,830</u>	<u>-</u>	<u>7,872,225</u>
Total Restricted funds	<u>6,452,101</u>	<u>3,100,843</u>	<u>(3,441,398)</u>	<u>-</u>	<u>1,581,000</u>	<u>7,692,546</u>
Total funds	<u>6,477,515</u>	<u>3,123,790</u>	<u>(3,441,398)</u>	<u>-</u>	<u>1,581,000</u>	<u>7,740,907</u>

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

- (i) The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.
- (ii) Other grants and income, which include other ESFA / DfE grants (including Free School Meal grants, Teacher Pay grants and Teachers' Pension grants and PE grant) and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.
- (iii) The pupil premium funding must be used to support children from families on low income or children in care.

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

15. Statement of funds (continued)

- (iv) Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.
- (v) The pension reserve represents the deficit in the Local Government Pension Scheme.

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	15,286	10,128	-	-	-	25,414
Restricted general funds						
General Annual Grant (GAG)	46,098	2,546,914	(2,308,484)	(27,299)	-	257,229
Other ESFA/DfE grants	-	259,201	(259,201)	-	-	-
Pupil premium	-	181,878	(181,878)	-	-	-
LAC income	-	1,200	(1,200)	-	-	-
Pension reserve	(1,641,000)	-	(72,000)	-	(60,000)	(1,773,000)
	<u>(1,594,902)</u>	<u>2,989,193</u>	<u>(2,822,763)</u>	<u>(27,299)</u>	<u>(60,000)</u>	<u>(1,515,771)</u>
Restricted fixed asset funds						
Capital grants	108,009	10,202	-	-	-	118,211
Fixed asset fund	7,977,597	-	(155,235)	27,299	-	7,849,661
	<u>8,085,606</u>	<u>10,202</u>	<u>(155,235)</u>	<u>27,299</u>	<u>-</u>	<u>7,967,872</u>
Total Restricted funds	<u>6,490,704</u>	<u>2,999,395</u>	<u>(2,977,998)</u>	<u>-</u>	<u>(60,000)</u>	<u>6,452,101</u>
Total funds	<u><u>6,505,990</u></u>	<u><u>3,009,523</u></u>	<u><u>(2,977,998)</u></u>	<u><u>-</u></u>	<u><u>(60,000)</u></u>	<u><u>6,477,515</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	7,872,225	7,872,225
Current assets	48,361	351,137	-	399,498
Creditors due within one year	-	(241,816)	-	(241,816)
Pension liability	-	(289,000)	-	(289,000)
Total	48,361	(179,679)	7,872,225	7,740,907

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	7,967,872	7,967,872
Current assets	25,414	520,191	-	545,605
Creditors due within one year	-	(262,962)	-	(262,962)
Pension liability	-	(1,773,000)	-	(1,773,000)
Total	25,414	(1,515,771)	7,967,872	6,477,515

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(317,608)	31,525
Adjustments for:		
Depreciation	170,805	155,234
Increase in debtors	(69,086)	(107,358)
(Decrease)/increase in creditors	(21,146)	47,505
Capital grants from DfE and other capital income	(10,328)	(10,202)
Defined benefit pension scheme cost less contributions payable	60,000	46,000
Defined benefit pension scheme finance cost	37,000	26,000
Net cash (used in)/provided by operating activities	(150,363)	188,704

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18. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(75,158)	(37,500)
Capital grants from DfE Group	10,328	10,202
Net cash used in investing activities	<u>(64,830)</u>	<u>(27,298)</u>

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	115,471	330,664
Total cash and cash equivalents	<u>115,471</u>	<u>330,664</u>

20. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	330,664	(215,193)	115,471
	<u>330,664</u>	<u>(215,193)</u>	<u>115,471</u>

21. Pension commitments

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

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

Contributions amounting to £30,769 were payable to the schemes at 31 August 2022 (2021 - £39,339) and are included within creditors.

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

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.

The employer's pension costs paid to TPS in the year amounted to £292,709 (2021 - £281,521).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £116,000 (2021 - £81,000), of which employer's contributions totalled £99,000 (2021 - £67,000) and employees' contributions totalled £ 17,000 (2021 - £14,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5-12.5 per cent for employees.

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

CENTRAL ACADEMIES TRUST LIMITED
(A company limited by guarantee)

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

21. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.05	3.90
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

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

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	1,484,720	1,356,000
Gilts	-	184,000
Other bonds	465,360	136,000
Property	177,280	156,000
Cash and other liquid assets	88,640	82,000
Other	-	312,000
Total market value of assets	2,216,000	2,226,000

The actual return on scheme assets was £(68,000) (2021 - £330,000).

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

21. Pension commitments (continued)

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

	2022 £	2021 £
Current service cost	(159,000)	(113,000)
Interest income	30,000	30,000
Interest cost	(67,000)	(56,000)
Total amount recognised in the Statement of Financial Activities	(196,000)	(139,000)

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

	2022 £	2021 £
At 1 September	3,999,000	3,492,000
Current service cost	159,000	113,000
Interest cost	67,000	56,000
Employee contributions	17,000	14,000
Actuarial (gains)/losses	(1,686,000)	360,000
Benefits paid	(58,000)	(36,000)
At 31 August	2,498,000	3,999,000

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

	2022 £	2021 £
At 1 September	2,226,000	1,851,000
Interest income	37,000	30,000
Actuarial (losses)/gains	(105,000)	300,000
Employer contributions	99,000	67,000
Employee contributions	17,000	14,000
Benefits paid	(58,000)	(36,000)
At 31 August	2,216,000	2,226,000

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

22. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	23,810	29,930
Later than 1 year and not later than 5 years	50,674	33,394
Later than 5 years	5,961	-
	<u>80,445</u>	<u>63,324</u>

23. 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.

24. Related party transactions

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

There were no related party transactions during the year other than those transactions with trustees as disclosed in note 10.