



COMMUNITY ACADEMIES TRUST

Annual Report and Financial Statements

Year ended 31 August 2022

ONLINE at:

www.communityacademiestrust.org

(A Company Limited by Guarantee)

Company Registration Number: 07472736 (England and Wales)



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Community Academies Trust

Reference and Administrative Details

CAT Members

Mr. S Atkins
Mr. N Bratt
Mr. S Mason
Ms. E J Gaffney (appointed 11 November 2021,
resigned 5 July 2022)
Ms. V C Higham (appointed 10 December 2021)
Mrs. S Thomas (appointed 31 August 2022)

CAT Trustees / Directors

Mr. S Atkins (Chair)
Mr. G Brown
Mr. T Farnworth (appointed 24 November 2022)
Mr. S Mason (resigned 31 August 2022)
Mr. P Rubery (appointed 30 August 2022)
Mr. S Sibley (resigned 17 October 2022)
Mrs. S Stewart
Mr. R Vernon
Rev. S Wallis

Company Secretary

Mrs. A Bardsley

Senior Management Team

- Chief Executive Officer and Founding Trustee,
Accounting Officer Mr. P Hamilton
- Executive Director (Education) and Founding
Trustee Mr. E May
- Executive Director (Finance and Operations) Mrs. A Bardsley

- Head Teacher, The Polesworth School Mrs. M Favell
- Head Teacher, Birchwood Primary School Mr. N Coleman
- Executive Head Teacher, Dordon Primary School
& Wood End Primary School Mrs. M Cross
- Head Teacher, Woodloes Primary School Mr. A Mitchell
- Head Teacher, Budbrooke Primary School Mrs. C Thomas (appointed 3 December 2021)
- Head Teacher, The Telford Langley School Mr. S Carter
- Head Teacher, The Telford Park School Mrs. H Rigby
- Head Teacher, The Telford Priory School Ms. S Jordan
- Head Teacher, Grange Park Primary School Mr. R Thorpe
- Executive Head Teacher, Stratford Primary School
& Heathcote Primary School Mrs. G Humphriss
- Head Teacher, The Wilnecote School Mrs. S Hartle
- Head Teacher, Chadsmead Primary Academy Ms. G Grainger
- Head Teacher, Windmill Primary School Mr. M Gibbons
- Head Teacher, Stoneydelph Primary School Ms. E Parsons (appointed 1 September 2021)
- Head Teacher, The Woodlands Community Primary
School Mr. J Baker
- Headteacher, Kingsway Primary School Mrs. S Byrne
- Director CAT Institute of Education Ms. A Rickus

Registered Office

Dimbleby House
Stoneydelph Primary School
Crowden Way
Wilnecote
Tamworth
Staffordshire
B77 4LS

Company registration number

07472736

Community Academies Trust

Reference and Administrative Details (continued)

Auditors

Mazars LLP
58 The Ropewalk
Nottingham
NG1 5DW

Bank

Lloyds
9 Birmingham Road
Sutton Coldfield
B72 1QA

Internal Auditors

RB Chartered Accountant
Meeson House
76 Pinfold Lane
Penkridge
Staffordshire
ST19 5AP

Directory of Academies year ended 31 August 2022

Birchwood Primary School	Birchwood Avenue, Dordon, Tamworth, B78 1QU
Budbrooke Primary School	Styles Close, Hampton Magna, Warwick, CV35 8TP
Chadsmead Primary Academy	Friday Acre, Lichfield, WS13 7HJ
Dordon Community Primary School	Roman Way, Dordon, Tamworth, B78 1PJ
Grange Park Primary School	Grange Avenue, Stirchley, Telford, TF3 1ET
Heathcote Primary School	Vickers Ways, Heathcote, Warwick, Warwickshire, CV34 7AP
Kingsway Primary School	Baker Avenue, Leamington Spa, Warwickshire, CV31 3HB
The Polesworth School	Dordon Road, Dordon, Tamworth, B78 1QT
Stoneydelph Primary School	Crowden Road, Wilnecote, Tamworth, Staffordshire, B77 4LS
Stratford-upon-Avon Primary School	Broad Street, Stratford-upon-Avon, CV37 6HN
The Telford Langley School	Duce Drive, Dawley, Telford, TF4 3JS
The Telford Park School	Grange Avenue, Stirchley, Telford, TF3 1FA
The Telford Priory School	New Road, Wrockwardine Wood, Telford, TF2 7AB
The Wilnecote School	Tinkers Green Road, Wilnecote, Tamworth, Staffordshire, B77 5LF
Windmill Primary School	Beaconsfield, Brookside, Telford, TF3 1LG
Wood End Primary School	Wood Street, Wood End, Atherstone, CV9 2QL
The Woodlands Community Primary School	Canning Road, Glascoate, Tamworth, Staffordshire B77 3JX
Woodloes Primary School	Deansway, Warwick, CV34 5DF

Community Academies Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2022. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The academy trust operates 5 secondary and 13 primary schools across the midlands. It has a pupil capacity of 9,979 and a roll of 8,505 in the school census of October 2021.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Community Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Community Academies 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

The trust makes use of the Government's Risk Protection Arrangement for academies and the indemnities therein.

Method of Recruitment and Appointment or Election of Trustees

The members appoint up to 6 trustees in accordance with the provisions in the Articles of Association. Further trustees are appointed by the existing trustees following an interview with a sub-committee of the trustees and their recommendation. Trustees are appointed after taking into account the skills and knowledge they can bring to the trust. The trust has successfully used "Academy Ambassadors" to recruit trustees in previous years.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction is provided for new trustees and depends on their existing experience. All trustees are provided with copies of policies, procedures, minutes, budgets, risk register, plans and other documents that they will need to undertake their role. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

Community Academies Trust's board of trustees govern the work of the academies across the trust. They govern the full range of activity required by the trust. These include specialists in human resources, financial management and estates.

Most of our academies have a School Standards Committee (SSC) comprising up to 9 governors for a primary school and up to 13 governors for a secondary school. Where a school is in challenging circumstances, it is governed by an Education Advisory Board (EAB) consisting of main trust board representatives, local stakeholders and school improvement experts who drive through rapid change to turn around provision. This EAB is disbanded once the school is settled and a SSC instated.

Each school has a Headteacher with a Strategic Leadership Team (SLT). This SLT and other leaders ensure strong and clear lines of accountability and the easy flow of information about the quality of provision. They are responsible for the delivery of the improvement plans and contribute to their formulation and implementation.

Further information on this work is described later in this report under Objectives, Strategies and Activities.

Community Academies Trust

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

A remuneration committee of the trustees is responsible for setting the pay of the executive leaders of the trust. It does this by benchmarking against advertised rates and bearing in mind the skillsets of staff and regional marketplace. Also considered is the requirement to maintain differentials in internal structures and the weight of responsibility attached to the role. It has agreed an Executive Leaders Pay Policy.

Headteachers have their pay determined under the School Teachers' Pay and Conditions document and related to the Individual Salary Range (ISR) attached to the school, personal performance and the requirements of TUPE.

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 the trust is required to publish the following information relating to trade union officials and facility time.

Table 1

What was the total number of employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials during the relevant period	FTE trade union representatives
10	9.15

Table 2

How many CAT employees, who were relevant Trade Union officials, during 01/04/21-31/03/22, spent a) 0% b) 1-50% c) 51-99% d) 100% of their time on facility time?	
Percentage of time	Number of employees
0 %	7
1 – 50%	3
51 – 99%	0
100%	0

Table 3

Provide the figures to determine the percentage of the CAT total pay bill spent on paying employees who were Trade Union officials, during 01/04/21-31/03/22	
The total cost of facility time	£1,292
The total pay bill	£39,984,334
The % of the total pay bill spent on facility time	0.003%

Table 4

As a percentage of total paid facilities time hours, how many were spent by employees who were Trade Union officials, during 01/04/21 -31/03/22 on paid trade union activities?
40%

Community Academies Trust Trustees' Report (continued)

Engagement with employees (including disabled persons)

The trust has a Trade Union Recognition Agreement (TURA) with all the unions who represent our employees. This consultative body has met on 2 occasions in the year.

The CEO visited every school of the trust over the year to describe the strategic direction of the trust and to invite questions from employees on matters of concern to them. The CEO has also provided virtual professional development sessions for all Chars of Governors

As the trust employs over 250 persons, it is required to have a policy in respect of applications for employment for disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons. This policy can be accessed on the trust website, www.communityacademiestrust.org.

The mechanism for the trust to consult with employees on matters affecting them is through a range of forums including:

- Heads Strategic Forum
- Face to Face staff meetings
- Union forums as part of our Trade Union Recognition Agreement
- Chairs of School Standards Committee Network
- Our Community Matters Newsletter
- Termly Technical Updates

Engagement with suppliers, customers and others in a business relationship with the trust

The trust has regard to the need to foster a business relationship with suppliers and others, including Local Authorities in the area in which the trust operates.

Over the last year the trust has met its obligations in paying suppliers within 31 days, as evidenced by the submitted Payment Practices Reports.

The trust has a good relationship with the Local Authorities in the area in which it operates and works with them across a range of initiatives, particularly to do with school improvement and finance.

Objectives and Activities



The academy trust's objectives are specifically restricted to the advancing for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the United Kingdom the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives and Aims

In accordance with the articles of association, the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Everything we do is orientated around ensuring excellent community education for children and young adults aged 3 to 18.

Our approach is based on a fundamental belief that all young people have talent and the potential to achieve more than they ever thought possible.

Achievement is in three main areas:

- **Academic:** Excellent standards and outstanding progress are a prerequisite for success in life equipping young people with the skills and knowledge they will need to be successful, happy and productive citizens.
- **Social:** Excellent relationships for learning are a prerequisite for all other achievements. Relationships that engender mutual respect between young people, and all other members of our academies' communities will ensure learning can be fun in a disciplined and caring environment where the highest expectations are the norm.
- **Personal:** All young people achieve things they can be proud of every day in addition to academic success and outside our school's planned curriculum. We have a vital role in ensuring individuals develop their own talents and interests and have a responsibility to instill in them a sense of pride in who they are and what they achieve.

Community Academies Trust

Trustees' Report (continued)

Our Community

We serve a diverse range of communities in Warwickshire including Polesworth, Warwick, Leamington Spa, Stratford upon Avon and nearby Warwickshire villages. We also serve communities in Telford, Tamworth and Lichfield. Our Academies in the year under review, in order of size by pupil numbers:

The Polesworth School (11-18), The Telford Langley School (11-16), The Telford Priory School (11-16), The Wilnecote School (11-16), The Telford Park School (11-18), Birchwood Primary School (4-11), Grange Park Primary School (3-11), Woodloes Primary School (3-11), Windmill Primary School (3-11), Heathcote Primary School (4-11), The Woodlands Community Primary School (4-11), Stoneydelph Primary School (4-11), Chadsmead Primary Academy (3-11), Stratford upon Avon Primary School (4-11), Dordon Community Primary School (4-11), Budbrooke Primary School (4-11), Kingsway Primary School (4-11) and Wood End Primary School (3-11).

Objectives, Strategies and Activities



We are a well-established academy trust.

Our trust continues to be active in the communities we work in a variety of ways:

- Membership of national and regional roundtables
- Our CEO sits on the Warwickshire and Telford & Wrekin strategic educational boards and is active in local and national CEO networks and collaborations. Our CEO also supports and mentors new and more experienced trusts.
- Our Executive Director (Education) contributes to the wider national school improvement offer
- Our Executive Director (Finance and Operations) has supported other trusts
- Our trust led two teaching schools until August 2021. Since then our Trust has continued to provide teacher training and school improvement support beyond its boundaries, having established the new CAT Institute of Education
- Our trust is a member of the Confederation of School Trusts and The Queen Street Group.

Community Academies Trust

Trustees' Report (continued)

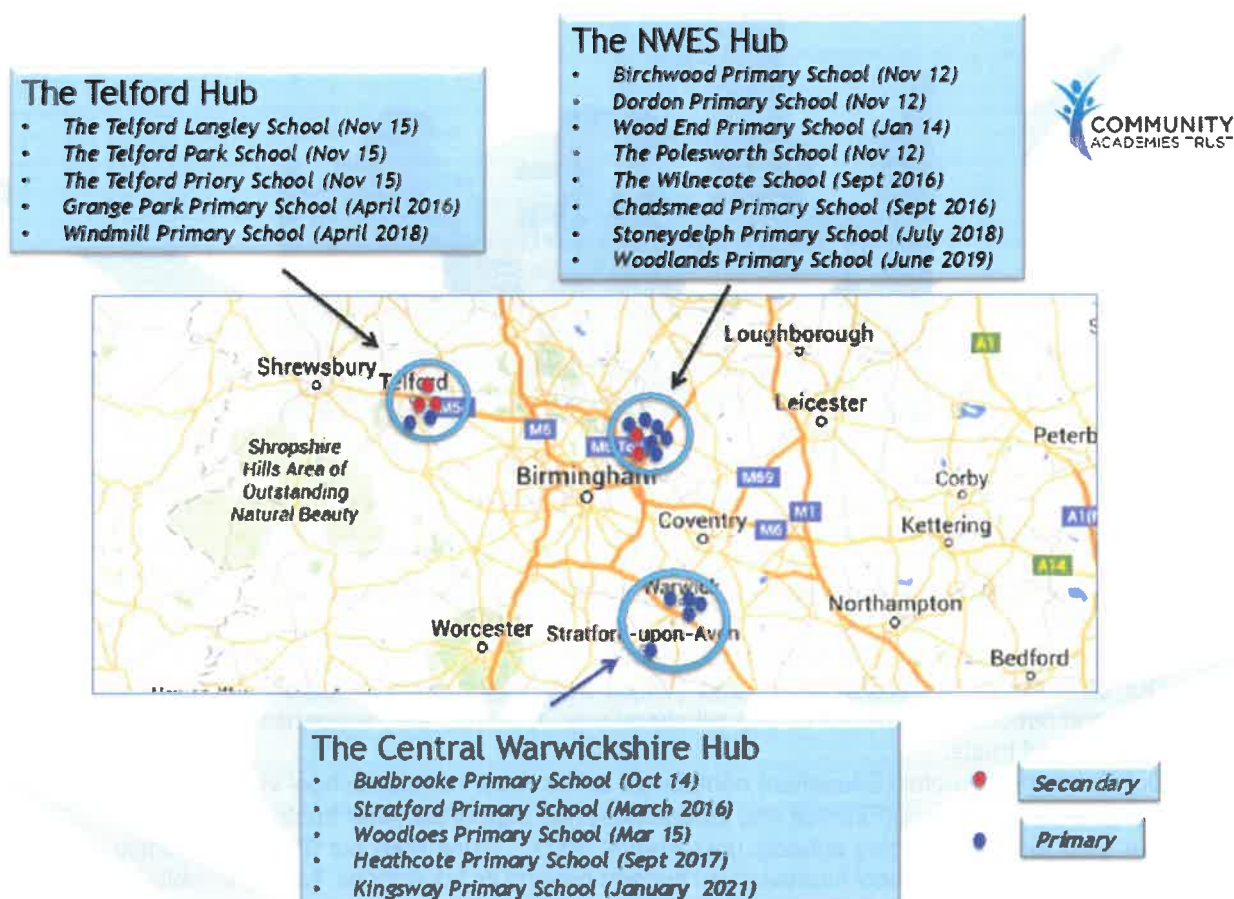
Our trust is financially secure and well placed to continue to fulfill the trust's objectives of school improvement in the interests of excellent community education.

With this in mind, the activities planned this coming year include:

- Utilise further the capacity of the schools in the trust to provide significant and bespoke professional development for its staff.
- Build leadership and school improvement capacity to ensure cutting edge resources and the latest research and thought influences day to day practice in our schools.
- Align further our educational offer across the trust.
- Continue to provide support for other trusts and schools as part of the national school improvement offer.

Organisational Structure

Our trust is organized into three geographically close hubs. The following picture describes the schools in the Trust.



Education is for improving lives and for leaving your community and world better than you found it

Our ethos is to ensure the best local leaders lead local education provision (refer to www.communityacademiestrust.org). On this basis we have evolved our governance structure to put it as close to provision as possible.

Community Academies Trust Trustees' Report (continued)

Governors in our schools are different from traditional governors in that we consider them 'Guardians of Standards'. They are members of School Standards Committees (SSCs) and our trust enables them to be free to focus entirely on holding the academies to account for the standards they achieve in Education, behaviour, leadership and personal development, as well as ensuring that the hubs fulfill their goals as engines of school improvement.

Academies in our trust sign up to some core principles. They are academies that are:

- Focused on achieving outstanding academic, personal and social outcomes for the children in their care and this is the main priority.
- Committed to the moral imperative of community school improvement and shared system leadership.
- Mutually supportive, not in competition with each other and are fiercely loyal to each other.
- Equal partners with all other schools irrespective of their phase, size or successes. School size does not matter, no one school is more important than another, and resources are shared for the common good of the group.
- Multi academy trust minded – our schools celebrate the success of others as well as themselves and we feel a shared accountability and understand where ultimate responsibilities rest.
- Financially disciplined and committed to our agreed financial principles.
- Committed to fulfilling their delegated responsibilities to the best of their abilities.

Strategic Report

Although many of the restrictions of the previous two years were removed for the start of this academic year, the time between October and February was the most challenging of the entire pandemic. This period of time was characterized by significant staff and pupil absence and partial school closures. This significantly impacted on the consistency and quality of provision in our schools and disproportionately in our secondary schools.

From September Ofsted returned to routine inspection, and Wilnecote School (November 2021) and Telford Park (September 2021) were inspected early in the year, each receiving very positive reports, noting their strong position to achieve a GOOD Grade at their next inspection and the trust's very positive influence on their secure improvements:

"Your work with the Community Academies Trust has helped to improve teaching and learning. Subject leaders have worked together with other trust schools to develop well-sequenced curriculum plans. You have had bespoke training from the trust that focused on your school priorities. This has helped to ensure consistency across the school. You have valued this support."

Telford Park Ofsted Sept 22

"CAT has been instrumental in the school's continued improvement. It provides much central support for school leaders. Subject support networks provide opportunities for curriculum leaders from different schools to share good practice. Its programme for training and appraisal, 'Growing great people', has been well received in school."

Wilnecote Ofsted Nov 22

Heathcote Primary School was also inspected in February 2022 and achieved a GOOD grade.

"The vision of the multi-academy trust (MAT) is to develop the whole child. As a result, leaders and staff have created a curriculum that supports pupils' academic achievement and their wider development."

Heathcote Ofsted February 22

Two further inspections at Telford Priory (March 22) and then again at Telford Park (May 22), identified significant improvement priorities in the schools, with Priory judged as Requires Improvement and Park as having Serious Weaknesses. At the heart of both schools' inspection outcomes were pupils' perceptions around behaviour and safety. This sums up the most significant impact the pandemic has had in our schools that serve the most disadvantaged communities. Older, significantly disadvantaged pupils in our trust have displayed behaviours and faced emotional challenges that are unprecedented, and our schools are working their way through their response to this, amending practice to ensure that the robust safeguarding and behaviour policies in place are well understood by pupils and they understand how they are kept safe.

Community Academies Trust Trustees' Report (continued)

Secondary provision in these most challenging of circumstances is receiving direct intervention and support from the trust and making progress. We are very confident that these schools that have demonstrated significant strength and progress in the recent past will have a more settled and improved academic year in 2022/23.

Examination Results 2022

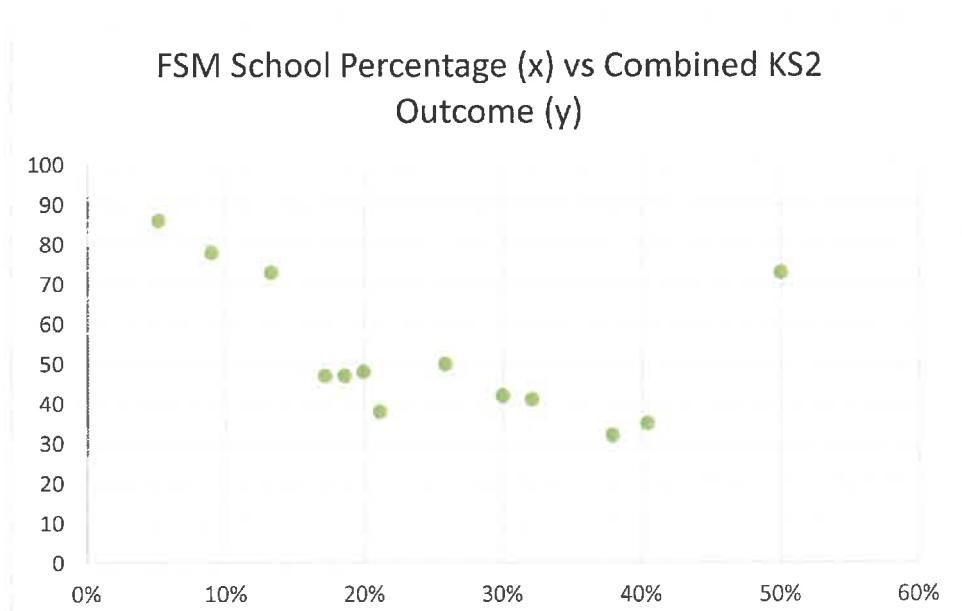
Primary SAT and other Outcomes

Disadvantaged pupils have been significantly impacted by the pandemic last year and the disruption in the early part of this year. This is clearly demonstrated in this year's results at Key Stages 1, 2 and 4.

The table below shows average scores per school and the percentage of pupils meeting expected standards

Key Stage 2				Key Stage 1			Y1	YR
Combined RWM	Reading	Writing	Maths	Reading	Writing	Maths	Phonics	EYFS
53%	71	67	62	71	59	70	77	68

The graph below shows how the proportion of pupils achieving the expected standards in Reading, Writing and Mathematics correlates with the levels of Free School Meals (FSM) in each school.

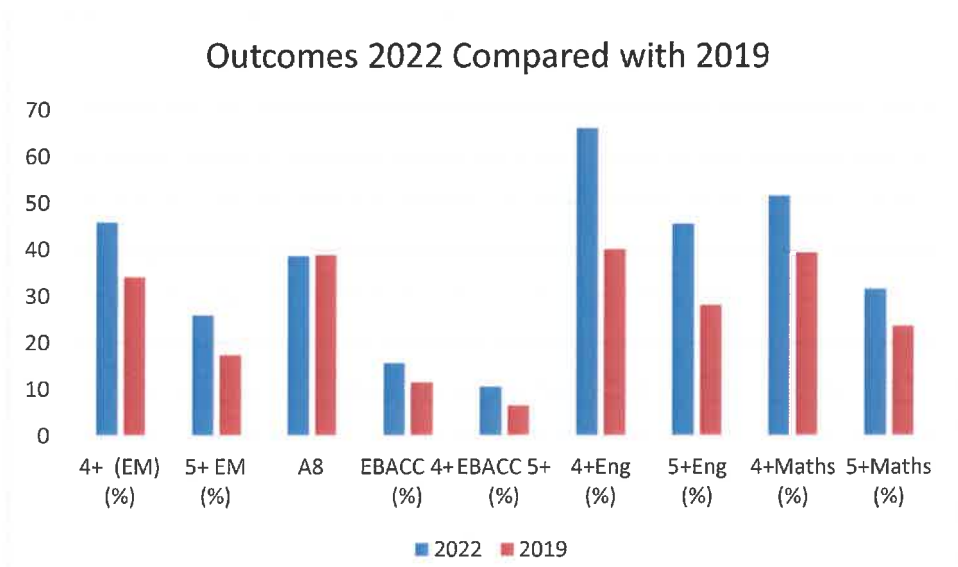


Community Academies Trust

Trustees' Report (continued)

GCSE Examination Outcomes 2022

The graph below shows outcomes compared with those in 2019 averaged per school. In all categories the attainment is higher, other than the Attainment 8 score which is the same.



There is a significant increase in both English and Maths attainment, although the increases in English are significantly higher. Disadvantaged pupils' achievement has again been disproportionately affected by the challenges of the last couple of years, and in most cases Maths attainments were lower than those seen in English. Maths outcomes have negatively impacted on all the measures.

The local governance of standards continued throughout the year with half termly SSC meetings scrutinizing reports analyzing the quality of provision, and termly scrutiny of trust wide standards from trustees.

Public Benefit

In the context described above, the trustees of Community Academies Trust have complied with their duty to provide high quality education. Trustees have made reference to the Charity Commission guidance.

Going Concern

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

Promoting the success of the company

In accordance with s.172 of the Companies Act 2006 the duty to promote the success of the trust was complied with by our board of trustees through developing the trust Strategic Plan and in the following ways:

- Committing to the development of:
 - Expert Governance
 - Quality of Education
 - Workforce resilience and well being
 - Efficient operational structures
 - Civic duty
- Our headteachers both give and receive professional coaching. This has proved extremely valuable during this challenging year with leaders stating it has supported their resilience and made the role less "lonely" in the face of unprecedented challenges.

Community Academies Trust

Trustees' Report (continued)

- The trust supports the professional development of all employees through our Developing People Programme, led by our newly established Institute of Education.
- The trust has established an Institute of Education that provides all professional development, school improvement and teacher training across our schools.
- The trust has committed to environmental sustainability through our Estate Strategy and has continued with building improvements throughout lockdown with the goal of keeping our estate safe, warm and dry.
- The trust's long-term objective is the provision of free education in our communities. Our board of trustees ensure this is at the heart of their governance of trust decisions.

All the above activity is in pursuit of our charitable purpose and trustees are profoundly grateful to our employees and governors for their dedication to our pupils and communities over another challenging year.

Financial Review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives grants for tangible fixed assets and fixed asset donations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants or donations are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022, total expenditure of £60.6 million (2021: £54.7 million) was covered by recurrent grant funding from the ESFA together with other incoming resources resulting in total incoming resources of £54.1 million (2021: £68.4 million). Excluding transactions involving fixed assets and pension liabilities the excess of income over expenditure for the year was £0.1m surplus (2021: £0.8m surplus). This included reserves inherited from schools joining the Trust of £nil (2021: £7k).

At 31 August 2022 the net book value of tangible fixed assets was £117.6 million (2021: £120.9 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the academy trust and for the provision of leisure facilities to the community in accordance with the trust's Articles of Association.

At 31 August 2022 the LGPS pension liability was £8.8m (2021: £35.0m). This change was mainly due to an operating charge of £3.1m (net of employer contributions) and to £29.2m gain due to changes in actuarial assumptions. Full details are shown in note 28. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due.

Impact of the covid-19 pandemic on the financial performance of the trust

Overall the covid 19 pandemic had a minimal impact on the financial performance of the trust this year.

Income from catering, lettings and other trading activities improved this year to almost pre-pandemic levels. We also significantly increased the number of school educational visits that happened, although fewer ran than before the pandemic.

Staff sickness levels increased as individuals suffered bouts of covid that required isolation from school. This can be seen in the increase in the cost of supply to £1.4m (2021 £1.0m).

The trust received school led tutoring grants totalling £379k from the ESFA. Unfortunately delivery of the tutoring was a challenge for many reasons including recruitment of suitable tutors, levels of staff sickness, willingness of pupils to attend sessions outside the school day and the lateness in providing the required training and full information about the grant in the early months of the year. We expect to return £214k of grant funding to the ESFA and this is accounted for in the Financial Statements.

The trust received £372k of Recovery Premium grant from the ESFA and the flexibilities of this grant meant it was spent in an impactful way to support children returning to education after the lockdowns of the pandemic.

Community Academies Trust

Trustees' Report (continued)

Financial and Risk Management Objectives and Policies

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching and learning and health and safety). They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Reserves Policy

The trustees review the reserve levels of the trust termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Reserves are also held to support the trust's growth. Trustees currently target that the level of general reserves held should be sufficient to cover both 1 month's salary costs plus any known commitments. Current reserves are slightly above this target and investments of £3.75m are held to cover this (note 14). Note 18 analyses the reserves of the trust between the constituent academies and the central services.

At 31 August 2022, reserves held by the trust were as follows:

Restricted Fixed Assets	£117.9m
Restricted general excluding Pensions	£5.1 m
Restricted pension	(£8.8 m) (deficit)
Unrestricted	£0.9 m
Total	£115.1m

The balance held on restricted fixed assets included £0.3m of School Condition Allocation and other capital grants received, earmarked for specific projects, the majority of which it is expected will be spent within the next financial year. The remainder of the restricted fixed assets fund (£117.6m) can only be realised by disposing of tangible fixed assets.

Restricted general funds (excluding pensions) includes £18k of earmarked grants and donations, which it is anticipated will be spent within the next 24 months. The rest of the balance on both restricted general funds and unrestricted funds will be used for educational purposes in accordance with the objects of the trust and the reserves policy approved by trustees.

As with many members of the LGPS, the pension schemes are in deficit. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due. It is anticipated that employer contributions into the fund will rise in future years.

Investment Policy

Trustees believe that low risk bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice is taken from the trust's bankers and funds invested as follows:

Working capital is invested in a bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance but our bankers offer academies free banking which results in this lower interest rate.

Surplus cash is invested in a mixture of notice accounts with a UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cashflow requirements.

Any interest earned is paid into the trust central budget to benefit all schools within our trust.

Balances invested are reported to trustees on the Finances and Resources Committee on a half-termly basis.

Trustees do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the trust.

Community Academies Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

To achieve our vision we need to be aware of the principal risks that affect our work. The trustees have assessed the major risks to which the trust is exposed by reviewing and interrogating a risk register. The risks we face in a rapidly changing education landscape continue to evolve over time, but we summarise them under 10 strategic risks:

- The risk that we do not meet our governance obligations
- The risk we cannot use our school premises to deliver education
- The risk that our school premises are not safe
- The risk that we are not a good employer
- The risk that we are financially unsustainable
- The risk that we do not comply with financial requirements
- The risk that growth is not in line with trust objectives
- The risk that schools do not obtain excellent outcomes for learners
- The risk a child in our care is not safe
- The risk that our reputation prevents us from achieving our goals

The board of trustees reviews the risk register annually. The Audit and Risk committee of the trust has the monitoring and mitigation of risk at the centre of its remit and carries out an in depth review of selected strategic risks on a cyclical basis. The executive leadership of the trust also review all risks annually and mitigation of risk is incorporated into the trust's strategic plan and the performance objectives of individual staff members.

At present areas which the board consider to be high risk include:

- Unfunded cost pressures and uncertainty, predominantly in salary settlements but energy, building materials, and general inflation.
- Pupil and staff well-being in the context of the recovery from the covid-19 pandemic.
- Pupil achievement in the context of recovery from the covid-19 pandemic.
- Pupil safeguarding in the context of recovery from the covid-19 pandemic.
- The attendance of our most vulnerable pupils
- Education funding nationally, including the extreme pressure on the high needs budget in each Local Authority.
- The relationship between equal pay and TUPE when accepting schools into the trust from previous organisations which operated on a number of different pay and grading schemes.

Over the year numerous actions have been taken to mitigate risk and improve consistency including:

- Planned series of internal audit and other checking procedures including annual safeguarding reviews, safer recruitment, financial probity, school census completion, health & safety and consistent school condition reports.
- Development of reporting on health and safety checks, risk assessment and staff training across the trust.
- Development of a single professional development programme for all our employees utilising a coaching model.
- The establishment of the Community Academies Trust Institute of Education

Fundraising

The academy trust carries out a limited amount of fundraising at a local level, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in each school in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the trust's complaints procedure.

Community Academies Trust

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption use to calculate emissions (kWh)	11,529,720	12,601,703
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	1420.85	1634.99
Owned transport – mini-buses	3.31	2.23
Total scope 1	1424.16	1637.22
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	712.27	844.75
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	11.82	5.37
Total gross emissions in metric tonnes CO ₂ e	2148.25	2487.35
Intensity ratio		
Tonnes CO ₂ e per pupil	0.252	0.296

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We continue with a rolling programme converting internal and external lighting to low energy and increasing building fabric insulation where practical. Our boiler modernisation programme has included the installation of hybrid ASHP technologies during the year. A successful application for grant funding will deliver schools specific heat decarbonisation plans in 2022/23 and we continue to monitor the life expectancy of our fossil fuel heating systems, applying for PSDS grants when available.

We are at the early stages of planning to install Solar PV at our secondary schools, reducing our consumption from the grid.

Energy awareness and behaviour activities at school level has delivered significant gas consumption savings across the trust, particularly since April 2022.

Plans for Future Periods

The trust intends to focus resource and strategy on:

- Enhancing further and developing expert governance at all levels in the organisation
- Utilising the new Institute of Education to enhance further and establish new higher standards expectations, developing further the Quality of Education
- Evolve the way we work with staff to ensure a resilient workforce with high levels of well being evident
- Build further our operational structures so that they are even more efficient and effective
- Innovate to ensure our trust is able to establish each school as an anchor institution in its community and use the capacity of our trust and its networks to provide our communities with wider support

Community Academies Trust Trustees' Report (continued)

Funds Held as Custodian Trustee on behalf of others

The trust distributes 16-19 bursary funds to students as an agent for the ESFA. Financial information is provided in note 30 to the accounts.

Auditor

Mazars were appointed as auditors to the trust for the 2021/22 financial year. Mazars have indicated their willingness to continue in office.

Statement as to disclosure of information to auditors

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 7 December 2022 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

7 December 2022

Community Academies Trust

Governance Statement

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Community Academies Trust and the Secretary of State for Education. The Chief Executive Officer is 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 main board of trustees met 6 times during the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Atkins (Chair)	6	6
Mr. G Brown	6	6
Mr. S Mason	5	6
Mr. S Sibley	5	6
Mrs. S Stewart	5	6
Mr. R Vernon	6	6
Rev. S Wallis	5	6

Conflicts of Interest

The academy trust maintains an up-to-date and complete register of interests and considers this information when entering into any financial or day-to-day management activity of the trust. Interests are declared at the start of each trustee. If an interest is judged to conflict with an agenda item, the relevant trustee is required to leave the meeting while that item is discussed.

Governance reviews

New members have been actively sought, using Academy Ambassadors, and additional members were appointed by the existing members on 11 November 2021, 10 December 2021 and 30 August 2022.

New trustees have been actively sought to resolve skills gaps. Peter Rubery was appointed on 31 August 2022 and Trystan Farnworth was appointed on 24 November 2022.

All meetings of the trustees and their sub-committees, including the school standard committees, have been carried out virtually.

Audit & Risk Committee

The audit committee is a sub committee of the main board of trustees. The purpose of the audit committee is to advise the board on matters relating to the trust's audit arrangements, risk and systems of internal control and to aid the board's responsibility to ensure sound management of the trust's finances and resources. During the year Mr S Mirza, a local governor was co-opted onto the committee in line with the terms of reference. Attendance at meetings during the year was as follows:

Community Academies Trust Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr G Brown (Chair)	3	3
Mr. S Atkins	3	3
Mr. S Mason	1	1
Mr. S Sibley	3	3
Mr. S Mirza (Co-opted governor)	1	2

Staffing & Remuneration Committee

The Staffing and Remuneration committee is a sub-committee of the main board of trustees. The purpose of the Staffing and Remuneration committee is to advise the board on matters relating to employee and executive pay. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Mason (chair autumn term)	1	1
Mrs. S Stewart (chair spring/summer term)	3	3
Mr. S Atkins	3	3
Mr. R Vernon	1	1
Mr S. Wallis	2	2

Finance and Resources Committee

The Finance and Resources committee is a sub-committee of the main board of trustees. The purpose of the Finance and Resources committee is to advise the board on matters relating to financial performance and sustainability.

Trustee	Meetings attended	Out of a possible
Mr. S Mason (chair spring/ summer term)	3	3
Mr S. Atkins	3	3
Mr R. Vernon	3	3

Review of Value for Money

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

The Accounting Officer considers how the 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 available. The Accounting Officer has delivered improved value for money during the year by:

- Continuing to invest in the fabric of our buildings to ensure they remain safe, warm and dry
- Continuing to carry out competitive procurement processes in line with our policies, despite the restrictions placed on us by the covid-19 pandemic.

The Purpose of the System of Internal Control

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

Community Academies Trust Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the year 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 Audit Committee considers risk at every meeting.

Trustees are aware of their responsibilities and have directed a number of reviews to carry out regular scrutiny of financial and other data. The system of internal control aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the board of trustees 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 including the comparison of key performance indicators;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RB Chartered Accountant to act as internal auditor as directed by the audit committee. The appointment of RB Chartered Accountant is in line with the FRC Ethical Standard for auditors as the internal auditor remains independent of the external auditor.

The internal auditor performed a range of checks on the academy trust's financial systems. A sample of schools has been visited over the course of the year and a targeted review undertaken of controls in the schools. The audit committee received a number of reports on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year September 2021 to August 2022, themed financial risk reviews were carried out by RB Chartered Accountants concerning the following:

- Testing of purchase systems
- Testing of payroll systems

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

The schedule of work as planned by the audit committee has been delivered. Any control issues highlighted have been or are being resolved.

Community Academies Trust Governance Statement (continued)

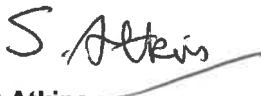
Review of Effectiveness

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

- The work of the themed risk reviews
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Executive Director (Finance and Operations) and finance team 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 Trustees and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2022 and signed on its behalf by:



Mr. S Atkins
Chair of Trustees



Mr. P Hamilton
Accounting Officer

Community Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Community Academies Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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



Mr. P Hamilton
Accounting Officer

7 December 2022

Community Academies Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Community Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

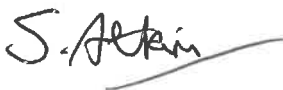
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to 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 7 December 2022 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2022

Opinion

We have audited the financial statements of Community Academies Trust ("the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

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

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2022 (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 22, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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. Based on our understanding of the Academy Trust and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2022 (continued)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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



David Hoose (Dec 9, 2022 15:41 GMT)

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Community Academies Trust

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

In accordance with the terms of our engagement letter dated 9 October 2022 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 Community Academies Trust during the period 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 Community Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Academies Trust and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Community Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Community Academies Trust's funding agreement with the Secretary of State for Education dated 10 December 2013 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 period 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Mazars LLP

Mazars LLP (Dec 9, 2022 15:42 GMT)

Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House, 58 The Ropewalk
Nottingham, NG1 5DW

9 December 2022

Community Academies Trust

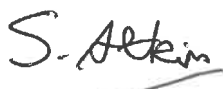
Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000	Total 2021 £000
Income and endowments from:						
Donations and capital grants	2	16	38	1,950	2,004	14,123
Transfer from local authority on conversion	31	-	-	(2,440)	(2,440)	3,797
Charitable activities						
Funding for the Academy Trust's educational operations	3	1,108	52,690	-	53,798	49,743
Teaching School		-	-	-	-	273
Other trading activities	4	660	-	-	660	488
Investments	5	32	-	-	32	14
Total		1,816	52,728	(490)	54,054	68,438
Expenditure on:						
Raising funds	6	(760)	-	-	(760)	(568)
Charitable activities:						
Academy Trust educational operations	7	(999)	(55,373)	(3,461)	(59,833)	(53,594)
Teaching School		-	-	-	-	(504)
Total		(1,759)	(55,373)	(3,461)	(60,593)	(54,666)
Net income / (expenditure)		57	(2,645)	(3,951)	(6,539)	13,772
Transfers between funds	18	-	(367)	367	-	-
Other recognised gains / (losses)						
Re-measurement of net defined benefit obligation	28	-	29,240	-	29,240	(3,766)
Net movement in funds		57	26,228	(3,584)	22,701	10,006
Reconciliation of funds						
Total funds brought forward (as previously stated)	18	917	(29,956)	121,452	92,413	82,407
Total funds carried forward		974	(3,728)	117,868	115,114	92,413

Community Academies Trust
Company Number 07472736
Balance Sheet as at 31 August 2022

	Notes	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	12		39		57
Tangible assets	13		117,606		120,891
Other Investments	14		3,753		3,000
Current assets					
Debtors	15	1,893		1,775	
Cash at bank and in hand	25	6,447		6,422	
		8,340		8,197	
Current liabilities					
Creditors: Amounts falling due within one year	16	(5,641)		(4,552)	
Net current assets					
			2,699		3,645
Total assets less current liabilities					
			124,097		127,593
Creditors: Amounts falling due after more than one year	17		(156)		(210)
Net assets excluding pension liability					
			123,941		127,383
Defined benefit pension scheme liability	28		(8,827)		(34,970)
Total net assets					
			115,114		92,413
Funds of the Academy Trust:					
Restricted income funds					
Fixed asset fund	18		117,868		121,452
General fund	18		5,099		5,014
Pension reserve	18		(8,827)		(34,970)
Total restricted funds					
			114,140		91,496
Unrestricted income funds					
General fund	18		974		917
Total unrestricted funds					
			974		917
Total funds					
			115,114		92,413

The financial statements on pages 27 to 54 were approved by the trustees, and authorised for issue on 7 December 2022 and are signed on their behalf by:



Mr. S Atkins
Chair of Trustees

Community Academies Trust
Statement of Cash Flows for the Year Ended 31 August 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	1,236	2,408
Cash flows from investing activities	23	(1,153)	6
Cash flows from financing activities	24	(58)	(54)
Change in cash and cash equivalents in the reporting period		25	2,360
Cash and cash equivalents at 1 September		6,422	4,062
Cash and cash equivalents at 31 August	25	6,447	6,422

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

Community Academies Trust is a charitable company incorporated in the UK. The address of its principal place of business is given on page 1 and the nature of its operations is set out in the Trustees' Report.

1. Statement of accounting policies

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

Basis of accounting

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

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £'000, except where otherwise stated.

Going Concern

The trustees assess whether the use of going concern is appropriate and 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 have made this assessment in respect of a period of at least one year from the date of authorisation of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

▪ Grants

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

General Annual Grant is recognised in the Statement of Financial Activities in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Any unspent amount is reflected as a balance in the restricted general fund.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

The academy trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is an unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through lease) the site where the development is occurring. The expenditure is capitalised once the assets are under the control of the trust.

▪ **Donations**

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

▪ **Other Income**

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

▪ **Transfers into the Trust**

The transfer of schools into the academy trust, involves the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred to the academy trust are valued at their fair values. The fair values are derived based on that of equivalent items. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

▪ **Donated fixed assets**

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

▪ **Interest**

Interest is included in the Statement of Financial Activities on a receivable basis and is stated inclusive of related tax credits.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Expenditure

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

▪ Expenditure on Raising Funds

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

▪ Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £25,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. This is a change from the previous accounting policy, which was to capitalise assets costing £5,000 or more. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20% (5 years)
-----------------------------	---------------

Tangible Fixed Assets

Assets costing £25,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. This is a change from the previous accounting policy, which was to capitalise assets costing £5,000 or more.

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.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Leasehold land is capitalised at estimated cost, net of depreciation and any provision for impairment. This is a change from the previous accounting policy, which was to not capitalise leasehold land.

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

Freehold buildings	2% (50 years)
Long leasehold buildings	2% (50 years)
Long Leasehold Land	Period of lease (normally 125 years)
Building improvements	7% (15 years)
Furniture and equipment	10-15% (6-10 years)
Computer equipment	33.3% (3 years)
Motor Vehicles	25% (4 years)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Fixed Asset Investments

Cash held in deposit accounts with a notice period greater than one year are classified as fixed asset investments. They are measured at cost less impairment.

Liabilities

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

Provisions

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

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

Leased Assets

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Financial Instruments

The academy trust holds only basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

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

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

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately as other comprehensive income.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Fund Accounting

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

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

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation toward its own administration costs and this is recognised in the statement of financial activities. The funds received are paid and any balances held are disclosed in note 30.

Short-term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the academy trust. The cost of any unused holiday entitlement the academy trust expects to pay in future periods is recognised in the period the employees' services are rendered where material.

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 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 28, 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 2021 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.

Where school premises are held on a licence to occupy pending a full legal transfer, they are treated as a donation at the time the school joins the trust and valued in accordance with the substance of the transaction. The premises at The Telford Langley school are therefore held as a freehold and the premises at Kingsway Community Primary school as leasehold despite the legal title at the year end being that they are held under a licence to occupy.

Investments held in 1 year savings accounts are treated as fixed assets as the intention is to reinvest these. They are held in accordance with the trust Reserves policy.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1. Statement of Accounting Policies (continued)

Impairment of assets

Where indicators of impairment are identified, management will carry out an impairment review at the period end, to establish whether the carrying value of the affected asset or asset group remains appropriate. This involves the exercise of judgement by management.

2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Capital grants	-	1,564	1,564	1,537
Donated fixed assets	-	386	386	12,569
Other donations	16	38	54	17
Total 2022	16	1,988	2,004	
Total 2021	10	14,113		14,123

3. Funding for the academy trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	45,220	45,220	40,322
Other DfE/ESFA grants	-	-	-	-
UIFSM	-	397	397	425
Pupil Premium	-	2,967	2,967	2,734
Teacher Pension and Pay Grants	-	122	122	1,893
Others	-	1,548	1,548	907
Other DfE Group Grants	-	-	-	69
	-	50,254	50,254	46,350
Other Government grants				
Local Authority grants	-	1,793	1,793	1,635
Covid-19 additional funding (DfE/ ESFA)				
Recovery premium	-	372	372	637
Other DfE/ ESFA covid-19 funding	-	82	82	354
	-	2,245	2,245	2,626
Other income from the academy trust's educational operations				
School trips	264	-	264	66
Catering income	430	-	430	261
Other income	414	191	605	440
	1,108	191	1,299	767
Total 2022	1,108	52,690	53,798	
Total 2021	594	49,149		49,743

The academy trust received £372k of funding for recovery premium and incurred costs in respect of this funding totaling £372k.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

The academy trust received £82k of funding for mass testing and supporting vaccination of secondary aged pupils. These costs are included in notes 6 and 7 below as appropriate.

4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	243	-	243	142
Catering income	9	-	9	7
Other income	408	-	408	339
Total 2022	660	-	660	
Total 2021	488	-		488

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Short term deposits	32	-	32	14
Total 2022	32	-	32	
Total 2021	14	-		14

6. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2022 £000	Total 2021 £000
Expenditure on raising funds	243	168	349	760	568
Academy Trust educational operations					
▪ Direct costs	39,087	3,245	5,435	47,767	43,578
▪ Allocated support costs	6,836	1,831	3,399	12,066	10,016
Teaching School	-	-	-	-	504
Total 2022	46,166	5,244	9,183	60,593	
Total 2021	41,625	4,801	8,240		54,666

The expenditure on raising funds and educational operations was £60,593,000 (2021: £54,666,000) of which £1,759,000 was unrestricted (2021: £1,289,000), £55,373,000 restricted (2021: £50,113,000) and £3,461,000 restricted fixed assets (2021: £3,264,000).

Net income/(expenditure) for the period includes:

	2022 £000	2021 £000
Operating lease rentals	88	79
Depreciation	3,227	3,095
Impairment	-	-
Amortisation of intangible fixed assets	18	18
Net interest on defined benefit pension liability	589	506
Fees payable to auditor for		
- Statutory audit	36	34
- other assurance services	4	4

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7. Charitable activities – academy trust educational operations

	Total 2022 £000	Total 2021 £000
Direct costs – educational operations	47,767	43,578
Support costs – educational operations	12,066	10,016
	<u>59,833</u>	<u>53,594</u>

Analysis of support costs

	Total 2022 £000	Total 2021 £000
Support staff costs	6,925	5,512
Technology costs	111	259
Premises costs	1,831	1,586
Legal costs-conversion	-	14
Legal costs-other	18	29
Other support costs	3,103	2,551
Governance costs	78	65
	<u>12,066</u>	<u>10,016</u>

8. Staff numbers and costs

a. Staff costs

	2022 £000	2021 £000
Wages and salaries	31,314	28,957
Social security costs	3,053	2,727
Operating costs of defined benefit pension schemes	10,106	8,752
Apprenticeship Levy	140	129
Total Staff costs	<u>44,613</u>	<u>40,565</u>
Other Costs		
Supply teacher costs	1,418	1,010
Staff restructuring costs	135	50
Total	<u>46,166</u>	<u>41,625</u>
Staff restructuring costs comprise:		
Redundancy payments	48	-
Severance payments	87	19
Other restructuring costs	-	31
	<u>135</u>	<u>50</u>

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

b. Severance Payments

The academy trust paid 7 severance payments in the year, disclosed in the following bands:

	2022
	No.
0 - £25,000	6
£25,001 - £50,000	1

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

Included in staff restructuring costs are special severance payments totalling £33,056 (2021: £14,000). Individually the payments were £45, £16,086, and £16,925.

c. Staff numbers

The average number of persons employed by the Academy Trust during the period expressed by headcount was as follows:

	2022	2021
	Number	Number
Teachers	505	462
Administration and support	762	729
Management	36	36
	1,303	1,227

The average number of persons employed by the Academy Trust during the period expressed as full-time equivalents was as follows:

	2022	2021
	Number	Number
Teachers	447	430
Administration and support	453	411
Management	36	33
	936	874

d. Higher paid staff

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

	2022	2021
	Number	Number
£60,001 - £70,000	14	14
£70,001 - £80,000	12	10
£80,001 - £90,000	5	6
£90,001 - £100,000	1	1
£100,001 - £110,000	4	2
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
£160,001 - £170,000	1	1
	39	36

One of the above employees participates in the Local Government Pension Scheme and all of the other above employees participate in the Teachers' Pension Scheme. Both schemes are defined benefit schemes.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

e. Key management personnel

The key management personnel of the Academy Trust comprise the Chief Executive Officer, Executive Director (Education), Executive Director (Finance and Operations) and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer NI) received by key management personnel for their services to the Academy Trust was £2,491,867 (2021: £2,335,294).

9. Related Party Transactions – Trustees’ Remuneration & Expenses

No trustees were paid remuneration or received other benefits from an employment with the academy trust.

During the year ended 31 August 2022, travel and subsistence expenses totalling £68 (2021: £nil) were reimbursed to 2 trustees (2021: nil trustees). This expense related to mileage claims.

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

10. Central services

The academy trust has carried the following central services during the year on behalf of all its schools:

- School improvement
- Financial services (including finance and budget management software)
- Payroll management (including payroll software)
- Human Resources
- Trade union facilities time
- Asset management
- Health & Safety (including compliance software)
- Staff development
- Risk management
- Treasury management
- Statutory reporting

The trust delegates 96% of GAG, sixth form and nursery funding received to the school for which it is allocated by the ESFA/ Local Authority. The remaining 4% is retained by the trust to provide the central services as listed above.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10. Central Services (continued)

The actual amounts retained by the trust during the year were as follows:

	2022	2021
	£000	£000
Birchwood Primary School	75	65
Budbrooke Primary School	36	33
Chadsmead Primary Academy	46	43
Dordon Primary School	37	36
Grange Park Primary School	87	81
Heathcote Primary School	51	36
Kingsway Primary School	34	22
The Polesworth School	330	298
Stoneydelph Primary School	52	51
Stratford-upon-Avon Primary School	36	33
The Telford Langley School	252	207
The Telford Park School	163	138
The Telford Priory School	241	209
Wilnecote High School	179	157
Windmill Primary School	75	72
Wood End Primary School	28	24
The Woodlands Community Primary School	49	46
Woodloes Primary School	70	63
	<u>1,841</u>	<u>1,614</u>

11. Trustees and officers' insurance

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

12. Intangible Fixed Assets

	Computer Software £000	Total 2021/22 £000
Cost		
At 1 September 2021	90	90
Additions	-	-
At 31 August 2022	<u>90</u>	<u>90</u>
Amortisation		
At 1 September 2021	33	33
Charged in period	18	18
At 31 August 2022	<u>51</u>	<u>51</u>
Carrying amount		
At 31 August 2021	<u>57</u>	<u>57</u>
At 31 August 2022	<u>39</u>	<u>39</u>

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13. Tangible Fixed Assets

	Freehold Land & Buildings	Long Leasehold Land & Buildings	Leasehold Improvements	Assets under construction	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost								
At 1 September 2021	63,201	59,734	9,853	-	2,847	3,263	9	138,907
Transfer on conversion adjustment	-	(2,440)	-	-	-	-	-	(2,440)
Additions	-	-	1,081	993	48	260	-	2,382
Disposals	-	-	-	-	(3)	(1,513)	-	(1,516)
At 31 August 2022	63,201	57,294	10,934	993	2,892	2,010	9	137,333
Depreciation								
At 1 September 2021	5,488	5,337	2,048	-	2,613	2,521	9	18,016
Charged in period	1,084	949	651	-	152	391	-	3,227
Disposals	-	-	-	-	(3)	(1,513)	-	(1,516)
At 31 August 2022	6,572	6,286	2,699	-	2,762	1,399	9	19,727
Net book values								
At 31 August 2022	56,629	51,008	8,235	993	130	611	-	117,606
At 31 August 2021	57,713	54,397	7,805	-	234	742	-	120,891

The trust's transactions relating to land and buildings included:

The taking up of a leasehold on Matthew Webb House, Dawley, Telford for £14k pa over a term of 3 years.
The renewing of the grant of a leasehold on the nursery at Windmill Primary School for £21k pa for a period of 5 years.

The adjustment of the estimated 2021 property valuation on conversion for Kingsway Primary School upon the receipt of the ESFA property valuation during the year.

14. Other Investments

	2022 £000	2021 £000
One year cash deposits	3,753	3,000
	<u>3,753</u>	<u>3,000</u>

15. Debtors

	2022 £000	2021 £000
Trade debtors	55	237
VAT recoverable	432	382
Prepayments and accrued income	1,406	1,156
	<u>1,893</u>	<u>1,775</u>

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,625	1,276
Taxation and social security	745	683
Loans	59	63
Other creditors	755	838
Accruals and deferred income	2,457	1,692
	5,641	4,552
	2022	2021
	£000	£000
Deferred income		
Deferred income at 1 September	466	624
Released from previous year	(466)	(624)
Resources deferred in the year	766	466
Deferred income at 31 August	766	466

At the balance sheet date the academy trust was holding funds received in advance for grants including £234k for UIFSM, £214k for school led tutoring, £56k for rates and £106k for Local Authority grants. The academy trust was also holding £156k representing payments by parents for educational visits held in advance of visits taking place in 2022/23.

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

	2022	2021
	£000	£000
Loans	156	210
	156	210

The trust holds "Salix" and "SEEF" loans from the Government. The total amount owed as at 31 August 2022 is £215k of which £59k is repayable in the next financial year and £156k payable within 1 to 5 years.

These loans are provided to support energy efficient capital investment, are unsecured and no interest is charged.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds

	At 1 September 2021	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31 August 2022
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	4,484	45,220	(44,238)	(367)	5,099
UIFSM	-	397	(397)	-	-
Pupil Premium	-	2,967	(2,967)	-	-
Catch-up premium	56	372	(428)	-	-
Other DfE/ ESFA Covid 19 funding	-	82	(82)	-	-
Pension reserve	(34,970)		(3,097)	29,240	(8,827)
Other grants	474	3,691	(4,165)	-	-
	(29,956)	52,729	(55,374)	28,873	(3,728)
Restricted fixed asset funds					
DfE/ESFA capital grants	8,437	1,564	(240)	-	9,761
Transfer on conversion	45,468	(2,440)	(1,296)	-	41,732
Transfer on business combination	46,632	-	(1,329)	-	45,303
Asset donations	19,140	386	(545)	-	18,981
Capital Expenditure from GAG	1,750	-	(50)	367	2,067
Private capital sponsorship	25	-	(1)	-	24
	121,452	(490)	(3,461)	367	117,868
Total restricted funds	91,496	52,239	(58,835)	29,240	114,140
Total unrestricted funds	917	1,816	(1,759)	-	974
Total funds	92,413	54,055	(60,594)	29,240	115,114

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

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

Restricted general funds

The balance of £5,099,000 on the restricted general funds (excluding pension reserve) includes £18,000 of grants which are earmarked for specific ongoing expenditure. These, along with the remaining balance on this fund will be used for educational purposes in accordance with the restrictions attached to the funding, as will the balance of £974,000 held on unrestricted funds.

The pension reserve of (£8,827,000) (overdrawn) represents the academy trust's share of the deficits in the LGPS funds in Warwickshire, Staffordshire & Shropshire. The liability has increased by £3,097,000 (net of employer contributions) due to operating and finance charges in the year. There has also been an actuarial gain of £29,240,000 in the year as detailed in note 28.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds (continued)

Restricted fixed asset funds

The restricted fixed assets funds relate predominantly to the assets acquired when schools join the academy trust on conversion or by business combination or by donation. These are disclosed further in note 13. A School Condition Allocation grant of £1,368,000 was received in the year and £309,000 of the fixed assets fund relates to unspent School Condition Allocation grant which it is planned to spend in the new financial year. £38,000 of the fixed asset fund relates to unspent Devolved Formula Capital grant which it is planned to spend in the new financial year. £50,000 of the fixed asset fund relates to a sinking fund for the replacement of leisure facilities. The transfer of £367,000 from GAG funds to the fixed asset reserve represents the use of GAG income on fixed assets.

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

	At 1 September 2020 Restated £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	At 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	3,009	40,322	(38,303)	(544)	4,484
UIFSM	-	425	(425)	-	-
Pupil Premium	-	2,734	(2,734)	-	-
Catch-up premium	-	637	(581)	-	56
Other DfE/ ESFA Covid 19 funding	-	354	(354)	-	-
Pension reserve	(28,614)	(360)	(2,230)	(3,766)	(34,970)
Other grants	1,003	4,957	(5,486)	-	474
	(24,602)	49,069	(50,113)	(4,310)	(29,956)
Restricted fixed asset funds					
DfE/ESFA capital grants	7,144	1,537	(244)	-	8,437
Transfer on conversion	42,413	4,150	(1,095)	-	45,468
Transfer on business combination	48,281	-	(1,649)	-	46,632
Asset donations	6,803	12,569	(232)	-	19,140
Capital Expenditure from GAG	1,249	-	(43)	544	1,750
Private capital sponsorship	26	-	(1)	-	25
	105,916	18,256	(3,264)	544	121,452
Total restricted funds	81,314	67,325	(53,377)	(3,766)	91,496
Total unrestricted funds	1,093	1,113	(1,289)	-	917
Total funds	82,407	68,438	(54,666)	(3,766)	92,413

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds (continued)

Total funds analysis by school

Fund balances at 31 August 2022 were allocated as follows:

	Total 2022	Total 2021
	£000	£000
Birchwood Primary School	244	302
Budbrooke Primary School	198	137
Chadsmead Primary Academy	389	381
Dordon Primary School	374	534
Grange Park Primary School	147	188
Heathcote Primary School	235	278
Kingsway Primary School	104	71
Stoneydelph Primary School	60	72
Stratford-upon-Avon Primary School	114	75
The Telford Langley School	509	261
The Telford Park School	363	327
The Telford Priory School	508	345
The Polesworth School	1,308	1,355
The Wilnecote School	(70)	(161)
Windmill Primary School	70	187
Wood End Primary School	126	132
The Woodlands Community Primary School	420	417
Woodloes Primary School	220	243
Community Academies Trust (Central Services)	754	787
Total before fixed assets and pension reserve	6,073	5,931
Restricted fixed asset fund	117,868	121,452
Pension reserve	(8,827)	(34,970)
Total	115,114	92,413

The Wilnecote School was in deficit at 31 August 2022 as shown above. This is a planned position as a result of lagged funding in respect of pupil growth, supported by the reserves of the trust overall. The school has prepared a recovery plan and this has been approved by the board of trustees. Trustees anticipate that it will take until August 2025 for the school to be out of deficit and progress against this plan is being formally monitored on a termly basis.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds (continued)

Total cost analysis by Academy

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

	Teaching and Educational support staff costs £000	Other Support staff costs £000	Educational supplies £000	Other costs (excl. Dep) £000	Total 2022 £000	Total 2021 £000
Birchwood Primary School	1,433	185	182	367	2,167	1,913
Budbrooke Primary School	660	123	46	195	1,024	1,022
Chadsmead Primary Academy	899	152	88	258	1,397	1,325
Dordon Primary School	803	75	111	143	1,132	1,004
Grange Park Primary School	1,759	443	194	268	2,664	2,457
Heathcote Primary School	1,259	109	151	211	1,730	1,223
Kingsway Primary School	678	80	110	153	1,021	650
Stoneydelph Primary School	1,105	144	182	165	1,596	1,573
Stratford-upon-Avon Primary	714	130	136	114	1,094	1,059
The Telford Langley School	4,489	634	398	1,097	6,618	5,623
The Telford Park School	3,037	515	319	638	4,509	4,061
The Telford Priory School	4,615	786	756	635	6,792	6,462
The Polesworth School	6,153	1,199	295	1,165	8,812	8,361
The Wilnecote School	3,136	655	238	779	4,808	4,355
Windmill Primary School	1,351	519	85	412	2,367	2,299
Wood End Primary School	573	58	67	124	822	766
The Woodlands Community Primary School	993	118	125	178	1,414	1,316
Woodloes Primary School	1,558	187	182	214	2,141	1,933
CAT Teaching School	-	-	-	-	-	504
Community Academies Trust (Central Services)	760	934	35	414	2,143	1,417
Pension FRS102 adjustment				3,097	3,097	2,230
	35,975	7,046	3,700	10,627	57,348	51,553

Total expenditure, excluding depreciation, in 2022 is £57,348,000 (2021:£51,553,000) of which £35,975,000 is for teaching and educational support staff costs (2021:£33,031,000), £7,046,000 for other support staff costs (2021:£6,364,000), £3,700,000 for educational supplies (2021:£3,389,000) and £10,627,000 for other costs (2021:£8,769,000).

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

19. Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2022 £000
Intangible fixed assets	-	-	39	39
Tangible fixed assets	-	-	117,606	117,606
Other investments	-	3,753	-	3,753
Current assets	975	7,143	222	8,340
Current liabilities	-	(5,641)	-	(5,641)
Non-current liabilities	-	(156)	-	(156)
Pension scheme liability	-	(8,827)	-	(8,827)
Total net assets at 31 August 2022	975	(3,728)	117,868	115,114

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2021 £000
Intangible fixed assets	-	-	57	57
Tangible fixed assets	-	-	120,891	120,891
Other investments	-	3,000	-	3,000
Current assets	917	6,776	504	8,197
Current liabilities	-	(4,552)	-	(4,552)
Non-current liabilities	-	(210)	-	(210)
Pension scheme liability	-	(34,970)	-	(34,970)
Total net assets at 31 August 2021	917	(29,956)	121,452	92,413

20. Capital Commitments

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	999	315

Commitments at the year end represent planned school capital projects, funded from the balance on the School Condition Allocation and trust revenue balances.

21. Commitments under operating leases

Operating Leases

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

	2022 £000	2021 £000
Amounts due within one year	107	88
Amounts due between one and five years	191	121
	298	209

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22. Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£000	£000
Net (expenditure)/income for the reporting period	(6,539)	13,772
Adjusted for:		
Amortisation	18	18
Depreciation (note 13)	3,227	3,095
Capital grants from DfE and other capital income	(1,564)	(1,537)
Capital donations from DfE	(156)	(5,926)
Capital donations from Local Authority	(230)	(6,643)
Interest receivable (note 5)	(32)	(14)
Defined benefit pension scheme cost less contributions payable (note 28)	2,508	1724
Defined benefit pension scheme finance cost (note 28)	589	506
(Increase)/ decrease in debtors	(118)	322
Increase/(decrease) in creditors	1,093	888
Transfer from local authority	2440	(3,797)
Net cash provided by operating activities	<u>1,236</u>	<u>2,408</u>

23. Cash flows from investing activities

	2022	2021
	£000	£000
Dividends, interest and rents from investments	32	14
Purchase of tangible fixed assets	(1,996)	(2,295)
Capital Grants from DfE/ ESFA/ LA	1,564	1,537
Cash (invested)/ divested in year	(753)	750
Net cash provided by investing activities	<u>(1,153)</u>	<u>6</u>

24. Cash flows from financing activities

	2022	2021
	£000	£000
Repayments of borrowing	(58)	(60)
Cash inflows from new borrowings	-	6
Net cash provided by financing activities	<u>(58)</u>	<u>(54)</u>

25. Analysis of cash and cash equivalents

	At 31	At 31
	August	August
	2022	2021
	£000	£000
Cash in hand and at bank	4,947	4,172
Notice deposits (less than 6 months)	1,500	2,251
Total cash and cash equivalents	<u>6,447</u>	<u>6,422</u>

26. Analysis of changes in net debt

	At 1	Cash	Other non-	At 31
	September	flows	cash	August
	2021		changes	2022
	£000	£000	£000	£000
Cash	4,172	775	-	4,947
Notice deposits	2,250	(750)	-	1,500
Loans falling due with one year	(63)	4	-	(59)
Loans falling due after more than one year	(210)	54	-	(156)
Total	<u>6,149</u>	<u>83</u>	<u>-</u>	<u>6,232</u>

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27. Members' liability

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

28. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council, Staffordshire County Council or Shropshire County Council depending on the location of the school. All are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2021.

Contributions amounting to £763,000 (2021: £731,000) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published on 5 March 2019. The key results of the valuation and subsequent consultation are:

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

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28. Pension and Similar Obligations (continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2021 onwards. DfE agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2020/21 and 2021/22 academic years.

The employer's pension costs paid to TPS in the period amounted to £4,704,000 (2021: £4,479,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2022 was £2,590,000 (2021: £2,548,000), of which employer's contributions totalled £2,064,000 (2021: £2,040,000) and employees' contributions totalled £526,000 (2021: £508,000). The agreed contribution rates for future years are:

	Employer's	Employee's
Warwickshire	22.8%	Between 5.5% and 12.5%
Shropshire	16.7%	Between 5.5% and 12.5%
Staffordshire	27.2%	Between 5.5% and 12.5%

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust 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 Shropshire Pension Fund is in deficit and additional contributions are being made of £255,625 p.a. over 21 years increasing by 3.9% pa. The Warwickshire and Staffordshire Pension Funds are also in deficit which is currently being recovered through higher contribution rates.

Principal actuarial assumptions

	Rate of increase for pensions in payment/ CPI Inflation	Rate of increase in salaries	Discount rate for scheme liabilities
2022 assumptions			
Warwickshire Pension Fund	3.1%	3.9%	4.3%
Shropshire Pension Fund	3.0%	4.2%	4.3%
Staffordshire Pension Fund	3.1%	3.5%	4.3%
2021 assumptions			
Warwickshire Pension Fund	2.9%	3.7%	1.7%
Shropshire Pension Fund	2.8%	4.0%	1.7%
Staffordshire Pension Fund	2.9%	3.3%	1.7%

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28. Pension and Similar Obligations (continued)

CPI assumption

Pension Increase Orders are used to set the level of pension increases with effect from 1 April of each year, with reference to the change in CPI inflation over the 12 months to the previous September, which was announced in October. This was 10.1% and was considerably higher than the CPI assumption set by employers as at 31 August 2022. Although Pension Increase Orders have always been set with reference to the September CPI for the last 10 years and the September RPI for the preceding 20 years, they are not automatically set and they are only known with absolute certainty when the Pension Increase Order is enacted by Parliament, which is usually in April of the following year. Similarly, the likely level of the forthcoming Pension Increase Order 2023 was not known at 31 August. Consequently, no adjustment has been made to recognise the possible 2023 Pension Increase Order within the CPI assumption.

Sensitivity analysis

Change in assumptions at 31 August 2022	0.1% decrease in Real Discount Rate	1 year increase in member life expectancy	0.1% increase in the Salary Increase Rate	0.1% increase in the Pension Increase Rate
Approximate % increase to defined benefit obligation				
Warwickshire Pension Fund	2%	4%	0%	2%
Shropshire Pension Fund	2%	2%	0%	2%
Staffordshire Pension Fund	3%	4%	0%	2%
Approximate monetary amount (£'000)				
Warwickshire Pension Fund	410	672	40	374
Shropshire Pension Fund	380	371	41	379
Staffordshire Pension Fund	184	289	21	165

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

	Retiring today		Retiring in 20 years	
	Males	Females	Males	Females
2022 assumptions				
Warwickshire Pension Fund	21.6	24.1	22.7	25.9
Shropshire Pension Fund	22.9	25.1	24.1	26.7
Staffordshire Pension Fund	21.2	23.8	22.2	25.5
2021 assumptions				
Warwickshire Pension Fund	21.8	24.2	23.0	26.1
Shropshire Pension Fund	23.0	25.1	24.3	26.7
Staffordshire Pension Fund	21.4	24.0	22.5	25.7

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28. Pension and Similar Obligations (continued)

The trust's share of the assets and liabilities in each of the pension fund schemes was:

	Warwickshire		Shropshire		Staffordshire	
	Fair value at 31 August 2022	Fair value at 31 August 2021	Fair value at 31 August 2022	Fair value at 31 August 2021	Fair value at 31 August 2022	Fair value at 31 August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Equities	9,475	9,724	5,254	5,220	4,472	4,216
Bonds	4,264	3,764	2,149	2,020	994	1,128
Property	1,737	1,725	479	359	559	416
Cash	317	471	223	174	186	178
Other	-	-	3,028	2,482	-	-
Total fair value of assets	15,791	15,684	11,133	10,255	6,211	5,938
Present value of scheme liabilities - funded	(16,795)	(28,383)	(17,939)	(25,940)	(7,228)	(15,524)
Deficit in the scheme	(1,004)	(12,699)	(6,806)	(15,685)	(1,017)	(6,586)

The actual return on scheme assets in each fund was:

	2022	2021
	£'000	£'000
Warwickshire Pension Fund	(675)	3,008
Shropshire Pension Fund	(68)	1,286
Staffordshire Pension Fund	(145)	974

Combined LGPS Pension Funds

Amounts recognised in the statement of financial activities

	2022	2021
	£000	£000
Current service cost (net of employer contributions)	2,508	1,724
Past service cost	-	-
Net interest cost	589	506
Total operating charge	3,097	2,230

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

	2022	2021
	£000	£000
At 1 September	66,847	52,824
Upon conversion	-	632
Current service cost	4,572	3,764
Interest cost	1,137	947
Employee contributions	526	508
Actuarial loss/ (gain)	(30,676)	8,571
Benefits paid	(444)	(399)
Past service cost	-	-
At 31 August	41,962	66,847

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

28. Pension and Similar Obligations (continued)

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

	2022	2021
	£000	£000
At 1 September	31,877	24,210
Upon conversion	-	272
Interest income	548	441
Return on plan assets (excluding net interest on the net defined pension liability)	(1,436)	4,805
Employer contributions	2,064	2,040
Employee contributions	526	508
Benefits paid	(444)	(399)
At 31 August	33,135	31,877

29. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with The Academies Handbook and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period:

Miss H Mason, daughter of Mr S Mason, a trustee, is employed by the academy trust as a teacher. Miss H Mason's appointment was made in open competition and Mr S Mason was not involved in the decision making process regarding appointment. Miss H Mason is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mrs S Atkins, spouse of Mr S Atkins, a trustee, is employed by the academy trust as a casual exam invigilator. Mrs S Atkins' appointment was made in open competition and Mr S Atkins was not involved in the decision making process regarding appointment. Mrs S Atkins is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Neil and Hammer and Central Warwickshire Shotokan Karate are business owned and run by the spouse of Mrs S Byrne, headteacher at Kingsway Primary School and part of the senior management team of the trust.

The trust purchased caretaking and cleaning services worth £12,093 from Neil and Hammer during the year. There were no amounts outstanding at 31st August 2022. The trust made the purchase at arms length, following a competitive tendering process in line with the Procurement Policy, which Mrs Byrne neither participated in nor influenced. In entering into the transaction the trust has complied with the Academies Handbook.

The trust purchased sports coaching services worth £1,777 from Central Warwickshire Shotokan Karate during the year. There were no amounts outstanding at 31st August 2022. The trust made the purchase at arms length in line with the Procurement Policy. Mrs Byrne neither participated in nor influenced the appointment. In entering into the transaction the trust has complied with the Academies Handbook.

The trust let sporting facilities worth £1,800 to Central Warwickshire Shotokan Karate during the year. There were no amounts outstanding at 31st August 2022. The letting was completed at the market rent in line with the lettings policy agreed by the governors and the related party was treated the same as any other customer.

30. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £29,199 (2021 £23,777) and disbursed £32,533 (2021 £23,669) from the fund. An amount of £8,110 (2021 £11,444) is carried forward to be disbursed in 2022/23 and is included in other creditors.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

31. Conversions to the academy trust

Within transfer from the local authority is a decrease to income of £2,440,000 in relation to the correction of the estimated 2021 property valuation on conversion for Kingsway Primary School upon the receipt of the ESFA property valuation during the year.

