

Company Registration Number: 07949154 (England & Wales)

CORE EDUCATION TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

CORE EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Amarjit Talwar MBE Prof. Mander Ram OBE Andrew Argyle (appointed 28 September 2022) Dr. Lynne Morris CBE
Trustees	Adrian Packer CBE, CEO Andrew Argyle (resigned 14 September 2021) Jeremy Sagoe Laura Thursfield Dr. Lynne Morris CBE (appointed 28 September 2021) Prof. Mander Ram OBE (resigned 13 September 2021) Thomas Gibbins (appointed as Chair 15 September 2021) Nehal Rajnikant Jilka (appointed 8 December 2021)
Company Registered number	07949154
Company Name	CORE Education Trust
Principal/registered office	156 Newhall Street Birmingham B3 1SJ
Company secretary	Joanne Tyler
Chief executive officer	Adrian Packer
Executive Team	Adrian Packer, Chief Executive Officer Joanne Tyler, Chief Financial Officer
Independent auditor	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 th Floor Two Chamberlain Square Birmingham B3 3AX

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REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
22A Great Hampton Street
Birmingham
West Midlands
818 6AH

Solicitors

Trowers and Hamlins
10 Colmore Row
Birmingham
B320D

CORE EDUCATION TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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

The Trust operates as an Academy Trust for pupils aged 11 to 16 serving a catchment area in Birmingham, with a pupil capacity of 3,550 and 3,527 pupils currently enrolled based on the October 2022 Census.

Structure, governance and management

a. Constitution

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

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and administrative details on page 2.

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

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

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e. Policies adopted for the induction and training of Trustees

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

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

f. Organisational structure

At 31 August 2022, the Academy Trust comprised the following individual Schools:

Arena Academy
City Academy
Jewellery Quarter Academy
Rockwood Academy

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

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

There is one Committee of the Board of Trustees as follows: Finance, Audit and Risk Committee. The Committee has its own terms of reference detailing the responsibilities discharged to it.

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

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

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

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

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

Pupil and staff discipline Staff capability
Appeal committees

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements respectively.

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

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

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

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

h. Related parties and other connected charities and organisations

The CORE & Co Foundation, which is a separate registered charity as a CIO, is connected to CORE Education Trust as this is referenced in the charity's objects which state:

The objects of the CIO are, for the public benefit, to advance the development and education of children and young people under the age of 25, providing activities for the pupils of CORE Education Trust and partner schools, but not exclusively.

Adrian Packer and Amarjit Talwar are Trustees of the CORE & Co Foundation. However, the charity and the trust have two separate boards and are governed separately.

The charity's main activity is focused on SAFE, a DfE funded 3 year pilot programme which aims to improve levels of attendance among vulnerable and at risk children. This is a school led programme and is focused on reducing serious violence among secondary school age children.

CORE Education Trust provides support services for the charity. These are paid for at cost. A legal agreement is in place between CORE Education Trust and the CORE & Co Foundation which sets out the scope and range of activity between the two organisations.

i. Engagement with Employees (including Disabled Persons)

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

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

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

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

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Objectives and activities

a. Objects and aims

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

b. Objectives, strategies and activities

he key priorities for this period are set out in the Academy Trust's Strategic Framework (TSF) which is available from the Chief Executive.

The key activities of the Academy Trust for the year ended 31 August 2022 were focused on a series of OKRs (Objectives and Key Results) relating to the four CORE Values of Collaboration; Opportunity; Respect and Excellence. These OKRs are reviewed annually and are linked to a set of strategic objectives which are reviewed every three years. This new TSF will be the guiding strategic framework for the next ten years. It was designed to support the Trust's new long term vision of Optimism; Ambition and Oneness. Each school within the trust has its own School Improvement Plan which sits within the TSF and is reviewed annually with its own set of KPIs.

c. Public benefit

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

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

d. Volunteers

The Trust is grateful for the unstinting efforts of its volunteers who are involved in serving as non-executive Members, Trustees and Governors. It is estimated that over 1,500 volunteer hours were provided during the year.

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Strategic report

Achievements and performance

The Trust is in its eleventh year of operation since conversion to Academy Trust status. It now comprises a total of four Schools. The Academy Trust is committed to continuous improvement, which is achieved in a number of ways including executive and Board improvement planning and review meetings, professional development, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2022 were as follows:

Progress 8 and Attainment 8 figures in all four Schools were at least in line with outcomes of 2019 (pre-pandemic).

Two of the Trust schools: Jewellery Quarter Academy (JQA) and Arena Academy had Section 5 Ofsted Inspections. In both cases, each school had improved since its last inspection.

JQA received Good in all categories and overall. The report noted a raft of improvements and specifically that:

- “The school has clear values and high expectations.
- Leaders have ensured there is a well planned curriculum.
- Teachers are enthusiastic and know their pupils well.
- Pupils enjoy their lessons and behave well in lessons.
- Senior leaders show a clarity of purpose.
- The trust has taken effective action to establish a strong local governing board.
- Collaborative work between trust schools to develop the curriculum is already bearing fruit.”

Arena received RI in all categories and overall. Its report noted:

- “Staff have warm relationships with pupils and take time to get to know their likes and interests.
- The school’s core values of collaboration, opportunity, respect and excellence sit at the centre of leader’s work to improve the school.
- The school’s career programme is strong. Leaders ensure that pupils have access to external organistaions so that they are aware of various pathways available to them when they leave school.
- Trust leaders have provided stability.

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City Academy has continued to operate over two sites. The Langley Street building is undergoing extensive refurbishment work funded by the Academy Trust's reserves. There are two proposed phases to this work. The first phase will be complete by the end of 2022-23 academic year. Funding options for phase two are being considered by the Board of Trustees.

CORE Hello, a bespoke short-term language provision for newly arrived children has gained significant praise nationally for supporting some of our most vulnerable children.

The Trust continues to broker exceptional opportunities for students, including access to the Nike Open Doors summer programme, student leadership opportunities through CORE Leaders of Tomorrow, supported by Goldman Sachs, opportunities to perform with the CORE-us choir and various other trust organised extra curricular opportunities.

In this academic year, students from all four schools had opportunities as diverse as representing the children of Birmingham at Buckingham Palace at the start of the Commonwealth Games Queens Baton Relay to speaking at the BRIG (Birmingham Race Impact Group) summit on their anti-racism work.

The Trust spent the whole of this year determining a new long term strategic vision and has published a new Trust Strategic Framework which is set out in nine, three and one year cycles of review. The four Schools played an active role in contributing to the new Framework through consultation with School leaders and staff. They will now be held to account on the delivery of this plan.

a. Key performance indicators

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

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2022, the balance of the unrestricted and restricted income reserves was £5,192,796 (2021: £5,860,185). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 3,454.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA for the year was 58.7% (2021: 62.8%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 66.4% (2021: 70.2%).

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b. Going concern

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

c. Promoting the success of the Trust

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

Our educational business relationships and community

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

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

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

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

Our stakeholders

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

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Our people

The Academy Trust's key asset, is its people. It employs over 320 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

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

Maintaining a reputation for high standards

The Academy Trust is committed to continuous improvement, which it achieves in a number of ways, including improvement planning, review meetings, continuous professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base.

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

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

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

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants) was £27,099,246 (2021: £25,953,938) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £23,739,265 (2021: £22,883,685).

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

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**TRUSTEES' REPORT
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a. Reserves policy

The Trustees review the Trust reserves policy annually. The Board of Trustees has determined that the minimum level of free reserves should maintain the aggregate of individual academy reserves, amounting to a minimum of 5% of all annual income; maintain an additional overall Trust contingency of £100,000 in order to fund any short term resource needs; review the opportunities and risks at a Trust level in order to assess the required level of resources needed to meet anticipated and unanticipated needs in the short and long term. Beyond that, the policy of the Trust is to build a prudent level of reserves designed to meet the long term needs of renewal and any other unforeseen contingencies. In line with the approach of the previous 2 years, the overall reserves are pooled to mitigate the risks related to the £1.5m liability inherited from PBAT. This liability is attributed to the ESFA as a creditor. In addition, the Trustees have considered the considerable expansion programme at Rockwood Academy with additional expenditure within the accounts.

The Trust's free reserves that are available to be used on the Trust's charitable objects as at 31 August 2022 were £5,192,796, including £571,737 of Unrestricted reserves and £4,621,059 of Restricted General reserves.

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

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

The value of the restricted fixed asset fund at 31 August 2022 is £61,370,403 (2021: £58,041,194), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, together with unspent capital funding and reserves. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2022, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit. These additional pension contributions will be funded from the Trust entity's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

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b. Investment policy

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

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

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

c. Principal risks and uncertainties

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

Educational

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

Safeguarding and child protection

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in the National Funding Formula for schools.

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

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

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The Trust continues to pay the inherited debt of £1.44m from Perry Beeches Academy Trust due to unpaid Pupil Number Adjustments (PNA) with the final payment made in August 2022.

Pupil Numbers

The significant change to amalgamate City Academy Birmingham and Central Academy was approved in July 2020 and the new School, City Academy, opened on 1 September 2020. The new school continues to operate a split site until funding can be secured to expand the Langley Walk site. This school still has no sports facilities which continues to be an added issue when securing pupils. The new school was approved with a PAN of 200 in agreement with the Local Authority (LA). This figure has not been achieved in September 2022 and will be reviewed with the LA in relation to the Pupil Placement Planning requirements. Arena Academy accepted an additional 30 pupils in Year 7 in September 2021 (PAN 210) and will revert to its published PAN of 180 in September 2023. Rockwood Academy continues to increase its year on year growth with a PAN of 210. With the completion of the new building in September 2020 the school now has a capacity of 1,050 pupils. Pupil numbers are reviewed on a regular basis. The trust works closely with the Local Authority to meet the needs of the local school communities and across the City.

Staffing

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

Failures in governance and / or management

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

Fraud and mismanagement of funds

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

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

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2022.

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Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022

Streamlined Energy and Carbon Reporting		
UK Greenhouse gas emissions and energy use data for 1 September 2021 to 31 August 2022		
	2022	2021
Energy consumption used to calculate emissions (kWh)	6,329,300	5,666,169
Gas [kWh]	2,135,756	5,659,499
Oil [kWh]	0	0
Gas [kWh]	0	0
Electricity [kWh]	0	0
Electricity Renewables [kWh]	4,184,055	5,659,499
Transport Fuel [kWh]	9,057	0.00
Scope 1 emissions in metric tonnes CO²e	432.00	670.03
Gas consumption	432.00	668.41
Oil consumption	0.00	0.00
LPG consumption	0.00	0.00
Owned transport – mini-buses	0.00	1.62
Scope 2 emissions in metric tonnes CO²e	0.00	470.48
Purchased electricity	0.00	470.48
Purchased electricity renewables	0.00	0.00
Scope 3 emissions in metric tonnes CO²e	2.45	0.37
Business travel in employee owned vehicles [petrol / diesel]	2.45	0.37
Business travel in employee owned vehicles [electric]	0.00	0.00
Total gross emissions in metric tonnes CO²e	434.45	1,140.88
Total number of students within the trust	3,537.00	3,454.00

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Intensity ratio Tonnes CO ² e per pupil	0.12	0.29
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The Academy Trust has followed the 2019 HM Government Environmental Reporting Guidelines. It has also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

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

Intensity measurement

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

Measures taken to improve energy efficiency

The Academy Trust has installed smart meters across all sites which now provides data which will enable the Trust to track potential wastage with a view to increasing efficiencies in practice and usage. In addition, individual Schools have installed LED lights with the aim of reducing the electricity consumption and costings by 30% per year.

There has been a funding bid submitted for a change to boilers; moving to a cleaner ground sourced heat solution to help increase efficiencies with a view to reducing gas consumption by 25% following the installation of the new heating and water systems.

The Academy Trust has increased video conferencing technology for staff meetings which has seen a noticeable reduction in travel to meetings and mileage claims.

There are plans to conduct an energy audit in the Trust to understand the actions required to reduce the overall carbon footprint of the Trust and its Schools. The Academy Trust is working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce the overall Carbon Footprint. Smart meter installation will improve energy consumption and allow the Trust to work on steps to reduce consumption and waste

Arena Academy is a PFI academy. The trust pays a contribution of 57.16% towards the cost and receive an invoice for the PFI contribution. Bills have been requested to get an accurate figure but not forthcoming, an estimated figure of 800,000 kwh used to calculate. Arena gas figure using figures across the estate

Plans for future periods

The Academy Trust's Board of Trustees has formally considered its future plans in respect of expansion and growth potential. The main short-term focus remains on the four current Schools in the Trust, to ensure that they are all rated at least Good by Ofsted by 2025. However, an outline plan for a strategic approach to expansion and growth has been set out.

CORE EDUCATION TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The plan establishes the following key principles:

- The Trust has had a complex history and has established itself as expert in the field of crisis management by taking on the sponsorship of schools significantly failed by other trusts. The Trust will not continue to sponsor schools of this nature.
- The Trust will consider schools with an RI Ofsted rating on a case by case basis. It will not proactively seek out these opportunities but is open to approaches.
- The Trust is less inclined to sponsor new Good or Outstanding schools because it is unlikely these schools would be open to the recent alignment work undertaken by the Trust. However, this is not completely discounted as a future option.
- The Trust is a Birmingham based MAT. Its preference is to remain a WM regional MAT.
- Mergers with other MATs is not an option Trustee would consider at this time.

The current CEO led the setting up of the CORE & Co Foundation in 2020. For the 22-23 academic year, he will maintain oversight as the Accounting Officer of CORE Education Trust but will additionally provide CEO support to the Foundation, which will necessitate his resignation as a Trustee of the Foundation. The Deputy CEO will therefore act as the interim CEO for CORE Education Trust for this period. Additional capacity has been established to ensure the Trust is not adversely impacted by this new arrangement. The Trust's Board of Trustees will review this arrangement at the end of 22-23 academic year and will consider a more permanent Trust leadership structure from September 23 onwards.

Funds held as custodian on behalf of others

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

Disclosure of information to auditor


Insofar as the Trustees are aware:

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

CORE EDUCATION TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 December 2022 and signed on its behalf by:

DocuSigned by:

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Thomas Gibbins
Chair of Trustees

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

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

Trustee	Meetings attended	Out of a possible
Dr Lynne Morris CBE (appointed 28/09/21)	5	5
Andrew Argyle (resigned 14/9/21)	1	1
Jeremy Sagoe	6	6
Laura Thursfield	6	6
Prof. Mander Ram OBE (resigned 10/09/21)	0	0
Thomas Gibbins (appointed Chair 14/9/21)	6	6
Adrian Packer CBE, CEO	6	6
Nehal Jilka	2	2

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

The Board of Trustees met six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance and Audit Committee as detailed further below. This is a sub-committee of the Board of Trustees and they met 4 times during the year. The minutes of these sub-committee meetings are provided to the full Board of Trustees at each Board of Trustees meeting, and the Chair of this sub-committee reports to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

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

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

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

Conflicts of Interest

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by the Trust Executive and the Directors. Everyone to whom the policy applies understands what a conflict of interest is, their responsibility to identify and declare any conflicts of interest and to follow clear procedures for managing conflicts of interest where these arise.

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

Trustee	Meetings attended	Out of a possible
Adrian Packer	4	4
Laura Thursfield (Chair)	4	4
Kiran Vithal	4	4
Joanne Tyler	4	4
Tom Gibbins	3	3
Nehal Jilka	2	2

Review of value for money

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has decided to employ Dains LLP to undertake the internal scrutiny work for the Academy Trust from May 2020 onwards.

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

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

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

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

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

The auditor has delivered their program of work during the year ended 31 August 2022 as planned. While no significant internal control weaknesses were identified from the work completed, the Trustees and management have developed an action plan to continue to strengthen and improve internal controls over the next 6 months.

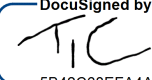
Review of Effectiveness

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

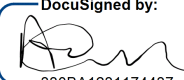
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 21 December 2022 and signed on their behalf by:

DocuSigned by:

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Tom Gibbins
Chair of Trustees

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Adrian Packer CBE
Accounting Officer

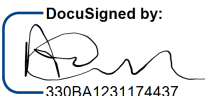
CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

DocuSigned by:

330BA1231174437...
Adrian Packer
Accounting Officer

Date: 21 December 2022

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

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

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

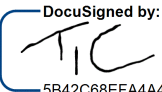
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA and 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 21 December 2022 and signed on its behalf by:


Thomas Gibbins
Chair of Trustees

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

Opinion

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

In opinion the financial statements:

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

Basis for opinion

conducted 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 report. are independent of the academy in accordance with the ethical requirements that are relevant to audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled other ethical responsibilities in accordance with these requirements. believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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'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.

CORE EDUCATION TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for 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 audit.

CORE EDUCATION TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;

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

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

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

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

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date: 21 December 2022

CORE EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 14 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 CORE Education Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of CORE Education Trust's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

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

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

The work undertaken to draw our conclusions included:

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants and Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 21 December 2022

CORE EDUCATION TRUST
(A company limited by guarantee)

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 ££
Income and endowments from:						
Donations and capital grants	3	2,412	187,500	611,169	801,081	14,720,145
Charitable activities:						
Funding for the academy trust's educational operations	4,5	54,899	26,694,049	-	26,748,948	25,703,583
Other trading activities	6	159,245	-	-	159,245	34,402
Investments		1,141	-	-	1,141	783
Total		217,697	26,881,549	611,169	27,710,415	40,458,913
Expenditure on:						
Raising funds	7	-	-	-	-	89,532
Charitable activities:						
Academy trust educational operations	7,8	183,382	24,534,883	1,309,330	26,027,595	24,930,426
Total		183,382	24,534,883	1,309,330	26,027,595	25,019,958
Net income / (expenditure)		34,315	2,346,666	(698,161)	1,682,820	15,438,955
Transfers between funds	16		(4,027,370)	4,027,370	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	8,236,000	-	8,236,000	(1,248,000)
Net movement in funds		34,315	6,655,296	3,329,209	9,918,820	14,190,955
Reconciliation of funds						
Total funds brought forward	16	537,422	(5,001,237)	58,041,194	53,577,379	39,386,424
Total funds carried forward	16	571,737	1,554,059	61,370,403	63,496,199	53,577,379

The notes on pages 36 – 63 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

BALANCE SHEET
REGISTERED NUMBER: 07949154

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		57,311,693		56,204,158
Current assets					
Debtors	14	1,766,610		1,011,767	
Cash at bank and in hand		11,475,755		8,399,933	
		13,242,365		9,411,700	
Liabilities					
Creditors: Amounts falling due within one year	15	(3,990,859)		(1,714,479)	
Net current assets			9,251,506		7,697,221
Total assets less current liabilities			66,563,199		63,901,379
Net assets excluding pension liability			66,563,199		63,901,379
Defined benefit pension scheme liability	24		(3,067,000)		(10,324,000)
Total assets			63,496,199		53,577,379
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	61,370,403		58,041,194	
Restricted income fund	16	4,621,059		5,322,763	
Pension reserve	16	(3,067,000)		(10,324,000)	
Total restricted funds			62,924,462		53,039,957
Unrestricted income funds	16		571,737		537,422
Total funds			63,496,199		53,577,379

The financial statements on pages 33 to 63 were approved by the Trustees, and authorised for issue on 21 December 2022 and are signed on their behalf by;

DocuSigned by:

 5B42C68EFA4A4B5...
 Thomas Gibbins
 Chair of Trustees

The notes on pages 36 – 63 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT

	Notes	2022	2021
		£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	5,174,497	2,394,268
Cash flows from investing activities	21	(1,804,554)	224,017
Cash flows from financing activities	20	(294,121)	(326,658)
Change in cash and cash equivalents in the reporting period		3,075,822	2,291,627
Cash and cash equivalents at 1 September 2021		8,399,933	6,108,306
Cash and cash equivalents at the 31 August 2022	22	11,475,755	8,399,933

The notes on pages 36 – 63 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

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

1. General information

CORE Education Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 07949154 and its registered office is 156 Newhall Street, Birmingham, B3 1SJ.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the 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.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. They 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.

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

2.3 Income

All incoming resources are recognised when the 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 full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

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

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

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

2.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Tangible fixed assets

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

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

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

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

Leasehold property	between 10 and 125 years
Leasehold improvements	10 years
Furniture and fittings	10 years
Computer equipment	3 years

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

2.6 Debtors

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

2.7 Cash at bank and in hand

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

2.8 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event. It is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

2.9 Provisions

Provisions are recognised when the 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.

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

2.10 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.

2.11 Financial instruments

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

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

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.

2.12 Operating leases

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

2.13 Pensions

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

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

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

2.14 Fund accounting

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

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

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

2.15 Agency Arrangements

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

The funds received and paid and any balance held are disclosed in note 28.

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting Policies (Continued)

2.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

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

Critical areas of judgment:

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

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	£	£	£	£	£
Capital Grants	-	-	611,169	611,169	692,392
Donations	2,412	187,500	-	189,912	215,170
Donated assets	-	-	-	-	13,812,583
	<u>2,412</u>	<u>187,500</u>	<u>611,169</u>	<u>801,081</u>	<u>14,720,145</u>
2021	<u>7,670</u>	<u>207,500</u>	<u>14,504,975</u>	<u>14,720,145</u>	

4. Income from charitable activities

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Funding for educational operations	-	26,694,049	26,694,049
Trips	48,789	-	48,789
Catering	6,110	-	6,110
Other income	-	-	-
Total 2022	<u>54,899</u>	<u>26,694,049</u>	<u>26,748,948</u>

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Funding for educational operations	-	25,631,217	25,631,217
Trips	10,242	-	10,242
Catering	86	-	86
Other income	62,038	-	62,038
Total 2021	<u>72,366</u>	<u>25,631,217</u>	<u>25,703,583</u>

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

5. Funding from the academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
DfE / EFA grants				
General Annual Grant (GAG)	-	23,758,223	23,758,223	22,347,616
Start Up Grants	-	-	-	-
Pupil Premium		1,773,369	1,773,369	1,673,999
National Tutoring Programme Income		277,223	277,223	-
Supplementary grant		307,356	307,356	-
Other DfE/EFA grants	-	208,381	208,381	1,095,537
	-	<u>26,324,552</u>	<u>26,324,552</u>	<u>25,117,152</u>
Other Government grants				
Local Authority grants	-	39,421	39,421	50,372
COVID-19 additional funding (DfE/ESFA)				
Covid Catch-up premium	-	-	-	275,320
Covid Recovery premium	-	262,559	262,559	-
COVID-19 additional funding (non-DfE/ESFA)				
COVID mass testing	-	-	-	146,520
Other income from the academy trust's educational operations	-	67,517	67,517	41,853
	-	<u>26,694,049</u>	<u>26,694,049</u>	<u>25,631,217</u>
2021	-	<u>25,631,217</u>	<u>25,631,217</u>	

The Academy Trust received £262,559 of COVID Recovery Premium funding in the year and costs incurred in respect of this funding totaled £262,559.

The Academy Trust also received £277,223 of School Led Tutoring funding in the year and costs incurred in respect of this funding totaled £277,223.

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

6. Income from other trading activities

	Unrestricted Funds £	Total 2022 £	Total 2021 £
Hire of facilities	21,483	21,483	21,003
Sale of goods / services	137,762	137,762	2,927
Other Income	-	-	10,472
	<u>159,245</u>	<u>159,245</u>	<u>34,402</u>
2021	<u>34,402</u>	<u>34,402</u>	

7. Expenditure

	Staff Costs £	Non-Pay Expenditure Premises Other £ £		Total 2022 £	Total 2021 £
Expenditure on raising funds	-	-	-	-	89,532
Academy's educational operations:					
Direct costs	12,208,477	-	2,197,411	14,405,888	15,274,080
Allocated support costs	4,386,359	3,225,172	4,010,176	11,621,707	9,656,346
	<u>16,594,836</u>	<u>3,225,172</u>	<u>6,020,087</u>	<u>26,027,595</u>	<u>25,019,958</u>
2021	<u>16,797,124</u>	<u>3,943,703</u>	<u>4,279,131</u>	<u>25,019,958</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support Costs 2022 £	Total funds 2022 £
Expenditure on raising funds Academy's educational operations	14,405,888	11,621,707	26,027,595
2021	<u>15,274,080</u>	<u>9,656,346</u>	<u>24,930,426</u>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs	Educational operations £	Total 2022 £	Total 2021 £
Support staff costs	4,386,359	4,386,359	2,938,807
Depreciation and Amortisation	1,309,330	1,309,330	1,405,273
Technology costs	630,969	630,969	-
Premises costs	3,225,172	3,225,172	3,417,619
Cleaning	585,603	585,603	494,609
Legal fees	46,273	46,273	30,448
Professional fees	312,410	312,410	353,152
School trips	76,824	76,824	-
Other support costs	1,036,684	1,036,684	938,613
Governance costs	11,581	11,581	77,825
Total support costs	11,621,707	11,621,707	9,656,346

9. Net (expenditure)/income

	2022 £	2021 £
Operating lease rentals	1,213,514	1,134,510
Depreciation	1,309,330	1,405,273
Fees payable to auditor for:		
- audit	18,500	22,300
- other services	1,500	4,760

10. Staff

a. Staff Costs

Staff costs during the period were:	Total 2022 £	Total 2021 £
Wages and salaries	10,909,859	11,720,495
Social security costs	1,170,642	1,265,725
Operating costs of defined benefit pension schemes	3,111,489	3,028,796
Apprenticeship Levy	35,007	-
	15,226,998	16,015,016
Supply staff costs	1,350,200	757,890
Staff restructuring costs	17,638	24,218
	16,594,836	16,797,124
Staff restructuring costs comprise:		
Redundancy payments	17,638	24,218

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17,638 24,218

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

10. Staff (continued)

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

Included in severance and redundancy payments were 3 (2021: 12) payments totaling £17,638 (2021: 24,218). Included in these were non-contractual payments totaling £12,470 (2021: None). Individually, the payments were £2,720 and £9,750.

c. Staff numbers

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

	2022	2021
	No.	No.
Teachers	183	198
Administration and support	87	118
Management	36	36
	306	352

d. Higher paid staff

	2022	2021
	No.	No.
£60,001-£70,000	6	6
£70,001-£80,000	4	3
£80,001-£90,000	1	2
£90,001-£100,000	1	2
£100,001-£110,000	0	1
£110,001-£120,000	0	1
£120,001-£130,000	1	0
£170,001-£180,000	1	1

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £406,114 (2021: £515,511).

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

11. Trustees' remuneration and expenses

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

		2022	2021
Adrian Packer, CEO	Remuneration	£175,000 - £180,000	£170,000 – £175,000
	Pension contributions	£40,000 - £45,000	£40,000 - £45,000

During the year ended 31 August 2022, expenses totaling £68 were reimbursed or paid directly to 1 Trustee (2021: £558).

12. Trustees' and Officer's insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2022. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

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

13. Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2021	59,654,896	1,255,236	2,233,684	25,050	63,168,866
Additions	2,216,525	42,050	158,289	-	2,416,864
Disposals					-
At 31 August 2022	61,871,421	1,297,286	2,391,973	25,050	65,585,730
Depreciation					
At 1 September 2021	4,727,751	339,562	1,872,345	25,050	6,964,708
Charged in year	906,810	129,728	272,791	-	1,309,329
Disposals					-
At 31 August 2022	5,634,561	469,290	2,145,136	25,050	8,274,037
Net book values					
At 31 August 2022	56,236,860	827,996	246,837	-	57,311,693
At 31 August 2021	54,927,145	915,674	361,339	-	56,204,158

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

14. Debtors

	2022 £	2021 £
Trade debtors	121,175	28,360
VAT recoverable	967,150	218,141
Other debtors	-	-
Prepayments and accrued income	678,285	765,266
	1,766,610	1,011,767

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

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,752,848	1,162,184
ESFA Loan	-	294,121
Other creditors	535,493	37,579
Accruals and deferred income	702,518	220,595
	3,990,859	1,714,479
<hr/>		
Deferred income	2022	2021
	£	£
Deferred income at 1 September 2021	44,144	44,144
Released from previous years	(44,144)	(44,144)
Resources deferred in the year	-	49,232
Deferred Income at 31 August 2022	-	49,232
	<hr/>	<hr/>

Deferred income relates to grants received in advance of entitlement for the 22/23 academic year.

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

16. Statement of funds

	Balance at 1 September 2021	Income	Expenditure	Transfers in/out	Gains, losses and transfers	Balance at 31 August 2022
	£	£	£	£	£	£
Restricted general funds						
General Annual Grant (GAG)	3,359,363	23,758,223	(20,471,497)	(2,027,370)	-	4,618,719
ESFA PNA adjustment	(294,120)	-	294,120	-	-	-
Other DfE / ESFA grants	-	208,381	(208,381)	-	-	-
Pupil Premium	-	1,773,369	(1,773,369)	-	-	-
National Tutoring Programme Income	-	277,223	(277,223)	-	-	-
Supplementary grant	-	307,356	(307,356)	-	-	-
Covid catch-up premium	257,520	-	(257,520)	-	-	-
Covid recovery Premium	-	262,559	(262,559)	-	-	-
Local authority grants	-	39,421	(39,421)	-	-	-
Other revenue income	-	255,017	(252,677)	-	-	2,340
Capital project designation	2,000,000	-	-	(2,000,000)	-	-
Pension reserve	(10,324,000)	-	(979,000)	-	8,236,000	(3,067,000)
	(5,001,237)	26,881,549	(24,534,883)	(4,027,370)	8,236,000	1,554,059
Restricted fixed asset funds						
Fixed assets	56,204,158	-	(1,309,330)	2,416,865	-	57,311,693
DfE/EFA capital grants	1,837,036	611,169	-	(2,289,495)	-	158,710
Capital project fund	-	-	-	3,900,000	-	3,900,000
	58,041,194	611,169	(1,309,330)	4,027,370	-	61,370,403
Total restricted funds	53,039,957	27,492,718	(25,844,213)	-	8,236,000	62,924,462
Unrestricted funds	537,422	217,697	(183,382)	-	-	571,737
Total funds	53,577,379	27,710,415	(26,027,595)	-	8,236,000	63,496,199

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

16 Statement of funds (continued)

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

Unrestricted funds

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

Restricted general funds

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

Restricted fixed asset fund

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

Gains and losses

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

Transfers

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

The total transfers from restricted funds to restricted fixed asset funds of £4,027,370 reflects £127,040 for capital expenditure incurred in the year that has been funded from GAG funds and £3,900,000 to a capital project fund which represents the trust's remaining capital commitment on the major building works currently ongoing at City Academy.

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

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

16 Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	3,210,322	22,347,616	(19,820,088)	(2,378,487)	-	3,359,363
Other DfE / ESFA grants	-	2,977,036	(2,977,036)	-	-	-
Other Government grants	-	50,372	(50,372)	-	-	-
Covid catch-up premium	-	275,320	(17,800)	-	-	257,520
Covid-19 mass testing funding	-	146,520	(146,520)	-	-	-
ESFA PNA adjustment	(620,778)	-	326,658	-	-	(294,120)
Capital project designation	-	-	-	2,000,000	-	2,000,000
Non-government grants	-	41,853	(41,853)	-	-	-
Pension reserve	(8,345,000)	-	(731,000)	-	(1,248,000)	(10,324,000)
	(5,755,456)	25,838,717	(23,458,011)	(378,487)	(1,248,000)	(5,001,237)
Restricted fixed asset funds						
Fixed assets	43,327,690	-	(1,405,273)	14,281,741	-	56,204,158
DfE/EFA capital grants	1,235,315	692,392	-	(90,671)	-	1,837,036
Capital donation	-	13,812,583	-	(13,812,583)	-	-
	44,563,005	14,504,975	(1,405,273)	378,487	-	58,041,194
Total restricted funds	38,807,549	40,343,692	(24,863,284)	-	(1,248,000)	53,039,957
Unrestricted funds	578,875	115,221	(156,674)	-	-	537,422
Total funds	39,386,424	40,458,913	(25,019,958)	-	(1,248,000)	53,577,379

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

16 Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
CORE Education Trust	5,192,796	5,860,185
Total before fixed assets and pension reserve	5,192,796	5,860,185
Restricted fixed asset fund	61,370,403	58,041,194
Pension reserve	(3,067,000)	(10,324,000)
Total	63,496,199	53,577,379

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

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2022 £	Total 2021 £
Arena Academy	4,004,583	242,993	237,540	2,165,952	6,651,067	6,190,046
City Academy	3,587,366	312,842	275,766	1,475,744	5,651,717	5,947,302
Jewellery Quarter Academy	2,478,618	241,176	308,904	903,420	3,932,119	3,815,834
Rockwood Academy	3,367,543	305,020	429,607	1,169,865	5,272,034	4,434,592
CORE Education Trust	31,499	2,023,197	7,805	1,148,825	3,211,327	3,226,911
Academy Trust	13,469,609	3,125,227	1,259,623	6,863,807	24,718,265	23,614,685
				Depreciation	1,309,330	1,405,273
					26,027,595	25,019,958

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

17. Central services

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

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

The academy charges for these services on the following basis:

A rate of £500 per pupil of GAG income which is considered to be representative of the relative size and complexity of each constituent academy. In the prior year, the central charges was based on 7% of each academies GAG income.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Rockwood Academy	483,000	381,737
Arena Academy	523,500	441,966
Jewellery Quarter Academy	290,000	254,780
City Academy	460,000	404,269
	1,756,500	1,482,752

18. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	57,311,693	57,311,693
Current assets	571,737	8,611,918	4,058,710	13,242,365
Current liabilities	-	(3,990,859)	-	(3,990,859)
Pension scheme liability	-	(3,067,000)	-	(3,067,000)
Total net assets	571,737	1,554,059	61,370,403	63,496,199

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

18 Analysis of net assets between funds (continued)

Analysis of net assets between funds – prior year

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	56,204,158	56,204,158
Current assets	537,422	7,037,242	1,837,036	9,411,700
Current liabilities	-	(1,714,479)	-	(1,714,479)
Pension scheme liability	-	(10,324,000)	-	(10,324,000)
Total net assets	537,422	(5,001,237)	58,041,194	53,577,379

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,682,820	15,438,955
Adjusted for:		
Depreciation charges	1,309,330	1,405,273
Capital grants from DfE and other capital income	(611,169)	(14,504,975)
Interest receivable	(1,141)	(783)
Defined benefit pension scheme cost less contributions payable	802,000	596,000
Defined benefit pension scheme finance cost	177,000	135,000
(Increase)/decrease in debtors	(754,843)	214,137
Increase/(decrease) in creditors	2,570,501	(889,339)
Net cash provided by / (used in) Operating Activities	5,174,497	2,394,268

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

20. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(294,121)	(326,658)
Net cash provided by / (used in) financing activities	(294,121)	(326,658)

21. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	1,141	783
Purchase of tangible fixed assets	(2,416,864)	(14,281,741)
Capital grants from DfE/EFA	611,169	14,414,305
Accrued capital income		90,670
Net cash provided by / (used in) investing activities	(1,804,554)	224,017

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	11,475,755	8,399,933
Total cash and cash equivalents	11,475,755	8,399,933

23. Analysis of changes in debt

	At 1 September 2021 £	Cash flows £	Other non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	8,399,933	3,075,822	-	11,475,755
ESFA Pupil number adjustment <1 year	(294,120)	294,120	-	-
	8,105,813	3,369,942	-	11,475,755

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

24. Pension commitments

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

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

Contributions amounting to £231,082 were payable to the schemes at 31 August 2022 (2021 - £nil) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

24. Pension Commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,691,991 (2021 - £1,833,245).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £611,000 (2021 - £781,000), of which employer's contributions totaled £473,000 (2021 - £644,000) and employees' contributions totaled £138,000 (2021 - £137,000). The agreed contribution rates for future years are 18 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.05	3.85
Rate of increase for pensions in payment/inflation	3.05	2.85
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.85

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

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

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

24. Pension Commitments (continued)

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2022	2021
	£	£
Discount rate -0.1%	258,000	497,000
Mortality assumption - 1 year increase	435,000	738,000
CPI rate +0.1%	241,000	446,000

Share of scheme assets

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

	2022	2021
	£	£
Equities	5,233,000	4,634,000
Bonds	1,640,000	1,095,000
Property	625,000	535,000
Cash and other liquid assets	313,000	1345,000
Total market value of assets	7,811,000	7,609,000

The actual return on scheme assets was (£230,000) (2021 - £1,051,000).

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

	2022	2021
	£	£
Current service cost	1,275,000	1,181,000
Net interest on defined liability	177,000	134,000
Administrative expenses	0	1,000
Total amount recognised in the Statement of Financial Activities	1,452,000	1,316,000

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

24. Pension Commitments (continued)

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

	2022	2021
	£	£
At 1 September	17,933,000	14,168,000
Settlement	-	205,000
Current service cost	1,275,000	1,181,000
Employee contributions	138,000	137,000
Actuarial losses/(gains)	(8,604,000)	2,193,000
Interest cost	306,000	240,000
Benefits paid	(170,000)	(191,000)
At 31 August	10,878,000	17,933,000

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

	2022	2021
	£	£
At 1 September	7,609,000	5,823,000
Settlement	0	146,000
Interest income	129,000	106,000
Actuarial gains	(368,000)	945,000
Employer contributions	473,000	644,000
Employee contributions	138,000	137,000
Benefits paid	(170,000)	(191,000)
Administration expenses	0	(1,000)
At 31 August	7,811,000	7,609,000

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

25. Operating lease commitments

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

	2022	2021
	£	£
Amounts due within one year	1,213,514	1,125,855
Amounts due between two and five years	4,821,828	4,331,943
Amounts due after five years	3,525,387	3,778,263
	<u>9,560,729</u>	<u>9,236,061</u>

The Trust is committed to funding payments under the PFI Scheme for Arena Academy. The current annual cost of the PFI contract is £1,175,000. Annual funding is received from the ESFA towards these costs which is approximately £930,000 per year.

26. 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.

27. Related party transactions

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

Adrian Packer and Amarjit Talwar are Trustees of CORE & Co Foundation, a local charity, which delivers support to the youth in the community. There were invoices raised from the academy trust to CORE & Co Foundation amounting to £109,217 for overheads, support and consultancy provided to the Foundation by the academy trust.

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

28. Agency arrangements

As at 31 August 2022 the academy trust was showing £28,872 (2021: £33,579) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are being held on behalf of the cadets and will be drawn down by the cadets upon application to the trust.

29. Capital Commitments

	2022	2021
	£	£
Contracted for but not provided for in the financial statements	3,900,000	-