

Cromwell Learning Community Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2022**

Company Registration Number
10465397 (England and Wales)

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COMPANIES HOUSE

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

**Report and Financial Statements
Year ended 31 August 2022**

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Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details
Year ended 31 August 2022

Members	Surinder Kaur Dhillon (resigned from 14 January 2021) Yva Alexanorova Petrova (from 25 September 2019) Natasha Williams (from 25 September 2019) Annette O Neil
Trustees	John Orchard (Chair of Trustees) Carol Barbara Parkinson Rubina Darr Ava Sturridge Packer (resigned 26 August 2022) Barbara Jacques Ellen Osbourne
Company secretary	Sally Hill
Senior management team	
Executive Head Teacher	Rubina Darr
Head of School	Julie Fisher
Assistant Head Teacher	Sophie Harris
Assistant Head Teacher	Eleanor Karwowski
Assistant Head Teacher	Fareedah Razzaq
Company name	Cromwell Learning Community Academy Trust
Principal and registered office	Cromwell Junior & Infant School Cromwell Street Birmingham B7 5BA
Company registration number	10465397
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank Commercial Finance Limited 4th Floor 125 Colmore Row Birmingham B3 3SF
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Cromwell Learning Community Academy Trust (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 period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy trust operates 2 primary schools serving catchment areas in Nechells and Bordesley Green which are:

Cromwell Junior & Infant School
Bordesley Village Primary School

They have a combined pupil capacity of 695 and had a roll of 579 in the school census on 6th October 2022. Bordesley Village had 329 pupils and Cromwell 227 pupils.

Structure, Governance and Management

Constitution

The multi academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The Trustees of Cromwell Learning Community Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cromwell Learning Community Academy Trust.

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the multi academy. A parent trustee must be a parent of a pupil at the multi academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

a person who lives or works in the community served by the multi academy; or
a person who, in the opinion of the board of trustees, is committed to the government and success of the multi academy.

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2022 (continued)

Method of recruitment and appointment or election of Trustees (continued)

Staff trustees are elected by employees of the multi academy trust.

The selection procedures are as below.

- Letter of interest of why the individual would like to become a Trustee of this particular trust and an outline of the skill set that the individual can offer;
- Letter of application to be considered by Members and Trustees;
- Vote by Members only

Policies and Procedures Adopted for the Induction and Training of Trustees

The Executive Head Teacher is the leader for professional development in schools, she ensures that trustees are provided with opportunities to receive training in accordance with their role, and the schools training plan.

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

Finance and Pay
Buildings, Health and Safety
Curriculum and Standards
Head Teacher Performance Management
Appeals
Staff and Pupil Discipline

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy's budget and implementation of the multi academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer, and this role has been fully implemented in accordance with the multi academy trust's financial procedures.

Decisions relating to Cromwell Learning Community Academy Trust are reserved for the board of trustees. Those responsibilities delegated to management include leadership and management responsibilities.

Arrangements for setting pay and remuneration of key management personnel

The settings of pay and remuneration will be completed by the Finance, Resources, and HR Committee.

Trade union facility time

There is no Trade union facility time across the MAT. However, the MAT does pay into Birmingham City Council's service.

**Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2022 (continued)

Related parties and other Connected Charities and Organisations

Name	Related Party	Additional Information
Rubina Darr	Free at Last	Trustee
Carol Parkinson	Oratory RC Primary School	Governor
Ellen Osbourne	Compliance For Schools Ltd	Director
John Orchard	None	None
Ava Sturridge Packer	None	None

Objectives and activities

Objects and aims

The strategic goal of Cromwell Learning and Community Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

Objectives, strategies, and activities:

The main objectives for the year are:

Ensuring that the wellbeing (physical, mental and financial wellbeing) of staff remains a focus as we come out of COVID-19 and enter a cost of living crisis.

Ensuring that we are aware of the impact of the above on our children as well as their families.

Ensuring a broad and balanced curriculum is on offer to all pupils.

The needs of SEND/Vulnerable children remain a focus within the MAT.

That all staff at all levels receive appropriate training and support (CPD) in order to fulfil their duties.

Maintaining standards of attainment and progress at EYFS, KS1 and KS2

Implementing closing the gap strategies where necessary to enable pupils to catch up on lost learning

Ensuring that high standards of teaching and learning are sustained.

The strategies adopted for achieving these objectives are:

Utilising the Teacher Workload Toolkit to ensure good work/life balance so staff are not impacted negatively.

Continuing to provide staff wellbeing support and support for pupils as we deal with the effects of lockdown. For example social, emotional, mental wellbeing and speaking and listening.

Providing clear guidelines on effective classroom pedagogy linked to research and EEF (Education Endowment Fund)

A programme of monitoring provision and outcomes, with regular feedback to staff

Pupil assessments conducted at timely intervals to assess standards and progress and identify underperformance and gaps in learning.

Cromwell Learning Community Academy Trust
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Trustees' report for the year ended 31 August 2022 (continued)

Public benefit

In setting our objectives and planning our activities, the Board of Trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Cromwell Learning Community Academy Trust is an equal opportunity employer and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

END OF KS RESULTS 2022

KS2 SAT Results	Reading		Writing		Mathematics		Combined RWM
	Expected	Greater depth	Expected	Greater depth	Expected	High standard	
Cromwell KS2 2022	96.7	60	86.7	26.7	100	33.3	83.3
Bordesley Village KS2 2022	73.5	20.4	75.5	8.2	79.6	6.1	67.3
KS2 National 2022 (unvalidated)	74.5	27.8	69.4	12.8	71.4	22.4	58.7
Cromwell KS2 2019	93.1	48.3	93.1	34.5	96.6	66.5	93.1
Bordesley Village KS2 2019	73.5	20.4	89.8	18.4	85.7	30.6	71.4
KS2 National 2019	73.2	27	78.4	20.1	78.7	26.6	64.9
KS1 SAT Results	Expected	Greater depth	Expected	Greater depth	Expected	High standard	Combined RWM
Cromwell KS1 2022	76.7	20	76.7	13.3	76.7	16.7	66.7
Bordesley Village KS1 2022	76.5	20.6	73.5	17.6	76.5	20.6	73.5
KS1 National 2022 (unvalidated)	66.9	18	57.6	8	67.6	15.1	53.5
Cromwell KS1 2019	80	20	76.7	16.7	83.3	20	73.3
Bordesley Village KS1 2019	75.5	20.8	75.5	15.1	77.4	18.9	71.7
KS1 National 2019	74.9	25	69.2	14.8	75.6	21.7	64.9

2022 results are unvalidated with Bordesley Village having up to 4 pupils disapplied, therefore their results will go up significantly. Cromwell results will remain as stated.

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Trustees' report for the year ended 31 August 2022 (continued)

EYFS RESULTS 2022

	Good Level of Development %	
Cromwell 2022	70	
Bordesley Village 2022	70.5	
National 2022 (unvalidated)	65.2	
Cromwell 2019	73.3	
Bordesley Village 2019	70.6	
National 2019	71.8	
Phonics Year 1	2022	2019
Cromwell	90	93.3
Bordesley Village	82.4	86.7
Phonics National	75.5	81.8

Progress Data: KS1 to KS2

0 = national progress

School	Subject	2018	2019	2022
Cromwell	Reading	4.63	4.47	7.09
	Writing	2.29	3.76	3.85
	Maths	5.02	5.37	5.83
Bordesley Village	Reading	1.73	3.42	1.06
	Writing	3.09	4.32	1.8
	Maths	1.11	4.07	0.73

Key Performance Indicators

Attainment at the end of KS2 in 2022 is above national levels at Cromwell and will be at least in line with national levels at Bordesley Village, and likely to be above, once validated data is released. Standards at KS1 in 2022 are above national levels at both Cromwell and Bordesley Village. In 2022 standards were above national at both school in pupils attaining a Good Level of Development and the phonics test.

In 2022 KS2 attainment of the more able was above national at Cromwell but below national at Bordesley Village, particularly in mathematics. Stretching the most able will be a priority at Bordesley Village.

2022 progress data from KS1 to KS2 was significantly above national levels at Cromwell and above national levels at Bordesley Village (however this is based on unvalidated data).

The continued development of effective leadership both within SLT and increasingly in middle leaders.

Strong assessment systems have been developed across the MAT with accurate baselines established for all pupils. Progress and attainment against ARE is reviewed half termly, with targets set and intervention strategies implemented for underperformance, underpinned by regular pupil progress meetings with teachers.

School leaders have raised the expectations of all staff in terms of teaching and learning and introduced a set of non-negotiable features of effective teaching to ensure greater consistency, consequently most teaching across the MAT is at least good and a significant amount is outstanding.

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Trustees' report for the year ended 31 August 2022 (continued)

Pupil numbers have increased at Bordesley Village School and remain consistent at Cromwell.

Improved consistency in the implementation of policies and procedures across the MAT.

Ensuring that all pupils needs are effectively met through appropriately planned learning and high-quality teaching, with specific attention on SEND, EAL and any pupils at risk of underachieving (vulnerable, disadvantaged and Free School Meals).

The main Key Financial Performance Indicators (KPI's) are:

- Direct costs as a percentage of total costs were 66.3% (2021 : 66.3%)
- Support costs as a percentage of total costs were 33.7% (2021 : 33.7%)
- Total payroll costs as a percentage of recurring income were 76.9% (2021 : 71.1%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

During the 2021/22 financial year, the Trust slipped into a small deficit due to expenditure required to keep the schools in a good state of repair and to drive standards. The Budget set for 2022/23 is looking quite healthy and will enable the Trust to clear the deficit and build its reserves, in line with the Trusts reserve policy. In addition to this, the Trust has now repaid the loan advanced by the ESFA. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The financial results of Cromwell Learning Community Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the multi academy.

During the year ended 31 August 2022 total resources expended were £4,388,966 and the excess of expenditure over income was £511,129 which included depreciation of £211,349.

Reserves Policy

The trustees monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2022 of £6,530,265 which included a deficit of £36,949 on restricted funds not available for general purposes of the multi academy trust, £nil of free reserves defined as unrestricted funds available for general purposes and £7,757,214 which can only be realised by the disposal of tangible fixed assets.

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Trustees' report for the year ended 31 August 2022 (continued)

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a deficit of £36,949.

In addition, the deficit on the restricted pension fund of £1,190,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The aim of the trustees is to have reserves which equate to two months of expenditure.

Investment Policy

Any surplus funds are invested with Lloyds Banking Group in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

During the year, COVID-19 continued to provide the Trust with some major challenges both operational and financial. The Trust remained open during the school holidays for vulnerable children and the children of key workers.

Comprehensive health and safety measures were put in place to ensure that all staff and pupils were safe and that the Trust was able to meet its statutory obligations and support the community where ever possible. This did have some impact on the finances of the school, however, the savings made during the year offset the additional costs to the Trust.

Fundraising

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

Plans for Future Periods

Our strategy is for careful growth, thereby ensuring the Trust has the capacity to meet the needs of the schools within the Trust. The Trust will limit growth to 2 schools a year; however, the Trust will consider additional schools if their pupil achievement data is at least in line with national standards and there are no major concerns raised by due diligence.

The Trust model of school improvement is based on schools working in collaboration to ensure sustainable improvement. The growth model is based on the Trust's capacity to internally deliver high quality school improvement support. The Trust will capitalise on the opportunity to provide school to school support through NLE funding.

The Trust has an experienced team internally and with its partners has sufficient capacity to deliver its school improvement strategy, without jeopardising the current high-quality provision and outcomes in the MAT. The growth plan is calculated and measured to utilise effectively this capacity to deliver the school improvement strategy whilst ensuring there is correlated development in the Trust's infrastructure to deliver core services.

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Trustees' report for the year ended 31 August 2022 (continued)

Collaboration between schools is central to our school improvement strategy and therefore to make this feasible the Trust would be seeking schools to join us who are within 50 minutes of travelling distance time. Currently North Warwickshire is an area identified for providing school improvement support and potential expansion, in addition to Birmingham.

Auditor

Insofar as the Trustees are aware :

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2022 and signed on the board's behalf by:



John Orchard - Chair of Trustees

**Cromwell Learning Community Academy Trust
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Governance statement for the year ended 31 August 2022

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **Board of Trustees** has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Name		
John Orchard (Chair of Trustees)	4	4
Carol Barbara Parkinson - Trustee	4	4
Rubina Darr – Accounting Officer	4	4
Ava Sturridge Packer - Trustee	2	4
Barbara Jacques - Trustee	4	4
Ellen Osbourne	4	4

The Trust Board were able to maintain effective oversight as during the year, the Chair, the Vice Chair, the Accounting Office received monthly management accounts, which were also provided to the ESFA as part of the conditions for the ESFA loan.

The Trust Board regularly audits their own skills to ensure that the Board have the necessary skills to successfully govern the school.

Training has been undertaken from GovernEd, the Leadership Development Programme for Boards of Multi-Academy Trusts MATs Cohort 4 – Birmingham.

The skills audit is regularly undertaken by Trustees to ensure the board possesses the necessary experience to run effectively.

The Local Governing Group also undertake governor training in various areas to support and challenge.

The **finance and audit committee** are a sub-committee of the main board of trustees. Its purpose is to ensure probity at all levels of Trust expenditure.

Trustee	Meetings attended	Out of a possible
Name		
Rubina Darr (CEO)	5	6
John Orchard (Chair of Trustees)	6	6
Carol Parkinson	6	6
Barbara Jacques	3	6

Conflicts of interest

The board has a register of interests and at each meeting this is raised as an agenda item.

**Cromwell Learning Community Academy Trust
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Governance statement for the year ended 31 August 2022 (continued)

Review of value for money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the multi academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Catering contract out to tender and the appointment of new caterers to ensure quality and efficiencies of scale across the MAT lunchtime provision of meals. This was finalised during the Autumn Term 2021.
- Reviewed the current Reprographics contract to ensure still fit for purpose and to reduce costs further
- Reviewed the cost and effectiveness of the MAT's Financial Management System and changed this with effect from 1st September 2022.

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 the multi academy trust's 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 Cromwell Learning Community Academy Trust for the year 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 multi 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 on-going process for identifying, evaluating and managing the multi 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 multi academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

**Cromwell Learning Community Academy Trust
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Governance statement for the year ended 31 August 2022 (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to appoint drb Schools and Academies Services Ltd as the Responsible Officer for the Trust.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations

On a termly basis, the Responsible Officer reports are distributed to the board of trustees, through the finance and pay committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer reports for 2021/22 have no major concerns. They have found the practises within Cromwell Learning Community Academy Trust to be effective.

Review of Effectiveness

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

- the work of the internal reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the multi 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 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 12 December 2022 and signed on its behalf by:



John Orchard
Chair of Trustees



Rubina Darr
Accounting Officer

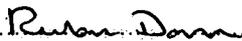
**Cromwell Learning Community Academy Trust
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**Statement of regularity, propriety and compliance
for the period ended 31 August 2022**

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

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

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

 Rubina Darr – Accounting Officer

12 December 2022

Cromwell Learning Community Academy Trust
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Statement of Trustees' responsibilities
for the period 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 in 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; and
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2022 and signed on its behalf by:


..... John Orchard - Chair of Trustees

**Cromwell Learning Community Academy Trust
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**Independent Auditor's Report on the Financial Statements to the Members of
Cromwell Learning Community Academy Trust**

Opinion

We have audited the financial statements of Cromwell Learning Community Academy Trust (the 'multi academy trust') for the year to 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 multi 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 period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency

Basis for opinion

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

Conclusions relating to going concern

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

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

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning
Community Academy Trust
(continued)**

Other information

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

We have nothing to report in this regard.

Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Multi Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- 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.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning Community Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 14], the trustees (who are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

- We reviewed the multi academy trust's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the multi academy trust's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Cromwell Learning
Community Academy Trust
(continued)**

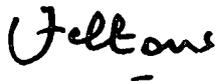
Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the multi 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the multi academy trust and the multi academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

13 December 2022

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 March 2021 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 Cromwell Learning Community Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cromwell Learning Community Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cromwell Learning Community Academy Trust's funding agreement with the Secretary of State for Education dated 22 December 2016 and the Academies Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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 work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Cromwell Learning Community Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

13 December 2022

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2022
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2021/22 £	Total 2020/21 £
Income from :							
Donations and capital grants	2	-	-	-	14,364	14,364	61,619
Charitable activities :	3						
Funding for the academy trust's educational operations		73,952	-	3,780,317	-	3,854,269	3,928,271
Other trading activities	4	9,185	-	-	-	9,185	-
Investments	5	19	-	-	-	19	19
Total		83,156	-	3,780,317	14,364	3,877,837	3,989,909
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6, 7	83,156	265,000	3,829,461	211,349	4,388,966	4,055,183
Total		83,156	265,000	3,829,461	211,349	4,388,966	4,055,183
Net income/(expenditure) before transfers		-	(265,000)	(49,144)	(196,985)	(511,129)	(65,274)
Transfers between funds	15	-	-	(7,533)	7,533	-	-
Net income/(expenditure) after transfers		-	(265,000)	(56,677)	(189,452)	(511,129)	(65,274)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 25	-	1,858,000	-	-	1,858,000	(301,000)
Net movement in funds		-	1,593,000	(56,677)	(189,452)	1,346,871	(366,274)
Reconciliation of funds							
Total funds brought forward	16	-	(2,783,000)	19,728	7,946,666	5,183,394	5,549,668
Total funds carried forward		-	(1,190,000)	(36,949)	7,757,214	6,530,265	5,183,394

All of the Academy's activities derive from continuing operations during the above two financial periods.

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Company number : 10465397
 Balance sheet as at 31 August 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets:	12		7,755,702		7,946,280
Current assets					
Debtors	13	388,477		327,482	
Cash at bank and in hand		<u>528,872</u>		<u>222,613</u>	
		917,349		550,095	
Liabilities					
Creditors: amounts falling due within one year	14	<u>952,786</u>		<u>529,981</u>	
Net current assets			(35,437)		20,114
Net assets excluding pension liability			<u>7,720,265</u>		<u>7,966,394</u>
Defined benefit pension scheme liability	25		(1,190,000)		(2,783,000)
Total net assets			<u><u>6,530,265</u></u>		<u><u>5,183,394</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	7,757,214		7,946,666	
Restricted income fund	15	(36,949)		19,728	
Pension reserve	15	<u>(1,190,000)</u>		<u>(2,783,000)</u>	
Total restricted funds			6,530,265		5,183,394
Unrestricted income funds	15		-		-
Total funds			<u><u>6,530,265</u></u>		<u><u>5,183,394</u></u>

The financial statements on pages 21 to 43 were approved by the trustees, and authorised for issue on 12 December 2022 and are signed on their behalf by:



John Orchard - Chair of Trustees

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2022

	Notes	2021/22: £	2020/21 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	312,647	232,043
Cash flows from investing activities	20	(6,388)	(35,494)
Cash flows from financing activities	21	-	(150,000)
		<u>306,259</u>	<u>46,549</u>
Cash and cash equivalents at 1 September 2021		222,613	176,064
Cash and cash equivalents at 31 August 2022	22	<u>528,872</u>	<u>222,613</u>

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022

1. Accounting policies

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

1.1 Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.
- **Donated fixed assets**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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 over its expected useful life as follows:

Leasehold land and buildings	- straight line over 50 years
Furniture and equipment	- 25% straight line
Computer hardware	- 25% straight line

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

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

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

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

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. 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.

1.10 Leased assets

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

1.11 Taxation

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

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

1.12 Pension benefits

Retirement benefits to employees of the multi 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 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.

**Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2022 (continued)

1. Accounting policies (continued)

1.12 Pension benefits (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year 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.

1.13 Fund accounting

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

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

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

1.14 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.

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

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

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Capital grants	-	-	14,364	14,364	14,668
Donated fixed assets	-	-	-	-	42,900
Other donations	-	-	-	-	4,051
	<u>-</u>	<u>-</u>	<u>14,364</u>	<u>14,364</u>	<u>61,619</u>
2021 total	<u>4,051</u>	<u>-</u>	<u>57,568</u>	<u>61,619</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	2,965,062	-	2,965,062	2,983,252
Other DfE Group grants					
Pupil premium	-	397,114	-	397,114	411,680
UIFSM	-	51,093	-	51,093	65,075
National tutoring programme	-	42,526	-	42,526	-
PE and sport premium	-	36,720	-	36,720	29,643
Teachers pension	-	6,732	-	6,732	81,129
Teachers pay	-	2,383	-	2,383	28,713
Others	-	47,188	-	47,188	21,344
	<u>-</u>	<u>3,548,818</u>	<u>-</u>	<u>3,548,818</u>	<u>3,620,836</u>
Other government grants					
Local authority grants	-	188,869	-	188,869	154,578
Other income from the academy trust's educational operations	73,952	-	-	73,952	121,247
Covid-19 additional funding (DfE/ESFA)					
Recovery/Catch up premium	-	42,630	-	42,630	31,610
	<u>73,952</u>	<u>231,499</u>	<u>-</u>	<u>305,451</u>	<u>307,435</u>
	<u>73,952</u>	<u>3,780,317</u>	<u>-</u>	<u>3,854,269</u>	<u>3,928,271</u>
2021 total	<u>121,247</u>	<u>3,807,024</u>	<u>-</u>	<u>3,928,271</u>	

Cromwell Learning Community Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2022 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	9,185	-	9,185	-
2021 total	-	-	-	

5. Investment income

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Short term deposits	19	-	19	19
2021 total	19	-	19	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2021/22 Total £	2020/21 Total £
Academy's educational operations					
Direct costs	2,450,306	121,686	338,751	2,910,743	2,689,710
Allocated support costs	532,141	455,796	490,286	1,478,223	1,365,473
	<u>2,982,447</u>	<u>577,482</u>	<u>829,037</u>	<u>4,388,966</u>	<u>4,055,183</u>
2021 total	2,807,471	504,188	743,524	4,055,183	

Net income/(expenditure) for the period includes :

		2021/22 £	2020/21 £
Operating leases	- plant and machinery	6,812	7,042
Depreciation		211,349	222,393
Fees payable to auditor	- audit	11,950	11,600
	- other services	-	950
		<u>-</u>	<u>950</u>

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Notes to the financial statements for the year ended 31 August 2022 (continued)

7: Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2021/22 Total £	2020/21 Total £
Educational operations					
Direct costs					
Educational operations	47,918	-	2,862,825	2,910,743	2,689,710
Support costs					
Educational operations	35,238	265,000	1,177,985	1,478,223	1,365,473
	<u>83,156</u>	<u>265,000</u>	<u>4,040,810</u>	<u>4,388,966</u>	<u>4,055,183</u>
2021 total	<u>125,317</u>	<u>127,000</u>	<u>3,802,866</u>	<u>4,055,183</u>	

Analysis of support costs

	Educational operations £	2021/22 Total £	2020/21 Total £
Support staff costs	532,141	532,141	455,190
Depreciation	89,663	89,663	96,021
Technology costs	3,707	3,707	8,092
Premises costs	371,548	371,548	289,498
Other support costs	469,214	469,214	504,122
Governance costs	11,950	11,950	12,550
Total support costs	<u>1,478,223</u>	<u>1,478,223</u>	<u>1,365,473</u>
2021 total	<u>1,365,473</u>	<u>1,365,473</u>	

8. Staff

a) Staff costs

Staff costs during the year were:

	2021/22 £	2020/21 £
Wages and salaries	1,799,352	1,743,037
Social security costs	159,022	148,419
Pension costs	647,464	535,493
	<u>2,605,838</u>	<u>2,426,949</u>
Agency staff costs	376,609	380,522
	<u>2,982,447</u>	<u>2,807,471</u>

**Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

8. Staff (continued)

b) Staff numbers

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

	2021/22 Number	2020/21 Number
Teachers	32	27
Administration and support	62	66
Management	5	6
	99	99

c) Higher paid staff

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

	2021/22 Number	2020/21 Number
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	1	1

d) Key management personnel

The key management personnel of the multi 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 multi academy trust was £441,736 (2021 : £456,801).

9. Central services

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

Category	Basis
Central support services	3% - 4.25% General Annual Grant

The actual amounts charged during the year were as follows:

	2021/22 £	2020/21 £
Cromwell Junior & Infant School	37,213	35,740
Bordesley Village Primary School	73,046	75,892
	110,259	111,632

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Notes to the financial statements for the year ended 31 August 2022. (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi 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 :

Mrs Rubina Darr (principal and trustee)	
Remuneration	£95,000 - £100,000 (2021 : £95,000 - £100,000)
Employer's pension contributions paid	£20,000 - £25,000 (2021 : £20,000 - £25,000)

There were no travel and subsistence expenses reimbursed or paid directly to any trustee during the current or previous year.

Other related party transactions involving the trustees are set out in note 26.

11. Trustees' and officers' insurance

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

12. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2021	8,570,610	192,662	164,909	8,928,181
Additions	-	12,111	8,660	20,771
At 31 August 2022	<u>8,570,610</u>	<u>204,773</u>	<u>173,569</u>	<u>8,948,952</u>
Depreciation				
At 1 September 2021	736,597	137,104	108,200	981,901
Charge for the year	171,412	23,851	16,086	211,349
At 31 August 2022	<u>908,009</u>	<u>160,955</u>	<u>124,286</u>	<u>1,193,250</u>
Net book values				
At 31 August 2022	<u>7,662,601</u>	<u>43,818</u>	<u>49,283</u>	<u>7,755,702</u>
At 31 August 2021	<u>7,834,013</u>	<u>55,558</u>	<u>56,709</u>	<u>7,946,280</u>

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

13. Debtors	2022	2021
	£	£
VAT recoverable	124,380	63,226
Prepayments and accrued income	264,097	264,256
	<u>388,477</u>	<u>327,482</u>

14. Creditors	2022	2021
	£	£
Amounts falling due within one year :		
Creditors from operations	284,525	39,468
Accruals and deferred income	83,450	167,735
Loans	-	137,495
Other creditors	584,811	185,283
	<u>952,786</u>	<u>529,981</u>

Included in other creditors are amounts of £574,534 due to Birmingham City Council for payroll costs which they have not drawn down and the trust held sufficient funds for the payment of these creditors. These have been paid after year end.

Deferred income

Deferred income at 1 September 2021	29,827	50,389
Resources deferred in the year	30,319	29,827
Amounts released from previous years	(29,827)	(50,389)
Deferred income at 31 August 2022	<u>30,319</u>	<u>29,827</u>

At the balance sheet date the multi academy trust was holding funds received in advance for universal infant free school meals.

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

15. Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	19,728	2,965,062	(3,014,206)	(7,533)	(36,949)
UIFSM	-	51,093	(51,093)	-	-
Pupil premium	-	397,114	(397,114)	-	-
Recovery premium	-	42,630	(42,630)	-	-
Other grants	-	324,418	(324,418)	-	-
	<u>19,728</u>	<u>3,780,317</u>	<u>(3,829,461)</u>	<u>(7,533)</u>	<u>(36,949)</u>
Restricted fixed asset funds					
Transfer on conversion	7,229,729	-	(158,698)	-	7,071,031
DfE Group capital grants	604,905	14,364	(36,716)	-	582,553
Capital expenditure from GAG	69,132	-	(15,067)	7,533	61,598
Donations	42,900	-	(868)	-	42,032
	<u>7,946,666</u>	<u>14,364</u>	<u>(211,349)</u>	<u>7,533</u>	<u>7,757,214</u>
Pension reserve	<u>(2,783,000)</u>	-	<u>(265,000)</u>	1,858,000	<u>(1,190,000)</u>
Total restricted funds	<u>5,183,394</u>	<u>3,794,681</u>	<u>(4,305,810)</u>	1,858,000	<u>6,530,265</u>
Unrestricted funds					
Other income	-	83,156	(83,156)	-	-
Total unrestricted funds	<u>-</u>	<u>83,156</u>	<u>(83,156)</u>	-	<u>-</u>
Total funds	<u>5,183,394</u>	<u>3,877,837</u>	<u>(4,388,966)</u>	1,858,000	<u>6,530,265</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

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

The academy trust is carrying a net deficit of £36,949 on restricted general funds (excluding pension reserve) plus unrestricted funds. The aim is to clear this deficit in the 2022/23 financial year, which will see the Trust return to a net surplus balance.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by the ESFA and Birmingham City council where the asset acquired or created is held for a specific purpose.

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

15. Funds (continued)

Comparative information in respect of the preceding period is as follows :	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(205,760)	2,983,252	(2,756,701)	(1,063)	19,728
UIFSM	-	65,075	(65,075)	-	-
Pupil premium	-	411,680	(411,680)	-	-
Catch-up premium	-	31,610	(31,610)	-	-
Other grants	-	315,407	(315,407)	-	-
	<u>(205,760)</u>	<u>3,807,024</u>	<u>(3,580,473)</u>	<u>(1,063)</u>	<u>19,728</u>
Restricted fixed asset funds					
Transfer on conversion	7,388,485	-	(158,756)	-	7,229,729
DfE Group capital grants	625,998	14,668	(35,761)	-	604,905
Capital expenditure from GAG	95,945	-	(27,876)	1,063	69,132
Donations	-	42,900	-	-	42,900
	<u>8,110,428</u>	<u>57,568</u>	<u>(222,393)</u>	<u>1,063</u>	<u>7,946,666</u>
Pension reserve	<u>(2,355,000)</u>	<u>-</u>	<u>(127,000)</u>	<u>(301,000)</u>	<u>(2,783,000)</u>
Total restricted funds	<u>5,549,668</u>	<u>3,864,592</u>	<u>(3,929,866)</u>	<u>(301,000)</u>	<u>5,183,394</u>
Unrestricted funds					
Other income	-	125,317	(125,317)	-	-
Total unrestricted funds	<u>-</u>	<u>125,317</u>	<u>(125,317)</u>	<u>-</u>	<u>-</u>
Total funds	<u>5,549,668</u>	<u>3,989,909</u>	<u>(4,055,183)</u>	<u>(301,000)</u>	<u>5,183,394</u>

Total funds analysis by academy

	2021/22 Total £	2020/21 Total £
Fund balances at 31 August 2022 were allocated as follows :		
Cromwell Junior & Infant School	119,515	129,323
Bordesley Village Primary School	(104,432)	(96,029)
Trust	(52,031)	(13,566)
Total before fixed assets and pension reserve	<u>(36,948)</u>	<u>19,728</u>
Restricted fixed asset fund	7,757,214	7,946,666
Pension reserve	(1,190,000)	(2,783,000)
Total funds	<u>6,530,266</u>	<u>5,183,394</u>

Bordesley Village has a deficit of £104,432. The deficit originally arose due to additional investment needed on the fabric of the school and also there were one-off associated costs involved with restructuring the school when it originally joined the Trust. The Trust is committed to returning the school to a surplus position.

The Central Trust has a deficit of £52,031. The deficit has occurred as the initial budgeted income didn't materialise due to a delay in providing School to School support which resulted in less income. There is a healthy surplus in 2022/23 so this will help move it towards a cumulative surplus.

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

15. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2021/22 £
Cromwell Junior & Infant School	1,031,843	262,762	53,064	454,751	1,802,420
Bordesley Village Primary School	1,349,871	269,379	66,455	499,305	2,185,010
Trust	68,592	-	-	121,595	190,187
Academy trust	2,450,306	532,141	119,519	1,075,651	4,177,617
2021 total	2,352,281	455,190	58,266	967,053	3,832,790

16. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,755,702	7,755,702
Current assets	-	-	915,837	1,512	917,349
Current liabilities	-	-	(952,786)	-	(952,786)
	-	-	(36,949)	7,757,214	7,720,265
Pension scheme liability	-	(1,190,000)	-	-	(1,190,000)
Total net assets	-	(1,190,000)	(36,949)	7,757,214	6,530,265

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,946,280	7,946,280
Current assets	-	-	549,709	386	550,095
Current liabilities	-	-	(529,981)	-	(529,981)
	-	-	19,728	7,946,666	7,966,394
Pension scheme liability	-	(2,783,000)	-	-	(2,783,000)
Total net assets	-	(2,783,000)	19,728	7,946,666	5,183,394

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

17. Capital commitments

There were no capital commitments at 31 August 2022 nor at 31 August 2021

18. Commitments under operating leases

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

	Total 2022 £	Total 2021 £
Amounts due within one year	3,768	-
Amounts due between one and five years	13,519	-
	<u>17,287</u>	<u>-</u>

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

	2021/22 Total £	2020/21 Total £
Net income/(expenditure) for reporting year (as per the SoFA)	(511,129)	(65,274)
Adjusted for:		
Depreciation (note 12)	211,349	222,393
Capital grants from DfE and other capital income	(14,364)	(14,668)
Donated fixed assets	-	(42,900)
Interest receivable (note 5)	(19)	(19)
Defined benefit pension scheme cost less contributions payable (note 25)	217,000	90,000
Defined benefit pension scheme finance cost (note 25)	48,000	37,000
Increase in debtors	(60,995)	(13,615)
Increase in creditors	422,805	19,126
Net cash provided by operating activities	<u>312,647</u>	<u>232,043</u>

20. Cash flows from investing activities

	2021/22 Total £	2020/21 Total £
Interest received	19	19
Purchase of tangible fixed assets	(20,771)	(50,181)
Capital grants from DfE Group	14,364	14,668
Net cash used in investing activities	<u>(6,388)</u>	<u>(35,494)</u>

21. Cash flows from financing activities

	At 31 August 2022 £	At 31 August 2021 £
Loan repayments in period	-	(150,000)
Net cash used in financing activities	<u>-</u>	<u>(150,000)</u>

**Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

22. Analysis of cash and cash equivalents

	At 31 August 2022 £	At 31 August 2021 £
Cash at bank and in hand	528,872	222,613
	<u>528,872</u>	<u>222,613</u>

23. Analysis of changes in net debt

	At 31 August 2021 £	Cash flows £	Other non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	222,613	306,259	-	528,872
Loans falling due within one year	(137,495)	137,495	-	-
	<u>85,118</u>	<u>443,754</u>	<u>-</u>	<u>528,872</u>

24. 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.

25. Pension and similar obligations

The multi 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 Midland Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £40,294 (2021 : £37,547) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

**Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

25. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four 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% employer administration charge)
- 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 is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £217,480 (2021 : £213,260).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is 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 £219,000 (2021 : £224,000), of which employer's contributions totalled £182,000 (2021 : £193,000) and employees' contributions totalled £37,000 (2021 : £31,000). The agreed contribution rates for future years are awaiting confirmation from the actuary for employers and between 5.5% and 6.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 30 years.

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

25. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal actuarial assumptions

	At 31	At 31
	August 2022	August 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%	1.70%
Inflation assumption (CPI)	3.05%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	At 31	At 31
	August 2022	August 2021
	£'000s	£'000s
Discount rate +0.1%	(58)	(106)
Discount rate -0.1%	58	109
Mortality assumption 1 year increase	55	164
Mortality assumption 1 year decrease	(55)	(157)
CPI rate +0.1%	100	103
CPI rate -0.1%	(100)	(101)

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

	At 31	At 31
	August 2022	August 2021
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

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

	31 August	31 August
	2022	2021
	£	£
Equities	876,000	698,000
Bonds	274,000	166,000
Property	105,000	81,000
Cash and other liquid assets	52,000	43,000
Other	-	161,000
Total market value of assets	1,307,000	1,149,000

The actual negative return on scheme assets was 3.3% (2021 : £78,000).

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Notes to the financial statements for the year ended 31 August 2022 (continued)

25. Pension and similar obligations (continued)

	2021/22	2020/21
	£	£
Amount recognised in the statement of financial activities		
Current service cost	399,000	283,000
Interest income	(21,000)	(14,000)
Interest cost	69,000	51,000
Total amount recognised in the SOFA	<u>447,000</u>	<u>320,000</u>

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

	2021/22	2020/21
	£	£
At 1 September 2021	3,932,000	3,130,000
Current service cost	399,000	283,000
Interest cost	69,000	51,000
Employee contributions	37,000	31,000
Actuarial gains/(losses) - financial assumptions	(1,912,000)	554,000
Actuarial gains/(losses) - demographic assumptions	(13,000)	(47,000)
Actuarial gains/(losses) - experience gains/losses	8,000	(64,000)
Benefits paid	(23,000)	(6,000)
At 31 August 2022	<u>2,497,000</u>	<u>3,932,000</u>

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

	2021/22	2020/21
	£	£
At 1 September 2021	1,149,000	775,000
Interest income	21,000	14,000
Return on assets less interest	(59,000)	142,000
Employer contributions	182,000	193,000
Employee contributions	37,000	31,000
Benefits paid net of transfers in	(23,000)	(6,000)
At 31 August 2022	<u>1,307,000</u>	<u>1,149,000</u>
Net pension scheme liability	<u>(1,190,000)</u>	<u>(2,783,000)</u>

Cromwell Learning Community Academy Trust
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Notes to the financial statements for the year ended 31 August 2022 (continued)

26. 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.

The following related party transaction(s) took place during the year.

Expenditure related party transaction

Free @ Last

A company in which Mrs R Darr, a trustee and accounting officer, has a direct interest.	2022 £	2021 £
Services provided by the related company during the period	<u>10,987</u>	<u>3,328</u>

Compliance For Schools Limited

A company in which Ellen Osborne, a trustee, has a direct interest.	2022 £	2021 £
Services provided by the related company during the period	<u>1,110</u>	<u>250</u>

The academy trust conducted all of these transactions at arms length and they were approved by the Governing Body. All of the above services have been provided at no more than cost and each related party has provided a statement of assurance confirming this.

27. Contingent liabilities

Following the recent decision in the Harpur Trust vs Brazel case the trust is considering the potential liability in respect of this. At this time it is not possible to quantify any liability, if any, and no provision has been made in these accounts.