

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 2023

CORE EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Amarjit Talwar MBE Prof. Mander Ram OBE Andrew Argyle Dr. Lynne Morris CBE Geremy Sagoe (appointed 14 September 2023)
Trustees	Adrian Packer CBE, CEO and Accounting Officer Geremy Sagoe (resigned 14 September 2023) Laura Thursfield, Chair of Finance Committee (reappointed 14 September 2023) Dr. Lynne Morris CBE Thomas Gibbins, Chair of Board of Trustees (reappointed 22 January 2023) Nehal Rajnikant Jilka, Chair of Audit and Risk Committee Aimee Tinkler (appointed 14 September 2023) Justin Eniola (appointed 14 September 2023)
Company registered number	07949154
Company name	CORE Education Trust
Principal and registered office	Naseby Road Alum Rock Birmingham B8 3HG
Company secretary	Joanne Tyler
Chief executive officer	Adrian Packer
Senior management team	Adrian Packer CBE, Group Chief Executive Officer and Accounting Officer Joanne Tyler, Interim CEO and Chief Financial Officer Abby Morris, Deputy CEO and Chief Education Officer (Appointed 10 August 2023)
Independent auditors	Cooper Parry Group Limited Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	Lloyds Bank Units 2 & 3 Caxton Gate 36/38 New Street Birmingham B2 4LP
Solicitors	Trowers and Hamblins 10 Colmore Row Birmingham B3 20D

CORE EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a directors' report and strategic report under company law.

The Trust operates as an Academy Trust for students aged 11 to 16 serving a catchment area in Birmingham, with a student capacity of 3,550 and 3,509 students currently enrolled based on the October 2023 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 purposes of company law.

The charitable company is known as CORE Education Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local Governing Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

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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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

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

A bespoke governance development 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 2023, 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 6 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 are two Committees of the Board of Trustees as follows:

- Finance Committee
- Audit and Risk Committee

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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

The Trustees have devolved the day-to-day management of the Academy Trust to the Executive Team (ET) which is led by the Group CEO. The ET comprises the Group CEO, CEO and DCEO. The Group 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 ET implements the policies laid down by the Trustees and reports back to them on these and the Academy Trust's overall performance.

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

The Trustees consider the Board of Trustees and the Executive 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 13 of the financial statements respectively.

The pay of the Executive 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 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 Trust CEO and CEO's salaries are reviewed by the Vice Chair and 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 Group CEO and CEO's award is made by the Chair of the Board of Trustees.

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

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

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 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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TRUSTEES' REPORT (CONTINUED)
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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".

The key aims of the Academy Trust during the year ended 31 August 2023 were defined through the Trust's Strategic Framework (TSF) with the majority of objectives carried forward from the previous year.

b. Objectives, strategies and activities

The 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 2023 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 TSF is the guiding strategic framework for at least the next six 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 OKRs.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

A new Education Improvement Team (EIT) was appointed in June 2023 and the team joined CORE Education Trust in September 2023. The purpose of appointing a central school improvement team was to provide additional capacity to support and develop colleagues in schools. The EIT serves three key functions:

1. Provide a tailored package of professional development support for each school related to key priorities.
2. Design, schedule, and lead quality assurance activities that support the school's self-review schedule and help measure impact against success criteria in the School Improvement Plan (SIP).
3. Provide support and deploy system leaders to enable school to school support.

The Education Improvement Team comprises:

A Chief Education Officer responsible for the design, implementation, and overall effectiveness of the Trust education strategy. She also oversees school performance and monitors effectiveness.

An Executive Director of Safeguarding and Wellbeing to lead on CORE's safeguarding strategy. She is responsible for quality assuring safeguarding practice and leading safeguarding professional development.

An Executive Director of Quality Assurance to lead on assessment, and data strategies, supporting the identification of Trust and school improvement priorities and OKRs.

An Executive Director of School Improvement to lead on CORE's school improvement strategy- supporting the development of School Improvement Plans, commissioning improvement support, and developing bespoke professional development plans. She also oversees the deployment and impact of Trust Lead Practitioners.

Following the appointment of the Education Improvement Team, five Trust Lead Practitioners (TLP) were appointed in the EBacc subjects- English, maths, science, geography and history. They are responsible for the quality of education of their subject across CORE Education Trust schools. TLPs are deployed to work in the four schools in collaboration with Heads of Department. Deployment activity includes, but is not exhaustive to, team teaching, co-planning, coaching, delivering subject-specific professional development.

The headline achievements at each of the schools were as follows:

City Academy had a Section 5 Ofsted inspection in March 2023. This inspection showed an improvement from the predecessor school's last inspection. The school was rated as 'Good' in all three categories other than the Quality of Education for which it was judged as "Requires Improvement". There were many positive comments from the inspection, including;

City Academy is a vibrant and welcoming school. Pupils thrive in the warm, friendly and respectful culture. They are highly ambitious for themselves and want to learn. They have very positive attitudes and wear their uniform with pride. They are polite to adults and keen to talk about their school.

Leaders have worked very hard and effectively to improve behaviour and attendance in a very short period of time. As a result, pupils now behave very well in lessons and around the school site. Pupils appreciate the strong focus staff have on ensuring that everyone behaves well. They know that staff will not tolerate inappropriate behaviour.

The trust also completed its £6.5million refurbishment of Langley Walk. All year groups began the academic year 2023-24, on one site at Langley Walk for the first time since September 2019.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Rockwood Academy's average Progress 8 figure has now been positive for the last three years and in the academic year 2022-23 English Language, English Literature, Spanish, Biology, Religious Education and History all demonstrated subject progress was significantly above national average.

Arena Academy's external results showed a continuing upward trend with its Progress 8 scores. The results compared favourably with the 2019 pre-pandemic levels. The school was awarded the UNICEF Rights Respecting School Silver Award.

Jewellery Quarter Academy has seen a steady rise in student numbers with more on roll than ever before at the Academy to end the academic year 2022/23. The school was awarded the ACE School of Character charter mark.

In August 2023, the Trust supported a CCF/ACF visit to South Africa. Students from Arena and JQA joined army cadets from across the region to focus on community, commemoration and conservation projects. The trip was incredibly impactful, leading to a long-term commitment from the Trust to visit annually and to develop partnerships further.

The Trust's language support programme CORE Hello continues to grow and develop. The trust appointed a new Director of CORE Hello. The provision continues to emphasise the value of the arts and sports. The students have been selected to be part of the National Theatre's Connection Programme and will perform a specially adapted piece of EAL theatre in 2024.

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 2023, the balance of the unrestricted and restricted income reserves was £8,859,598 (2022: £5,192,796), which is after transfers of £763,005 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on student numbers, student numbers are also a key performance indicator. The student numbers at the most recent census were 3,509 which has remained consistent over the last 3 years.

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 57.6% (2022: 58.7%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 63.9% (2022: 66.4%).

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 they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

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 its students, parents and local community want. 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.

The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of the activities and the achievements of the Trust 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. The particular initiatives undertaken during the period to improve energy efficiency have been to increase video conferencing technology for staff meetings, to reduce the need for travel between sites.

In addition to our students, 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 Academy Trust Handbook.

Trust People

The Academy Trust's key asset is its people. It employs over 290 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.

Trust Members

The Trustees are committed to and openly engaged with the Members through regular and effective dialogue with them, including an Annual General Meeting. The Members and their representatives are actively engaged in understanding the strategy and vision for the future, the culture and ethos and the educational performance and standards.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Maintaining a reputation for high standards

The Academy Trust has been in existence for 12 years, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its student base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers. The information in the "Achievements and Performance" section of the Trustees' report above provide full details of our achievements during the year and the standards of educational performance.

Financial review

For the year ended 31 August 2023, the Academy Trust's total income (excluding capital grants) was £29,633,379 (2022: £27,099,246) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £25,122,751 (2022: £23,739,265), resulting in a net operating surplus for the year of £4,510,628 (2022: £3,359,981). This operating surplus for the year was expected due to the alignment of the staffing resources across the four schools to enable the appointment of trust-wide school improvement team.

After transfers from reserves to fund capital expenditure in the year, the balance of reserves at 31 August 2023, excluding the restricted fixed asset funds and LGPS liability fund was £8,859,598.

The net book value of fixed assets at 31 August 2023 were £60,713,961. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme balance of £Nil (2022: liability of £3,067,000), which arises from the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the LGPS at 31 August 2023 and the basis on which this has been recognised in the financial statements are set out in note 26 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Regulations Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, CEO, Headteachers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Funding and Investment, Gifts and Hospitality, Managing Risk and Conflict of Interest.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

a. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of operating reserves should be approximately 5% of the total annual income, excluding PFI funding. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of operating reserves at 31 August 2023 is £8,859,598 (2022: £5,192,796), which is made up of restricted income reserves of £8,144,693 (2022: £4,621,059) and unrestricted funds of £714,905 (2022: £571,737). Although the current level of operating 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 of the Academy Trust, including the need to fund ongoing pay increases and energy cost increases across the sector and the need to fund ongoing capital projects and developments.

The value of the restricted fixed asset fund at 31 August 2023 is £60,855,543 (2022: £61,370,403), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust, and the balance of unspent capital grants to be used on future capital expenditure. These funds can only be realised by utilising the amounts of unspent capital grants in line with the terms and conditions of those grants].

The pension reserve fund has a £Nil balance at 31 August 2023, which represents the balance in the LGPS at the balance sheet date. Whilst the actuaries FRS102 valuation reports at 31 August 2023 indicated an asset in the scheme of £130,000, there is significant judgment needed by the Trustees in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. In line with the asset ceiling review and calculations provided by the actuary, the pension asset has been reduced to a £Nil balance in the financial statements. The effect of this surplus position is that the Academy Trust may be to make reduced pension contributions over the next 3 year funding period with the effect being that the surplus is ultimately repaid over the next 20 year period. These reduced pension contributions will continue to be funded from the Trust's annual recurring income. In the event that the LGPS moves in an overall deficit position in the future, 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.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. Where cash flow allows, sums in excess of £4,000,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

During this year the Trust invested £2m in a 6 month deposit account with Lloyds with a guaranteed interest at the end of the 6 month term of £33,205.48.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

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 student applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that student 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 and the Trust has appointed an Executive Director of Safeguarding and Wellbeing.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA . In the year, approximately 98.6% of the Academy Trust's operating 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 cost pressures facing the sector.

Continuing increases in employment costs, including unfunded pay increases and pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs, including the significant impact of energy cost increases, will also continue to place significant pressure on the Academy Trust's financial position and its ability to deliver balance budgets in the future.

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

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.

Although the LGPS has a £Nil balance at 31 August 2023, the Trustees recognise that this position will change from year to year depending on the various assumptions adopted by the actuaries when completing the FRS102 valuation reports. As such, the LGPS could still present a significant potential liability to the Academy Trust in the future. 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 potential future liability is considered to be very low. 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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TRUSTEES' REPORT (CONTINUED)
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Estates

Trustees look to ensure that the importance of health and safety of students, staff and visitors is considered a top priority in its schools. Health and safety policies and procedures are in place, with independent reviews and support from specialist external advisors, and all staff are expected to complete online health and safety training annually.

Financial spending decisions are made by the Trust, for instance in investment in the school property, in order to ensure the site condition is safe and fit for purpose. The condition surveys are used to prioritise this work. Through the due diligence undertaken prior to the transfer in March 2018 identified significant issues with two of the sites. Condition Improvement Fund (CIF) grant funding bids were submitted in December 2022 to rectify the significant issues however none were successful.

The Trust has effective Health and Safety Committee in place and the Trust's FARC Committee has oversight of arrangements. It ensures health and safety is always a primary factor in its decision making, including when determining the priority areas for which it wishes to submit bids to the DfE in respect of CIF grant funding.

A high level of active training is in place with all employees completing Health and Safety training varying depending on job role promoting a safe working environment across the Trust. An annual audit is completed by the RPA, this is reviewed, and any areas of concern rectified monitored internally.

£850,000 has been committed to be invested in repairing the roof at Jewellery Quarter Academy which will have a significant impact on the building where rooms during winter months are compromised.

City Academy's building was not fit for purpose and the Trust agreed to invest £4m to rectify the issues. On starting the work additional hidden issues were uncovered resulting in an increased project of £6.5m.

CIF bids are being submitted in December 2023 for replacement blocks for sports facilities at City and Jewellery Quarter Academy.

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.

The recruitment of suitably qualified and experienced staff has been a particular challenge this year with vacancies unfilled for prolonged periods and agency staff employed as interim measures. Whilst agency staff have been of excellent quality, the costs are high which have had an adverse impact on the Trust's financial results and position at the period end. Recruitment and succession planning is integral to Trust's planning and the Chief Executive / Chief Financial Officer continue to take a personal lead in the recruitment and selection of all staff and the Trust has continued to undertake permanent recruitment to all vacant posts during the period.

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.

CORE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fraud and mismanagement of funds

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

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2023.

Streamlined energy and carbon reporting

The Academy's greenhouse gas emissions and energy consumption are as follows:

	2023	<i>2022</i>
Energy consumption used to calculate emissions (kWh)	3,899,314	6,329,300
Energy consumption breakdown (kWh):		
Gas	1,942,575	2,135,756
Electricity	1,935,653	4,184,055
Transport fuel	20,691	9,057
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	393	432
Owned transport - mini-buses	2	-
Total scope 1	290	432
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	4	2
Total gross emissions (in tonnes of CO2 equivalent):	399	434
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.11	0.12

The Academy has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2022 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in metric tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

CORE EDUCATION TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (continued)

Measures taken to improve energy efficiency

The Academy Trust has increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

The Academy Trust's plans for future periods remain unchanged from last year and from the long term strategic plan first set out from September 2020. This plan is arranged in the three phases over ten years in total. The Trust is currently planning phase two for implementation from September 2024. The Trust is now in a position of capacity strength with the appointment of the new Education Improvement Team. The new team will be overseeing the second phase of the TSF and therefore the plans for the next three years from September 2024.

Trustees have considered the new executive leadership structure. A new permanent arrangement will be in place from September 2025. The current structure will remain in place until then.

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 auditors

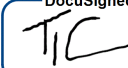
Insofar as the Trustees are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 December 2023 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

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Group Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between CORE Education Trust 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Adrian Packer	6	6
Jeremy Sagoe	2	6
Laura Thursfield	5	6
Dr. Lynne Morris	6	6
Thomas Gibbins	6	6
Nehal Rajnikant Jilka	2	6

During the year ended 31 August 2023, the Board of Trustees reviewed the Academy Trust's governance structure in order to evaluate its impact and effectiveness, and this included undertaking a skills audit. While the Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust, the skills audit identified some gaps in specific skills and as a result, additional Trustees were recruited during the year to further add to the effective governance of the Academy Trust.

During the academic year 2022-23, the Trust commissioned an external governance professional to deliver a year long review of local governance. This involved the recruitment and training of new and existing governors. The governance professional also offered support services, offering advice and guidance to each of the Schools and the Trust on the effectiveness of governance as a whole.

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 Committee and the Audit and Risk Committee. These are sub-Committees of the Board of Trustees and they met 3 times respectively during the year.

The responsibilities of and work undertaken by these sub-Committees are detailed further below. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chairs of these sub-Committees report 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 (CONTINUED)

Governance (continued)

The Academy Trust has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, and employees of the Academy Trust and all Members, Trustees and senior leadership team employees are required to confirm they have read the Conflicts of Interest policy on annual basis.

In line with the policy, all Members, Trustees, senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Academy Trust's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Academy Trust's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

The Finance 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. The key issue dealt with by the Finance Committee during the year was the review of the Academy Trust's 3-year financial forecasts and the actions required to address the impact of increased cost pressures expected over this forecast period.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Tom Gibbins	1	1
Laura Thursfield	3	3
Nehal Jilka	3	3
Adrian Packer	3	3
Kiran Vithal	2	3
Joanne Tyler	3	3

The Audit Committee is also a sub-Committee of the Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Trust's annual reporting requirements. The key issue dealt with by the Audit Committee during the year was the review of the reports received from Daines internal audit in relation to the Trust's systems of internal control and the actions undertaken to address any control weaknesses identified, together with monitoring the implementation of actions identified from internal control reviews undertaken in previous years and also the recommendations included in the external auditors' management letters from the previous year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Tom Gibbins	1	1
Laura Thursfield	3	3
Nehal Jilka	3	3
Kiran Vithal	2	3
Adrian Packer (attendee, non-member)	3	3
Joanne Tyler (attendee, non-member)	3	3

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Tendering of IT, Catering and Facilities Management contracts
- CLFP
- Partnership to co-fund projects and partnerships such as Royal Birmingham Conservatoire.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CORE Education Trust CORE Education Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. The Finance and Audit and Risk Committee agree areas of risk to be further scrutinised.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 Academy'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 regular monthly financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Dains Accountants LLP.

CORE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

This option has been chosen as, given the current structure of the Academy Trust, the Board of Trustees believe this provides a robust and best value approach to providing assurance that the Academy Trust's financial and non-financial controls and risk management procedures are operating effectively.

The internal auditor's role includes offering advice and insight to the Board of Trustees on how to address weaknesses in financial and non-financial controls as well as evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed. The internal auditors have undertaken one focused review during the year and the scope of work included payroll and payment processes.

On an annual basis, the reviewer reports to the Board of Trustees through the finance committee and audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a 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 internal auditor has delivered their program of work during the year ended 31 August 2023 as planned and no significant internal control weaknesses were identified from the work completed.

Review of effectiveness

As Accounting Officer, the Group Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2023 the review has been informed by:

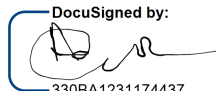
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors; and
- correspondence from ESFA.

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

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

DocuSigned by:

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Thomas 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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:

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Adrian Packer
Accounting Officer

Date: 12/21/2023

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 21 December 2023 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)

**INDEPENDENT AUDITORS' 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 Trust') for the year ended 31 August 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy'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 AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CORE EDUCATION TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and.
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Our assessment 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 2022, the Academies Accounts Direction 2022 to 2023, taxation legislation, data protection, anti-bribery and employment legislation.

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

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

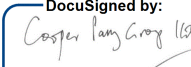
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Cooper Parry Group Limited
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

21 December 2023

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 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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.

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;

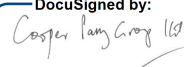
CORE EDUCATION TRUST
(A company limited by guarantee)

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

- 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

443C35457EE1434...

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

Date: 12/21/2023

CORE EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	(1,123)	-	215,372	214,249	801,082
Other trading activities	6	301,885	-	-	301,885	159,245
Investments	7	1,151	-	-	1,151	1,141
Charitable activities	4	106,954	29,143,691	-	29,250,645	26,748,947
Total income		408,867	29,143,691	215,372	29,767,930	27,710,415
Expenditure on:						
Charitable activities	8,9	265,699	25,115,052	1,493,237	26,873,988	26,027,595
Total expenditure		265,699	25,115,052	1,493,237	26,873,988	26,027,595
Net income/ (expenditure)		143,168	4,028,639	(1,277,865)	2,893,942	1,682,820
Transfers between funds	18	-	(763,005)	763,005	-	-
Net movement in funds before other recognised gains		143,168	3,265,634	(514,860)	2,893,942	1,682,820
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	3,325,000	-	3,325,000	8,236,000
Net movement in funds		143,168	6,590,634	(514,860)	6,218,942	9,918,820
Reconciliation of funds:						
Total funds brought forward	18	571,737	1,554,059	61,370,403	63,496,199	53,577,379
Total funds carried forward	18	714,905	8,144,693	60,855,543	69,715,141	63,496,199

The notes on pages 31 to 58 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	15		60,713,961		57,311,693
			<u>60,713,961</u>		<u>57,311,693</u>
Current assets					
Debtors	16	1,736,406		1,766,610	
Cash at bank and in hand		9,116,419		11,475,755	
			<u>10,852,825</u>		<u>13,242,365</u>
Creditors: amounts falling due within one year	17	(1,851,645)		(3,990,859)	
Net current assets			<u>9,001,180</u>		<u>9,251,506</u>
Total assets less current liabilities			<u>69,715,141</u>		<u>66,563,199</u>
Net assets excluding pension asset / liability			<u>69,715,141</u>		<u>66,563,199</u>
Defined benefit pension scheme asset / liability	26		-		(3,067,000)
Total net assets			<u>69,715,141</u>		<u>63,496,199</u>
Funds of the Academy					
Restricted funds:					
Fixed asset funds	18	60,855,543		61,370,403	
Restricted income funds	18	8,144,693		4,621,059	
Pension reserve	18	-		(3,067,000)	
Total restricted funds			<u>69,000,236</u>		<u>62,924,462</u>
Unrestricted income funds	18		<u>714,905</u>		<u>571,737</u>
Total funds			<u>69,715,141</u>		<u>63,496,199</u>

The financial statements on pages 28 to 58 were approved by the Trustees, and authorised for issue on 21 December 2023 and are signed on their behalf, by:

Thomas Gibbins
Chair of Trustees

The notes on pages 31 to 58 form part of these financial statements.

CORE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	2,319,646	5,174,497
Cash flows from investing activities			
	22	(4,678,982)	(1,804,554)
Cash flows from financing activities			
	21	-	(294,121)
Change in cash and cash equivalents in the year		(2,359,336)	3,075,822
Cash and cash equivalents at the beginning of the year		11,475,755	8,399,933
Cash and cash equivalents at the end of the year	23, 24	9,116,419	11,475,755

The notes on pages 31 to 58 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 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income (continued)

• **Other income**

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

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

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

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Provisions

Provisions are recognised when the Academy 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.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

Where the present value of the defined benefit obligations at the Balance Sheet date is less than the fair value of scheme assets at that date, the scheme has a surplus. The scheme surplus is recognised as a defined benefit plan asset by the Academy Trust only to the extent that the Academy Trust is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

CORE EDUCATION TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

To the extent there is a surplus in the Local Government Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the Academy Trust, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the Academy Trust as a contribution reduction, which will also include assessing whether a minimum funding requirement for future service and / or past service exists in the scheme. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 26.

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	(1,123)	-	-	(1,123)	-
Capital Grants	-	-	215,372	215,372	611,169
Donated assets	-	-	-	-	189,912
	<u>(1,123)</u>	<u>-</u>	<u>215,372</u>	<u>214,249</u>	<u>801,081</u>
<i>Total 2022</i>	<u>2,412</u>	<u>187,500</u>	<u>611,169</u>	<u>801,081</u>	

4. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Funding for educational operations	106,954	29,143,691	29,250,645	26,748,947
	<u>106,954</u>	<u>29,143,691</u>	<u>29,250,645</u>	<u>26,748,947</u>
<i>Total 2022</i>	<u>54,899</u>	<u>26,694,048</u>	<u>26,748,947</u>	

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	24,787,046	24,787,046	23,758,223
Other DfE/ESFA grants				
Pupil Premium	-	1,831,381	1,831,381	1,773,369
National Tutoring Programme	-	221,115	221,115	277,223
Supplementary Grant	-	737,655	737,655	307,356
Mainstream Schools Additional Grant	-	380,339	380,339	-
Other DfE/EFA grants	-	112,305	112,305	208,381
	-	28,069,841	28,069,841	26,324,552
Other Government grants				
Other Government grants	-	561,863	561,863	39,421
	-	561,863	561,863	39,421
COVID-19 additional funding (DfE/ESFA)				
Covid Recovery Premium	-	503,493	503,493	262,559
Other income from the academy trust's educational operations	106,954	8,494	115,448	122,415
	106,954	511,987	618,941	384,974
	106,954	29,143,691	29,250,645	26,748,947
<i>Total 2022</i>	54,899	26,694,048	26,748,947	

The Academy Trust received £503,493 of COVID Recovery Premium funding in the year and costs incurred in respect of this funding totaled £503,493.

The Academy Trust also received £221,115 of School Led Tutoring funding in the year and costs incurred in respect of this funding totaled £221,115.

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Hire of facilities	24,789	24,789	21,483
Sale of goods	277,096	277,096	137,762
	<u>301,885</u>	<u>301,885</u>	<u>159,245</u>
<i>Total 2022</i>	<u>159,245</u>	<u>159,245</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Short term deposits	1,151	1,151	1,141
<i>Total 2022</i>	<u>1,141</u>	<u>1,141</u>	

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Academy's educational operations:					
Direct costs	11,712,671	-	2,326,319	14,038,990	14,405,888
Allocated support costs	4,508,677	3,837,755	4,488,566	12,834,998	11,621,707
	<u>16,221,348</u>	<u>3,837,755</u>	<u>6,814,885</u>	<u>26,873,988</u>	<u>26,027,595</u>
<i>Total 2022</i>	<u>16,594,836</u>	<u>3,225,172</u>	<u>6,207,587</u>	<u>26,027,595</u>	

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Expenditure on raising funds Academy's educational operations	14,038,990	12,834,998	26,873,988	26,027,595
<i>Total 2022</i>	<u>14,405,889</u>	<u>11,621,706</u>	<u>26,027,595</u>	

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	4,508,676	4,508,676	4,386,359
Technology costs	625,260	625,260	630,969
Premises costs	3,837,753	3,837,753	3,225,172
Catering	650,332	650,332	585,603
Legal fees	44,152	44,152	46,273
Professional fees	512,880	512,880	312,410
School trips	265,699	265,699	76,824
Governance costs	25,634	25,634	11,581
Depreciation	1,493,237	1,493,237	1,309,330
Other Support Costs	871,375	871,375	1,037,185
	<u>12,834,998</u>	<u>12,834,998</u>	<u>11,621,706</u>
<i>Total 2022</i>	<u>11,621,706</u>	<u>11,621,706</u>	

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023	2022
	£	£
Operating lease rentals	1,487,609	1,213,514
Depreciation of tangible fixed assets	1,493,237	1,309,330
Fees paid to auditors for:		
- audit	24,550	18,500
- other services	3,200	1,500
	=====	=====

Bad debts of £5,132.26 have been written off this year which relate to unrecoverable credits on account with SSE energy from 2018.

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	10,199,820	10,909,859
Social security costs	1,060,069	1,205,649
Pension costs	2,297,789	3,111,489
	=====	=====
	13,557,678	15,226,997
Supply staff costs	2,565,920	1,350,200
Staff restructuring costs	97,750	17,638
	=====	=====
	16,221,348	16,594,835

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2023	2022
	£	£
Redundancy payments	-	17,638
Severance payments	97,750	-
	97,750	17,638

b. Severance payments

Included in severance and redundancy payments were 10 (2022 - 3) payments totaling £97,750 (2022: - £17,638). Included in these were non-contractual payments totaling £97,750 (2022 - £12,470). Individually, in the current year, the payments were £3,000, £3,000, £3,500, £3,858, £4,394, £5,502, £7,108, £14,233, £20,000 and £33,156.

The Academy paid 10 severance payments in the year (2022 - -), disclosed in the following bands:

	2023	2022
	No.	No.
£0 - £25,000	9	-
£25,001 - £50,000	1	-

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	149	183
Administration and support	81	87
Management	31	36
	261	306

d. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

d. Higher paid staff (continued)

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	9	<i>6</i>
In the band £70,001 - £80,000	5	<i>4</i>
In the band £80,001 - £90,000	2	<i>1</i>
In the band £90,001 - £100,000	3	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>
In the band £110,001 - £120,000	1	<i>-</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £150,001 - £160,000	1	<i>-</i>
In the band £170,001 - £180,000	-	<i>1</i>
In the band £180,001 - £190,000	1	<i>-</i>
	=====	<i>=====</i>

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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £470,761 (2022 - £406,114).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. 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 same central charges applied.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Rockwood Academy	510,500	483,000
Arena Academy	524,000	523,500
Jewellery Quarter Academy	302,000	290,000
City Academy	413,500	460,000
Total	1,750,000	1,756,500

13. 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:

		2023 £	2022 £
Adrian Packer CBE, CEO and Accounting Officer	Remuneration	185,000 -	175,000 -
		190,000	180,000
	Pension contributions paid	40,000 -	40,000 -
		45,000	45,000
	Other benefits	0 - 5,000	0 - 5,000

During the year ended 31 August 2023, expenses totalling £249 were reimbursed or paid directly to 1 Trustee (2022 - £68 to 1 Trustee).

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FOR THE YEAR ENDED 31 AUGUST 2023

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2023. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

15. Tangible fixed assets

	Long-term leasehold property £	Assets under constructio n £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022	61,871,422	-	1,297,286	2,391,973	25,050	65,585,731
Additions	4,179,943	127,896	108,737	478,929	-	4,895,505
At 31 August 2023	<u>66,051,365</u>	<u>127,896</u>	<u>1,406,023</u>	<u>2,870,902</u>	<u>25,050</u>	<u>70,481,236</u>
Depreciation						
At 1 September 2022	5,634,562	-	469,290	2,145,136	25,050	8,274,038
Charge for the year	990,874	-	138,978	363,385	-	1,493,237
At 31 August 2023	<u>6,625,436</u>	<u>-</u>	<u>608,268</u>	<u>2,508,521</u>	<u>25,050</u>	<u>9,767,275</u>
Net book value						
At 31 August 2023	<u><u>59,425,929</u></u>	<u><u>127,896</u></u>	<u><u>797,755</u></u>	<u><u>362,381</u></u>	<u><u>-</u></u>	<u><u>60,713,961</u></u>
At 31 August 2022	<u><u>56,236,860</u></u>	<u><u>-</u></u>	<u><u>827,996</u></u>	<u><u>246,837</u></u>	<u><u>-</u></u>	<u><u>57,311,693</u></u>

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	354,123	121,175
Prepayments and accrued income	816,820	678,285
Tax recoverable	565,463	967,150
	<u>1,736,406</u>	<u>1,766,610</u>

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	937,285	2,752,848
Other creditors	584,511	535,493
Accruals and deferred income	329,849	702,518
	<u>1,851,645</u>	<u>3,990,859</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Unrestricted funds	571,737	408,867	(265,699)	-	-	714,905
Restricted general funds						
General Annual Grant (GAG)	4,618,719	24,787,046	(20,498,067)	(763,005)	-	8,144,693
Other DfE/ESFA grants	-	112,305	(112,305)	-	-	-
Pupil Premium	-	1,831,381	(1,831,381)	-	-	-
National Tutoring Programme	-	221,115	(221,115)	-	-	-
Supplementary grant (SSG)	-	737,655	(737,655)	-	-	-
Mainstream schools additional grant (MSAG)	-	380,339	(380,339)	-	-	-
Covid Recovery Premium	-	503,493	(503,493)	-	-	-
Local authority grants	-	561,863	(561,863)	-	-	-
Other revenue income	2,340	8,494	(10,834)	-	-	-
Pension reserve	(3,067,000)	-	(258,000)	-	3,325,000	-
	<u>1,554,059</u>	<u>29,143,691</u>	<u>(25,115,052)</u>	<u>(763,005)</u>	<u>3,325,000</u>	<u>8,144,693</u>
Restricted fixed asset funds						
Transfer on conversion	57,311,693	-	(1,493,237)	4,895,504	-	60,713,960

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
DfE/ESFA capital grants	158,710	215,372	-	(232,499)	-	141,583
Capital project fund	3,900,000	-	-	(3,900,000)	-	-
	<u>61,370,403</u>	<u>215,372</u>	<u>(1,493,237)</u>	<u>763,005</u>	<u>-</u>	<u>60,855,543</u>
Total Restricted funds	<u>62,924,462</u>	<u>29,359,063</u>	<u>(26,608,289)</u>	<u>-</u>	<u>3,325,000</u>	<u>69,000,236</u>
Total funds	<u><u>63,496,199</u></u>	<u><u>29,767,930</u></u>	<u><u>(26,873,988)</u></u>	<u><u>-</u></u>	<u><u>3,325,000</u></u>	<u><u>69,715,141</u></u>

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.

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 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
Unrestricted funds	537,422	217,697	(183,382)	-	-	571,737
Restricted general funds						
General Annual Grant (GAG)	3,359,363	23,758,223	(20,471,497)	(2,027,370)	-	4,618,719
Other DfE/ESFA grants	-	208,381	(208,381)	-	-	-
Pupil Premium	-	1,773,369	(1,773,369)	-	-	-
National Tutoring Programme	-	277,223	(277,223)	-	-	-
Supplementary grant (SSG)	-	307,356	(307,356)	-	-	-
Covid Recovery Premium	-	262,559	(262,559)	-	-	-
Local authority grants	-	39,421	(39,421)	-	-	-
Other revenue income	-	255,017	(252,677)	-	-	2,340
Covid catch-up premium	257,520	-	(257,520)	-	-	-
ESFA PNA adjustment	(294,120)	-	294,120	-	-	-
Capital project designation	2,000,000	-	-	(2,000,000)	-	-
Pension reserve	(10,324,000)	-	(979,000)	-	8,236,000	(3,067,000)
	<u>(5,001,237)</u>	<u>26,881,549</u>	<u>(24,534,883)</u>	<u>(4,027,370)</u>	<u>8,236,000</u>	<u>1,554,059</u>

CORE EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

**Restricted
fixed asset
funds**

Transfer on conversion	56,204,158	-	(1,309,330)	2,416,865	-	57,311,693
DfE/ESFA capital grants	1,837,036	611,169	-	(2,289,495)	-	158,710
Capital project fund	-	-	-	3,900,000	-	3,900,000
	<u>58,041,194</u>	<u>611,169</u>	<u>(1,309,330)</u>	<u>4,027,370</u>	<u>-</u>	<u>61,370,403</u>
Total Restricted funds	<u>53,039,957</u>	<u>27,492,718</u>	<u>(25,844,213)</u>	<u>-</u>	<u>8,236,000</u>	<u>62,924,462</u>
Total funds	<u><u>53,577,379</u></u>	<u><u>27,710,415</u></u>	<u><u>(26,027,595)</u></u>	<u><u>-</u></u>	<u><u>8,236,000</u></u>	<u><u>63,496,199</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
CORE Education Trust	<u>8,859,598</u>	<u>5,192,796</u>
Restricted fixed asset fund	<u>60,855,543</u>	<u>61,370,403</u>
Pension reserve	<u>-</u>	<u>(3,067,000)</u>
Total	<u><u>69,715,141</u></u>	<u><u>63,496,199</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
CORE Education Trust	751,122	435,264	333,447	516,352	2,036,185	3,211,328
Rockwood Academy	3,488,756	464,878	803,475	1,108,947	5,866,056	5,272,034
Arena Academy	3,905,723	478,890	806,529	2,269,178	7,460,320	6,651,067
City Academy	2,722,993	680,702	580,002	1,356,322	5,340,019	5,651,717
Jewellery Quarter Academy	2,568,572	466,446	501,014	884,139	4,420,171	3,932,119
Academy	13,437,166	2,526,180	3,024,467	6,134,938	25,122,751	24,718,265

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	60,713,961	60,713,961
Current assets	714,905	9,996,338	141,582	10,852,825
Creditors due within one year	-	(1,851,645)	-	(1,851,645)
Total	714,905	8,144,693	60,855,543	69,715,141

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	-	57,311,693	57,311,693
Current assets	571,736	8,611,918	4,058,710	13,242,364
Creditors due within one year	-	(3,990,859)	-	(3,990,859)
Provisions for liabilities and charges	-	(3,067,000)	-	(3,067,000)
Total	<u>571,736</u>	<u>1,554,059</u>	<u>61,370,403</u>	<u>63,496,198</u>

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

	2023 £	2022 £
Net income for the year (as per statement of financial activities)	<u>2,893,942</u>	<u>1,682,820</u>
Adjustments for:		
Depreciation	1,493,237	1,309,330
Capital grants from DfE and other capital income	(215,372)	(611,169)
Interest receivable	(1,151)	(1,141)
Defined benefit pension scheme cost less contributions payable	125,000	802,000
Defined benefit pension scheme finance cost	133,000	177,000
Decrease/(increase) in debtors	30,204	(754,843)
(Decrease)/increase in creditors	(2,139,214)	2,570,500
Net cash provided by operating activities	<u>2,319,646</u>	<u>5,174,497</u>

21. Cash flows from financing activities

	2023 £	2022 £
Repayments of borrowing	-	(294,121)
Net cash provided by/(used in) financing activities	<u>-</u>	<u>(294,121)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Cash flows from investing activities

	2023 £	2022 £
Dividends, interest and rents from investments	1,151	1,141
Purchase of tangible fixed assets	(4,895,505)	(2,416,864)
Capital grants from DfE Group	215,372	611,169
Net cash used in investing activities	(4,678,982)	(1,804,554)

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	9,116,419	11,475,755
Total cash and cash equivalents	9,116,419	11,475,755

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	11,475,755	(2,359,336)	9,116,419
	11,475,755	(2,359,336)	9,116,419

25. Capital commitments

	2023 £	2022 £
Contracted for but not provided for in the financial statements	2,109,029	3,900,000

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26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £233,220 were payable to the schemes at 31 August 2023 (2022 - £231,082) 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates are to set to increase by 5% to 28.68% from 1 April 2024 of pensionable pay (including a 0.08% administration levy), the current rates remain at 23.68%.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI".

The employer's pension costs paid to TPS in the year amounted to £1,578,253 (2022 - £1,691,991).

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.

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26. Pension commitments (continued)

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 2023 was £546,000 (2022 - £611,000), of which employer's contributions total £407,000 (2022 - £473,000) and employees' contributions totalled £139,000 (2022 - £138,000). 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

West Midlands Pension Fund

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	3.95	<i>4.05</i>
Rate of increase for pensions in payment/inflation	2.95	<i>3.05</i>
Discount rate for scheme liabilities	5.20	<i>4.25</i>
Inflation assumption (CPI)	2.95	<i>3.05</i>

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	17.3	<i>21.2</i>
Females	23.4	<i>23.6</i>
<i>Retiring in 20 years</i>		
Males	21.2	<i>22.9</i>
Females	24.8	<i>25.4</i>

Sensitivity analysis

	2023	<i>2022</i>
	£000	£000
Discount rate -0.1%	217,000	<i>258,000</i>
Mortality assumption - 1 year increase	354,000	<i>435,000</i>
CPI rate +0.1%	205,000	<i>241,000</i>
Salary rate +0.1%	16,000	<i>-</i>

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26. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	6,106,000	5,233,000
Corporate bonds	1,886,000	1,640,000
Property	628,000	625,000
Cash and other liquid assets	359,000	313,000
Total market value of assets	8,979,000	<i>7,811,000</i>

The actual return on scheme assets was £479,000 (2022 - £(230,000)).

The amounts recognised in the Statement of financial activities are as follows:

	2023	<i>2022</i>
	£	£
Current service cost	532,000	1,275,000
Net interest cost	133,000	177,000
Total amount recognised in the Statement of financial activities	665,000	<i>1,452,000</i>

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

	2023	<i>2022</i>
	£	£
At 1 September	10,878,000	<i>17,933,000</i>
Current service cost	532,000	1,275,000
Interest cost	474,000	306,000
Employee contributions	139,000	138,000
Actuarial gains	(3,057,000)	<i>(8,604,000)</i>
Benefits paid	(117,000)	<i>(170,000)</i>
At 31 August	8,849,000	<i>10,878,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	7,811,000	<i>7,609,000</i>
Interest income	341,000	<i>129,000</i>
Actuarial gains/(losses)	268,000	<i>(368,000)</i>
Employer contributions	407,000	<i>473,000</i>
Employee contributions	139,000	<i>138,000</i>
Benefits paid	(117,000)	<i>(170,000)</i>
At 31 August	8,849,000	<i>7,811,000</i>

Included within actuarial gains on the scheme's assets of £268,000 is an amount of £130,000 in respect of the restriction on the surplus in the scheme at 31 August 2023 as determined by the asset ceiling calculation prepared by the actuary. The total value of the assets recorded under the "share of scheme assets" detailed above of £8,979,000 has not been decreased in respect of the asset ceiling restriction and represents the rolled forward fair value of the scheme assets at 31 August 2023.

27. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	1,478,577	<i>1,213,514</i>
Later than 1 year and not later than 5 years	5,879,416	<i>4,821,828</i>
Later than 5 years	2,885,479	<i>3,525,387</i>
	10,243,472	<i>9,560,729</i>

The Trust is committed to funding payments under the PFI Scheme for Arena Academy. The current annual cost of the PFI contract is £1,442,740. Annual funding is received from the ESFA towards these costs which is £1,103,834 per year.

28. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy'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 £57,327 for overheads, support and consultancy provided to the Foundation by the academy trust. A balance of £5,026 (2022 - £106,974) was outstanding at year-end.

Under the terms of the grant funding agreement in place between the DfE and CORE & CO Foundation, Academy Trust is the guarantor for CORE & Co Foundation's funding agreement with the DfE.

30. Agency arrangements

As at 31 August 2023 the academy trust was showing £Nil (2022 - £28,872) in other creditors as a one-off amount from Combined Cadet Force Association. These funds are usually held on behalf of the cadets and drawn down by the cadets upon application to the Trust.