

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

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CENTRAL RSA ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | W Adams M Forbes S Hind-Woodward S Horner P Slough |
| Trustees | E Griffiths, Chair of Trustees W Adams S Bates W Chikowore (appointed 2 October 2019) J Howard (resigned 10 March 2020) J Howells E Keates O MacSherry Dr N Clifford (appointed 10 January 2020) J Woodcock (nee Townshend) (appointed 19 March 2020) M Chowdhury (appointed 15 June 2020) |
| Company registered number | 08166526 |
| Company name | Central RSA Academies Trust |
| Principal and registered office | B06 Assay Studios Newhall Street Birmingham B3 1SF |
| Senior management team | G Shears, Executive Principal (CEO and AO) P Harrison, Director of Finance (CFO) M Moore, Chief Operating Officer (COO) S McMonagle, School Improvement Leader D Smith, Trust Primary Executive Principal N Beech, Executive Principal - Ipsley, Abbeywood and Church Hill RSA Academies I Mellor, Principal - Arrow Vale RSA Academy C Price, Principal - RSA Academy, Tipton S Boyce, Principal - Oldbury Park RSA Academy (resigned 31 August 2020) A Crawley, Principal - Sutton Park RSA Academy S Callanan, Principal - St Stephen's RSA Academy |

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditor Cooper Parry Group Limited
Chartered Accountants
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Bankers Lloyds Bank plc
19 Church Green East
Redditch
Worcestershirer
B98 8BZ

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

CENTRAL RSA ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 8 Academies across 2 First Phase schools, 2 Primary schools, 2 Middle Phase schools, 1 High Phase school with sixth form and 1 Secondary School with sixth form across Worcestershire and Sandwell. The Trust has 3,903 pupils currently enrolled across the Academies based on the October 2020 Census.

COVID-19 took centre-stage within the academic year 2019/20 for the education sector along with the rest of the world. Schools buildings were closed to most students by the end of March 2020 and face to face learning had to be replaced with online or distance learning materials. Students that could continue to attend were children of keyworkers and vulnerable pupils. More pupils were slowly reintroduced back into schools with wider opening for limited groups steered by the government from June 1st.

The public examinations series for 2020 were scrapped, as were SATs for primary aged pupils. Year 11 and Year 13 pupils were awarded examination grades based on central assessed grades. These were moderated internally in considerable detail to ensure accuracy of prediction, so that each student received the grade that they were most likely to have achieved in each subject. The results can be seen later in this report.

The transition to online and remote learning was a huge undertaking for the trust and was done at speed and with appropriate safeguarding considerations. Staff and students adapted to MS Teams to deliver learning and wellbeing checks, along with telephone contact trees and direct calls to all families. Staff were required to work from home, at very short notice, and to adapt to a different way of working. Staff rotations were established to ensure that key worker and vulnerable pupils were taught in school, with staff duties linked to home learning and safeguarding checks being designed at speed to meet the fast moving requirements to respond to government advice and statutory requirements as the pandemic developed.

Trustees reviewed and approved risk assessments; the implementation of the control measures and actions arising were audited and tested in individual schools by an external company after a short bedding in period.

The Trust reviewed capital expenditure needs considering increased demand for IT mobility for teachers and students and trustees chose to invest heavily over the summer to increase adaptability for the expected continuation of interrupted learning due to COVID-19.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Central RSA Academies Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as the Central RSA Academies Trust.

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

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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 Academy Governing Board 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

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

The number of Trustees shall be not less than three but shall not be subject to any maximum. Subject to Articles 45-46 and 59-62, the Academy Trust shall have the following Trustees:

- (a) up to 6 Directors appointed by the Principal Sponsor
- (b) Academy Directors appointed under Article 52
- (c) Any additional Directors, if appointed under Article 59, 60A or 61A
- (d) Any Further Directors, if appointed under Article 62 or Article 67A
- (e) Up to 2 Directors, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate the Relevant Funding Agreement.

The Trust works closely with the RSA to recruit Trustees from a wide variety of backgrounds.

e. Policies adopted for the induction and training of Trustees

Self-directed and live training is provided, based on the Trust Mandatory training expectations for all Governors and Trustees and as required based on individual or collective need. External advice and support is commissioned where necessary. A Governors' handbook and dedicated portal are provided.

New schools joining the Trust have an Onboarding programme involving monthly meetings between the Chair of Governors of the incoming school and the Head of Corporate Services (HoCS) and fortnightly meetings between the Clerk to Governors and the HoCS.

A bespoke governance development program 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.

f. Organisational structure

At 31 August 2020, the Academy Trust comprised the following individual academies:

- The RSA Academy at Tipton, Sandwell
- Arrow Vale RSA Academy, Redditch
- Ipsley CE RSA Academy, Redditch
- Church Hill RSA Academy, Redditch
- Sutton Park RSA Academy, Kidderminster
- Oldbury Park RSA Academy, Worcester (joined on 01/10/2019)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

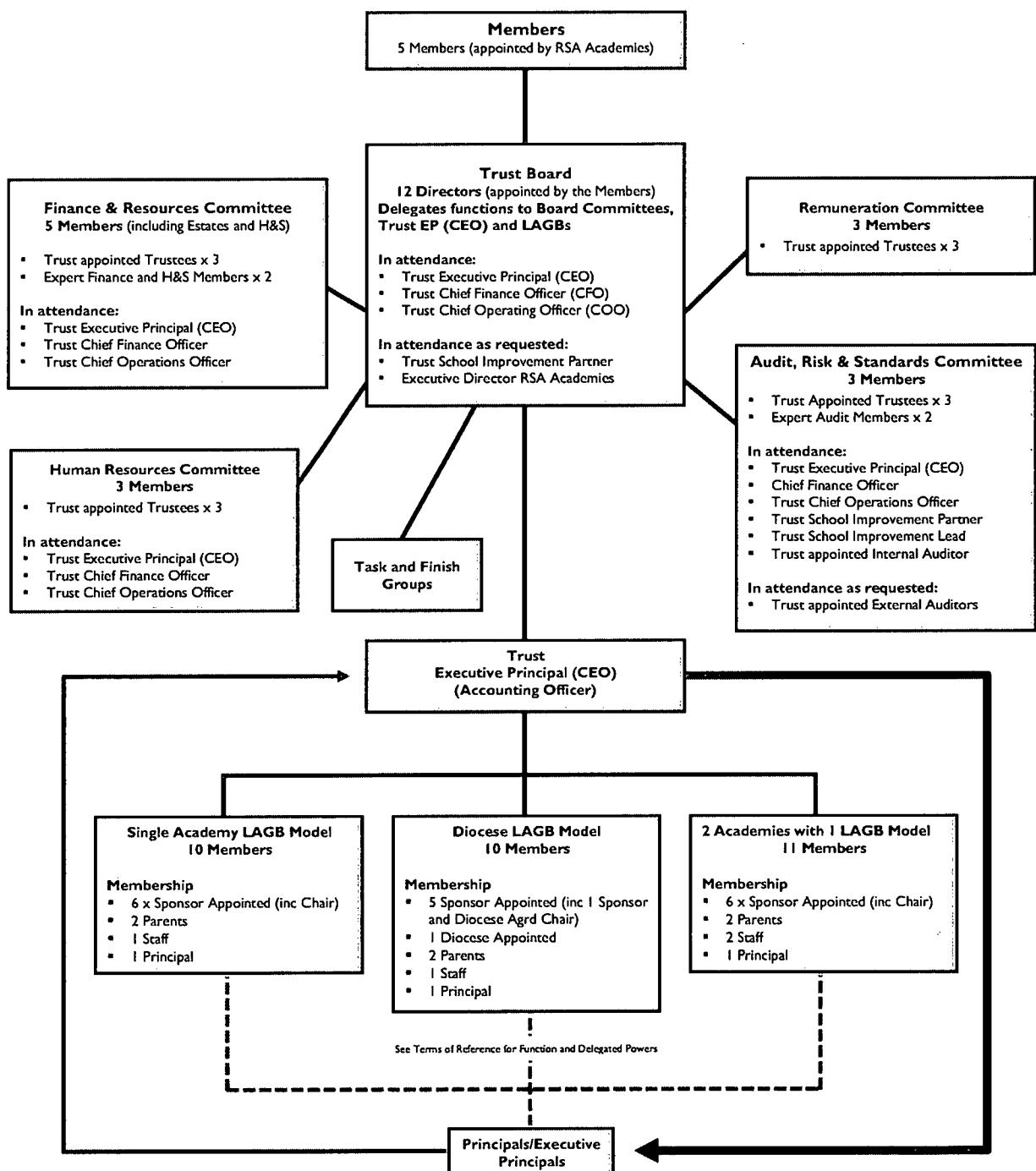
Structure, governance and management (continued)

f. Organisational structure (continued)

- Abbeywood RSA Academy, Redditch
- St Stephens CE RSA Academy, Redditch (joined on 01/10/2019)



Central RSA Academies Trust Governance Structure



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure (continued)

The Trust has a clear Scheme of Delegation that sets out the financial and other decision-making limits devolved to individual Officers, Senior staff, Chairs and LAGBs. The document is shared with all stakeholders via the Trust Policy Management system, the Governor Portal and is on the Trust website. The Trustees are responsible for setting vision and strategy, overseeing a three-year strategic plan. Under the strategic plan, trustees adopt an annual development and investment plan and budget, approving the annual statutory accounts, monitoring the Academy Trust using 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 formally five times each year in addition to Strategic Away Days. 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 Committees of the Board of Trustees as follows:

- Finance and Resources Committee
- Audit, Standards and Risk Committee
- Human Resources Committee
- Remuneration Committee
- Local Academy Governing Boards

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 appoint and / or consider the performance management of the Principal(s).

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Management Team as laid out in the report, which is led by the Executive Principal (CEO).

The Executive Principal (CEO) is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day management of the Academy Trust. The senior management team implements the policies laid down by the Trustees and reports back to them on performance.

The Board of Trustees delegates a number of functions to the Local Academy Governing Boards (LAGB) for each of the Trust's Academies. Each LAGB reviews annual Academy plans and budgets, monitors progress against target and OFSTED standards and oversees parent and community liaison.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the Academy Trust in charge of directing, 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. There are no Trustees who are also employees of the Academy Trust.

Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Remuneration Committee, in line with the Academy Trust's pay and remuneration policy, and by reference to published pay scales for both teaching and administrative support staff, taking account of benchmarking information.

h. Trade union facility time

Relevant union officials

| | |
|---|---|
| Number of employees who were relevant union officials during the year | - |
| Full-time equivalent employee number | - |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--|---------------------|
| 0% | - |
| 1%-50% | - |
| 51%-99% | - |
| 100% | - |
| Percentage of pay bill spent on facility time | £000 |
| Total cost of facility time | - |
| Total pay bill | - |
| Percentage of total pay bill spent on facility time | - % |

Paid trade union activities

| | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - % |
|---|-----|

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Trust has a Principal Sponsor, the Royal Society for Arts, Manufactures and Commerce (the RSA) who works closely with the Trust to enable the students within its Academies to gain exceptional experiences. The Trust, supported by the RSA and its Fellows, offers an inspirational and creative education of distinct character, prioritising the arts, culture and creativity, preparing children for the world beyond school and focussing on social and emotional wellbeing.

The Academies within the Trust also work collaboratively with the other Academies within the RSA family of schools to enhance all the students' opportunities and life chances.

Ipsley CE RSA Academy and St Stephen's CE RSA Academy, as faith schools, have a relationship with the Diocese and embody the objectives of the Church of England within their teaching curriculum.

RSA Academy Arrow Vale is a National Teaching School and a National Support School, part of the RSA Academies Teaching School Alliance. Abbeywood First School is a National Teaching School.

The Executive Principal (Chief Executive Officer) and the Trust Primary Executive Principal are National Leaders of Education. There are also a number of other staff within the Trust who are Specialist Leaders of Education.

All Trust Board and Committee meetings have a standing Declarations of Interests agenda item. Declarations of Business and Pecuniary Interests forms are completed by all boards and Senior staff in the Trust. The Trust has a policy of no related party relationships or transactions. Any exceptions would be acknowledged at the Trustees' meetings, through the minutes and pecuniary interest forms where relevant, and any financial transactions disclosed in the notes to the accounts.

j. Engagement with employees (including disabled persons)

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils, committees and meetings as appropriate, on matters likely to affect employees' interests. Information about matters of concern to employees is given through inset day updates, information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees from both the financial and economic factors affecting both their specific role and the Academy Trust's performance.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, CPD development and advanced employment opportunities are available to them to reach their full potential. Additionally, an Employee Assistance Programme (EAP) is in place to assist with employee mental health and general wellbeing.

Applications for employment by disabled persons are always fully considered, we interview all disabled applicants who meet the minimum criteria for a job vacancy and consider them on their abilities and 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 reasonable adjustments and training are provided. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- 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 both with and without a designated Church of England religious character ("the Academies") each offering a broad and balanced curriculum, and in respect of the Church of England Academy, it shall be designated as such and shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Relevant Funding Agreement), and in having regard to the advice of the Diocesan Board of Education; but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.
- with the exception of the Church of England Academy, to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

Central RSA Academies Trust has a clear vision and mission of social justice through exceptional schools, creating and sustaining the best schools in which to learn and work by pursuing social justice for all.

Vision statement

Social justice through exceptional schools

Creating and sustaining the best schools in which to learn and work by pursuing social justice for all.

In detail:

Working together as part of the RSA Family of Academies, our exceptional schools create learning that is inspirational for all: igniting imagination, enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing the skills and networks for success and fulfilment. In our powerful communities, everything is possible, and aspirations are high.

Outcomes are highly impressive.

Strategic objectives

Power to Create....

1. **Outstanding professionals:** Winning teams of Governors, leaders, staff and other stakeholders who are forward thinking, highly skilled, open, hard-working and determined to enable the success of others;
2. **Innovative systems enabling creative schools:** Innovative and sustainable schools that are creative, vibrant, safe, compliant, financially healthy, well resourced, and exceptionally well governed and led.
3. **Strong partnerships & communities:** Working closely with our local communities and parents to secure the best outcomes and opportunities. The RSA, and a wide network of links across all phases and across local authority boundaries, are powerful in supporting the development of all.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

... which enable...

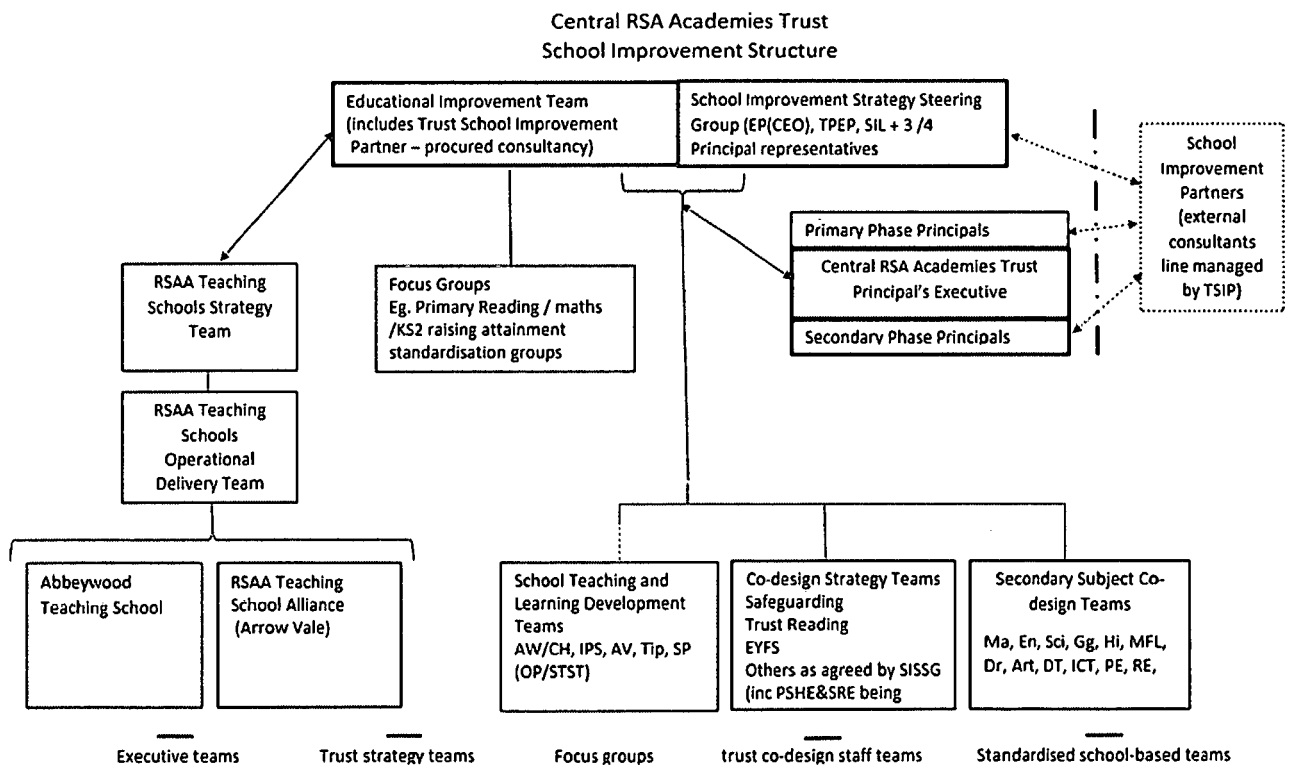
Exceptional learners: Learners who are highly successful with the attributes, skills and qualifications for a fulfilling life. They have a high-quality school experience and enjoy an abundance of opportunities.

The key priorities for the period are contained in the Trust's Annual Development and Investment Plan which sits under the Trust's Strategic Plan 2018-21 and is available from the Executive Principal (CEO).

The key activities of the Academy Trust for the year ended 31 August 2020 were focused as follows:

- Progress measures in all schools continue to improve on previous, so that pupils across the trust perform better than they would be expected to do
- Attendance and well-being measures for pupils across the trust continue to improve
- The delivery of the trust development and investment plan successfully delivers the strategic objectives of the trust, including:
 - o School Improvement, with the further development of the school improvement model through a revised model and structure
 - o Let's Talk People strategy (recruitment, retention, talent development and succession)
 - o Finance strategy, including the implementation of a revised structure
 - o Estates strategy
 - o ICT strategy
 - o Data strategy
 - o Governance (including 3-yearly external governance review and any subsequent recommendations)

School Improvement is the core purpose of the trust, with the Trust School Improvement Team supporting the eight schools in the trust through the expert workings of the school improvement model. This model is delivered through the school improvement structure below:



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

The trust has key performance indicators with targets set annually at the trust's Standards Scrutiny Days in September. These are scrutinised and challenged by external school improvement consultants within the School Improvement Partner Team as part of the School Improvement Model. Each school has specific targets for academic performance, key measures such as attendance and behaviour, as well as pupil well-being measures. These are amalgamated by the trust data team into trust-wide targets for each of these measures, which are supported and challenged by the relevant trust governance committee. These targets form a key element of the assessment of performance of the Principals in each school, as well as the Executive Principal (CEO) and the Trust Central Team.

RSA Academies Teaching School Alliance

Our Royal Society of Arts Teaching School Alliance has continued to deliver teacher training, leadership development, staff professional development at each career stage, subject specialist training and oversee our school to school support work delivered under the leadership of our two National Leaders of Education, one primary and one secondary phase.

The following have been delivered this year:

Initial Teacher Training (School Direct)

Headline figures - 2019/20

78% of Secondary trainees passed at Grade 1 and 2

Completion rate (Secondary) 100%

Completion rate (Primary) 100%

Completion rates higher than national averages

Trainees commented on the high quality of training that we offer, the sessions are well led, up to date and relevant and how this has adapted well into their professional practice. Feedback from trainees has been positive, particularly commenting on our provision, support, and course

52% trainees were retained within RSA Academies

RSA Teaching School – Newly Qualified Teachers programme

22 NQTs inducted through RSA programme within Central RSA Academies

2 conference sessions run at Assay Studios

RSAA TSA successfully supported the induction of a further 77 NQTs across Birmingham, Coventry, Stourport and Dudley

NQT completion of induction – 93% Above national average

Leadership development

Middle and Senior leadership development courses all oversubscribed

Subject specialism courses – maths and Physics (TSST) 100% completion rates

NPQH delivery – 2 cohorts

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

System Leadership

National Leader in Education (NLE) support for school improvement – 10 schools

DfE sponsorship approval for an additional primary school

NLE support – COVID-19 recovery – 2 schools

Recruited 9 additional Specialist Leaders in Education (SLEs)

Primary/Middle growth in SLEs, now accounting for 43% of designations

Partnership growth – 39% SLEs are 'Partner' SLEs

Nominated provider of SLE training

c. Public benefit

The Academy Trust aims to advance for the public benefit education in the surrounding area of each Academy, 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.

Strategic report

Achievements and performance

a. Key performance indicators

Education

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its ninth year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2020 was 3,788 but this has increased to 3,903 at the October 2020 census due to the continued demand for places at the Academy Trust.

The Academy Trust is committed to continual improvement, which is achieved 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 particular achievements and performance of the Academy Trust during the year ended 31 August 2020 were as follows:

(Note: Due to COVID-19 SATs were cancelled. The key stage 2 data below is internally generated and cross-trust moderated data - data predictions across the trust have been historically accurate to within a few percentage points, so whilst not statistically valid data, it is indicative of the performance of each of the primary phase schools within the trust).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

| MAT Primary School KS2 Data July 2020 | | | | | |
|---------------------------------------|-----|-------------------|-------------------|-------------------|--------------------|
| | | Year 6 Reading | Year 6 Writing | Year 6 Maths | Year 6 Combined |
| Church Hill | All | Exp 82% GD 25% | Exp 73% GD 10% | Exp 77% GD 15% | Exp 71% GD 6% |
| | PPM | Exp 68% GD 21% | Exp 56% GD 6% | Exp 66% GD 12% | Exp 53% GD 6% |
| Ipsley | All | Exp 73% GD 24% | Exp 71% GD 17% | Exp 78% GD 30% | Exp 69% GD 16% |
| | PPM | Exp 52% GD 12% | Exp 42% GD 10% | Exp 58% GD 16% | Exp 38% GD 10% |
| Oldbury Park | All | Exp 77% GD 23% | Exp 74% GD 18% | Exp 80% GD 30% | Exp 72% GD 18% |
| | PPM | Exp 56% GD 11% | Exp 50% GD 6% | Exp 67% GD 16% | Exp 50% GD 6% |
| Sutton Park | All | Exp 90% GD 23% | Exp 90% GD 20% | Exp 83% GD 13% | Exp 80% GD 10% |
| | PPM | Exp 90% GD 20% | Exp 90% GD 20% | Exp 70% GD 20% | Exp 70% GD 20% |
| Trust | All | Exp 77% GD 24% | Exp 73% GD 16% | Exp 78% GD 26% | Exp 71% GD 14% |
| | PPM | Exp 59% GD 15% | Exp 50% GD 9% | Exp 62% GD 15% | Exp 46% GD 9% |

Key:

Exp - Age related expectations (National measure)

GD - Greater Depth (National measure)

PPM - Pupil Premium (disadvantaged) pupils' performance

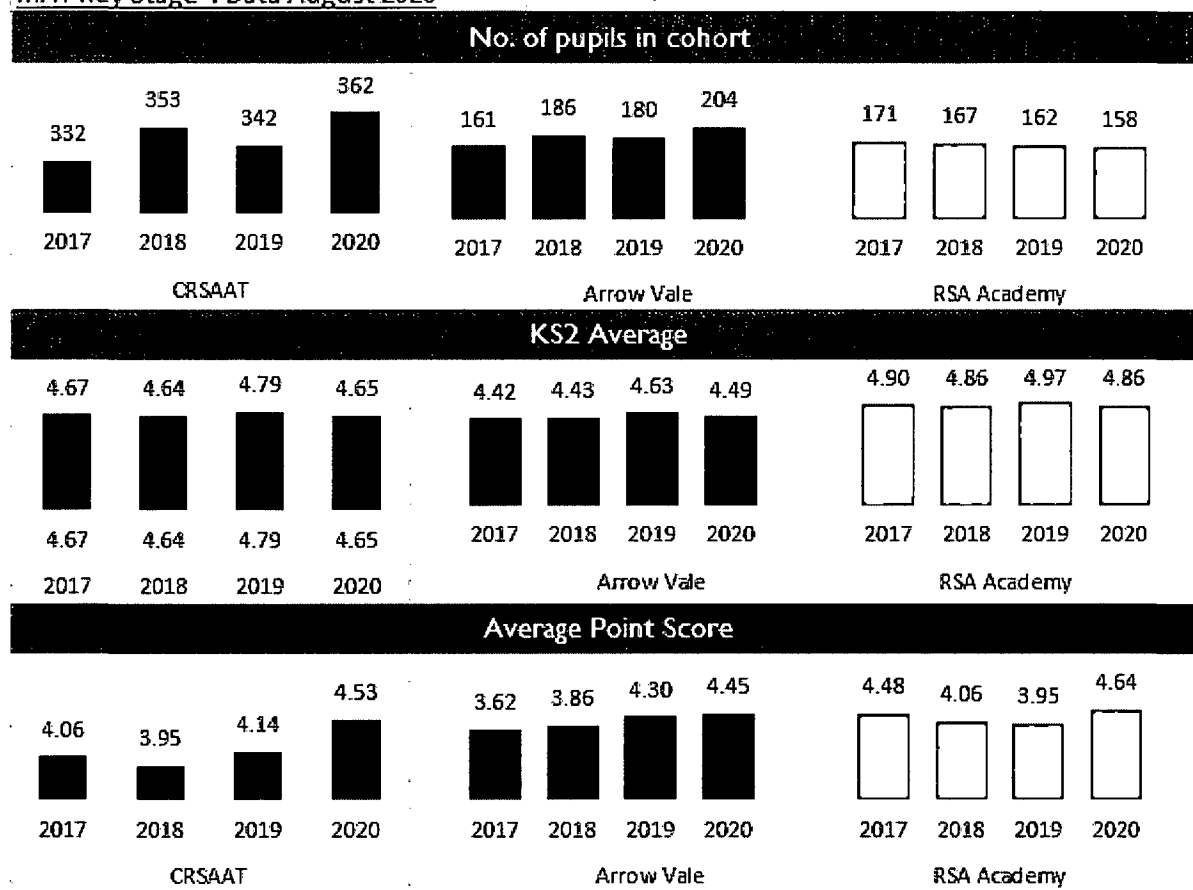
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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

MAT Key Stage 4 Data August 2020



Note: The data below is a summary of the grades given by the examination boards following the scrapping of the 2020 GCSE examination series due to COVID-19. These were awarded, as per all results nationally, as either the Centre Assessment Grade or the result generated by the Ofqual algorithm, whichever was the more favourable. There is no national data published as a result.

Whilst the combined English and mathematics results at GCSE were slightly down at Arrow Vale, the progress of the students at Arrow Vale would have almost certainly been improved on the previous (graded 'outstanding' by Ofsted), due to the relatively low key stage 2 profile of the cohort. There was no national progress data issued due to COVID-19. The results represent ongoing strength at the school.

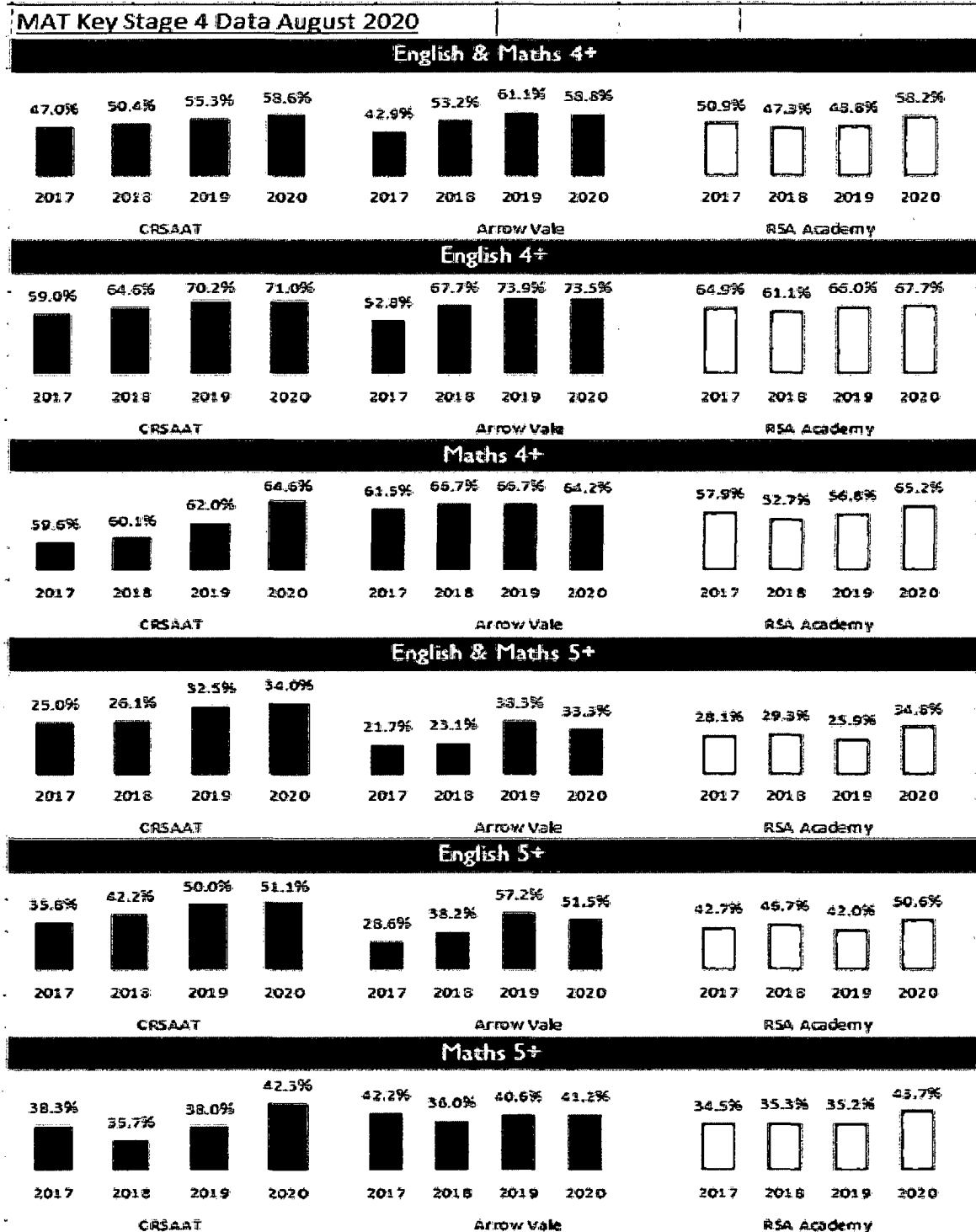
The results at the RSA Academy, Tipton represent improvement in both attainment and achievement (progress) at the school. Since joining the trust in considerable difficulty as an institution in October 2017, the students are now beginning to benefit from the improvements made at the school.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)



Note: The data below is a summary of the grades given by the examination boards following the scrapping of the 2020 A Level examination series due to COVID-19. These were awarded, as per all results nationally, as either the Centre Assessment Grade or the result generated by the Ofqual algorithm, whichever was the more favourable. There is no national data published as a result.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

The results at Arrow Vale represent strong progress for students at the school. The results at the RSA Academy in Tipton were a new cohort of students, following the decision to abandon the International Baccalaureate qualification at the school. The academic profile of the students on entry to the sixth form was not high in this first year and the individual student achievements were pleasing.

| MAT Key Stage 5 August 2020 | Arrow Vale | RSA Academy |
|--|------------|-------------|
| No of students with A level exam entry | 83 | 33 |
| Achieving A* - B | 47% | 18% |
| Achieving A* - C | 87% | 64% |
| Achieving A* - E | 100% | 100% |

Ofsted inspections:

There was only one Ofsted inspection within the trust in 2019-20, at Abbeywood first School. The school was graded 'good' in all categories by Ofsted.

Financial 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 2020, the balance of the unrestricted and restricted income reserves was £748,000 (2019: £1,341,000), which is after transfers of £16,000 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 pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 3,909 which is an increase of over 3% from the previous equivalent census.

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 and / or Local Authority) for the year was 91.7% (2019: 88.6%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 85.9% (2019: 86.0%).

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 2020

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the Academy Trust

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

Our educational business relationships and community

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

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

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

During the COVID-19 pandemic and lockdown period trustees supported the spirit of the Coronavirus Job Retention Scheme (despite not being able to access it for employees) and remunerated employees financially where normally they would be paid for worked hours only.

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

Our stakeholders

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

Our people

The Academy Trust's key asset is its people. It employs over 600 staff, including agency workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

Trustees openly engage with the Members via regular communication from the Chair of Trustees, the Executive Principal (CEO) and the HoCS. Minutes of Trust Board and Committee meetings are shared with them as they are ratified. Communication and probity are further enhanced by one Member also sitting on the Board of Trustees.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Maintaining a reputation for high standards

The Academy Trust is in its ninth year of operation since conversion to an Academy Trust, 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 pupil base, including looking for new schools and academies to join the Trust, and further improve relationships with our suppliers.

The trust is a DfE approved sponsor which demonstrates recognition in our string school improvement track record. All schools that have been in the trust for three years or more have demonstrated strong results improvements since joining the trust, with increasing pupil numbers and applications by pupils to attend the schools. Those that have been in the trust for over five years are all heavily oversubscribed schools, having joined the trust with cohorts of pupils lower than the Pupil Admission Numbers (PAN)

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

Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

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

For the year ended 31 August 2020, the Academy Trust's total income (excluding capital grants and the net assets transferred on conversion / net assets transferred from academies joining the Trust in the year) was £21,782,000 (2019: £18,164,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £22,445,000 (2019: £17,917,000), resulting in a net deficit for the year of £663,000 (2019: £247,000 surplus).

This deficit, which had been planned for by the Trustees due to pupil number growth resulting in mismatched funding to number of students requiring a teacher (known as funding lag), has been funded from the Academy Trust's reserves. The balance of reserves at 31 August 2020, excluding the restricted fixed asset funds and LGPS liability fund was £12,428,000 (2019: £8,969,000).

The net book value of fixed assets at 31 August 2020 was £52,473,000. 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.

Land, buildings, other assets and the LGPS deficit were transferred to the Academy Trust from those academies joining the Trust during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £7,875,000. The details of the net assets transferred and the basis of their valuations are set out in Note 23 to the financial statements.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

The net book value of fixed assets at 31 August 2020 is £52,473,000, which includes the value of land and buildings transferred from new academies joining the Trust during the year of £7,875,000 and depreciation charges for the period of £1,640,000. The fixed assets held by the Academy Trust are used for providing education and associated support services to the pupils of the Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £12,428,000 (2019: £8,969,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academies. Further details regarding the deficit in the LGPS at 31 August 2020 are set out in note 24 to the financial statements.

The key financial policies reviewed and adopted during the period included the Scheme of Delegation, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Executive Principal, Principals, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Finance Policy and Procurement Policy.

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 Academy Trust's future plans, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees review the appropriate level of free cash reserves annually, as part of the budget setting and three-year-planning, according to circumstances. The aim 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 reserves at 31 August 2020 is £41,484,000 (2019: £38,450,000), of which £632,000 (2019: £1,293,000) is free reserves (that is, total funds less the amount held in total restricted funds).

The value of the restricted fixed asset fund at 31 August 2020 is £53,164,000 (2019: £46,078,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2020 of £12,428,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make [accelerated / additional] pension contributions over a number of years in order to fund the deficit. These [accelerated / additional] pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

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, excess sums may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

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.

Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. 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 pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. There is a designated safeguarding governance lead on the trust Board and each Local Academy Governing Board, and a designated Trust Lead for Safeguarding who runs the Trust Safeguarding Co-Design Team, which has the Designated Safeguarding lead from each school in attendance. Local Governors receive the statutory annual reports for safeguarding, and for Looked After Children, and these are drawn into a trust-wide report for scrutiny and challenge by the Trust Board.

Financial

The Academy Trust has considerable reliance on continued Government funding through the year. In the year, approximately 96% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority from other academies joining the Trust) 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 continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Schemes, and premises costs will also continue to place significant pressure on the 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 term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings.

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.

CENTRAL RSA ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

Failures in governance and / or management

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

Fraud and mismanagement of funds

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

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

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

Fundraising

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding. Fundraising is primarily undertaken by staff or parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust. The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the Trust would be applicable if so.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

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

| | 2020 |
|--|-------------|
| Energy consumption used to calculate emissions (kWh): | 4,880,245 |
| Energy consumption breakdown (kWh): | |
| Gas | 3,362,767 |
| Electricity | 1,448,035 |
| Transport fuel | 69,443 |
| Scope 1 emissions (in tonnes of CO2 equivalent): | |
| Gas consumption | 685 |
| Owned transport | 14 |
| Total scope 1 | 699 |
| Scope 2 emissions (in tonnes of CO2 equivalent): | |
| Purchased electricity | 338 |
| Scope 3 emissions (in tonnes of CO2 equivalent): | |
| Business travel in employee-owned or rental vehicles | 6 |
| Total gross emissions (in tonnes of CO2 equivalent) | 1,043 |
| Intensity ratio: | |
| Tonnes of CO2 equivalent per pupil | 0.28 |

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 2020 UK Government's Conversion Factors for Company Reporting.

There are smart meters installed across all sites and the trust have introduced video conferencing technology for staff meetings, to reduce the need for travel between sites.

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

Measures taken to improve energy efficiency

The Trust is in the process of applying for SALIX Grants for a number of the schools in the Trust for replacement of lighting.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- Continued excellence in learning, where young people are enabled to be creative thinkers and turn their ideas into action
- A diverse, inspirational curriculum, with exciting enrichment and leadership opportunities
- The development of skills and networks for the future, including for the world of work
- Values are fostered in a safe and positive environment so that our young people develop into responsible, confident and successful members of our communities and wider society
- Creative, resourceful staff facilitating challenging and stimulating learning, where career progression is mapped and supported
- High standards of governance, with financial security and effective leadership and management with strong support
- Extending partnerships within and beyond our communities to further the aims above
- Significant growth in numbers of primary and secondary schools, in line with our growth strategy, as an approved academy sponsor.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

Disclosure of information to auditor

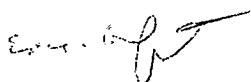
Insofar as the Trustees are aware:

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

Auditor

On 14 April 2020 Haines Watts Birmingham LLP resigned as the academy trust's auditors. Cooper Parry Group Limited were appointed to fill the resulting vacancy. Cooper Parry Group Limited have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



E Griffiths

Chair of Trustees

Date: 17 December 2020

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 4 times during the year despite the impact of COVID-19 and lockdown. Meetings moved from physical to virtual.

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

| Trustee | Meetings attended | Out of a possible |
|--------------------------------|-------------------|-------------------|
| E Griffiths, Chair of Trustees | 4 | 4 |
| W Adams | 2 | 4 |
| S Bates | 3 | 4 |
| W Chikowore | 4 | 4 |
| J Howard | 1 | 2 |
| J Howells | 3 | 4 |
| E Keates | 4 | 4 |
| O MacSherry | 3 | 4 |
| Dr N Clifford | 2 | 2 |
| J Woodcock (nee Townshend) | 2 | 2 |
| M Chowdhury | 1 | 1 |

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

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance and Resources Committee and the Audit and Risk Committee as detailed further below. These are sub-Committees of the Board of Trustees and they met 4 and 3 times respectively during the year, also moved to virtual meetings from Spring term. 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.

The Trust Board only met four times as the fifth meeting was cancelled due to Covid-19 and urgent requirements for Trust staff to manage the risk to pupils, staff and educational continuity. Frequent communication with the Chair and Trustees was maintained throughout the period.

CENTRAL RSA ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust has been actively recruiting Trustees to fill the skills gaps and four were appointed in the last financial year to bring expertise to the areas of H&S, Business and Education, Audit, the Arts, Commerce and Manufacture. The Trust is actively seeking Finance expert Trustees to replace a resignation. It is hoped that an appropriate appointment can be made in the new year. Whilst the trust acknowledges the F&R committee still has a vacancy it has retained the voluntary services of Finance expert committee members to assist in offering the appropriate levels of scrutiny, support and challenge.

The Finance and Resources 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.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| O MacSherry | 4 | 4 |
| W Chikowore | 1 | 1 |
| J Gill (Non trustee) | 2 | 4 |
| J Stephenson (Non trustee) | 4 | 4 |

The key issue dealt with by the Finance and Resources Committee during the year was the review of the Academy Trust's 3 year financial forecasts and the actions required to address not only the expected funding lags expected over this period due to expected pupil growth, but also the financial impact of COVID-19 was having on budgets, for example loss of lettings and catering income.

The Audit and Risk 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.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------------------|-------------------|-------------------|
| Dr N Clifford | 1 | 1 |
| M Chowdhury | 1 | 1 |
| J Howells | 1 | 1 |
| J Chamberlain (Non trustee) | 3 | 3 |
| E Chowdhury (Non trustee) | 3 | 3 |
| T Kristunas (Internal Auditor) | 3 | 3 |

The Committee met 3 times Chaired by a Governor of one of the schools and with a Trust Expert Member in attendance.

Following a recruitment campaign and a governance restructure the committee met with a quorum of Trustees for the last meeting of Academic Year 2019-2020. The committee now has three Trustees as members of the committee.

The key issue(s) deal with by the Audit and Risk Committee during the year was the review of the reports received from Chief Operating Officer, Chief Finance Officer and Internal and External Auditors in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified.

CENTRAL RSA ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Executive Principal (CEO) has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

- continual review of service level agreements and contract renewal to enable cross trust alignment
- refresh of lettings agreements during 2019/2020
- careful consideration of curriculum plans and implications on staffing budgets to ensure efficiency balanced with delivery

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Central RSA Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy 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's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and Resources 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 Teresa Kristunas.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

- implantation of the Records Management Policy
- review of and testing of payroll systems and procedures
- review of and testing of risk management
- review and testing of Recruitment and Selection
- review and testing of Internal Controls checklist
- review of and testing of Sickness, Discretionary & other approved absences at RSA Academy (Tipton)
- review and testing of Procurement
- review of monthly financial closedown and transaction sampling

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

The auditor has delivered their program of work during the year ended 31 August 2020, albeit modified in order to work around lockdown restrictions due to COVID-19. This involved replacing ICT Security and Educational Visits with Procurement and monthly financial closedown as they could be conducted remotely during Autumn 2020 but relative to 2019/20.


Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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



E Griffiths
Chair of Trustees
Date: 17 December 2020



G Shears
Accounting Officer

CENTRAL RSA ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Central RSA Academies Trust I have considered my responsibility to notify the academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 Academies Financial Handbook 2019.

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.



G Shears

Accounting Officer

Date: 17 December 2020

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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:

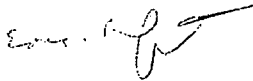
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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



E Griffiths
Chair of Trustees
Date: 17 December 2020

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL RSA ACADEMIES TRUST**

Opinion

We have audited the financial statements of Central RSA Academies Trust (the 'academy') for the year ended 31 August 2020 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 2019 to 2020 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's affairs as at 31 August 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL RSA ACADEMIES TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL RSA ACADEMIES TRUST (CONTINUED)**

Responsibilities of trustees

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

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

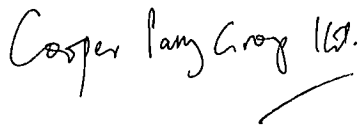
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Simon Atkins FCA (senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

Date: 17 December 2020

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 5 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central RSA Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Central RSA Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Central RSA Academies 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 Central RSA Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Central RSA Academies Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

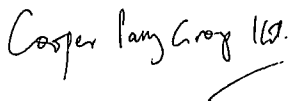
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

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;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Date: 17 December 2020

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transfer on conversion | | 54 | (1,229) | 7,875 | 6,700 | 4,700 |
| Other | | - | 10 | 867 | 877 | 615 |
| Charitable activities | 4 | - | 21,028 | - | 21,028 | 17,392 |
| Teaching schools | 30 | - | 249 | - | 249 | 112 |
| Other trading activities | 5 | 494 | - | - | 494 | 626 |
| Investments | 6 | 1 | - | - | 1 | 9 |
| Total income | | 549 | 20,058 | 8,742 | 29,349 | 23,454 |
| Expenditure on: | | | | | | |
| Raising funds | | 392 | - | - | 392 | 361 |
| Charitable activities | | - | 22,827 | 1,640 | 24,467 | 20,097 |
| Teaching schools | 30 | - | 181 | - | 181 | 156 |
| Total expenditure | 7 | 392 | 23,008 | 1,640 | 25,040 | 20,614 |
| Net income/(expenditure) | | 157 | (2,950) | 7,102 | 4,309 | 2,840 |
| Transfers between funds | 17 | (818) | 834 | (16) | - | - |
| Net movement in funds before other recognised gains/(losses) | | (661) | (2,116) | 7,086 | 4,309 | 2,840 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 24 | - | (1,275) | - | (1,275) | (2,698) |
| Net movement in funds | | (661) | (3,391) | 7,086 | 3,034 | 142 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,293 | (8,921) | 46,078 | 38,450 | 38,308 |
| Net movement in funds | | (661) | (3,391) | 7,086 | 3,034 | 142 |
| Total funds carried forward | | 632 | (12,312) | 53,164 | 41,484 | 38,450 |

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

The notes on pages 38 to 66 form part of these financial statements.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08166526

BALANCE SHEET
AS AT 31 AUGUST 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 14 | 52,474 | 46,000 |
| Current assets | | | |
| Debtors | 15 | 985 | 1,121 |
| Cash at bank and in hand | | 2,395 | 1,713 |
| | | 3,380 | 2,834 |
| Creditors: amounts falling due within one year | 16 | (1,942) | (1,415) |
| Net current assets | | 1,438 | 1,419 |
| Net assets excluding pension liability | | 53,912 | 47,419 |
| Defined benefit pension scheme liability | 24 | (12,428) | (8,969) |
| Total net assets | | 41,484 | 38,450 |
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | 53,164 | 46,078 |
| Restricted income funds | 17 | 116 | 48 |
| Pension reserve | 17 | (12,428) | (8,969) |
| Total restricted funds | 17 | 40,852 | 37,157 |
| Unrestricted income funds | 17 | 632 | 1,293 |
| Total funds | | 41,484 | 38,450 |

The financial statements on pages 35 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



E Griffiths
Chair of Trustees
Date: 17 December 2020

The notes on pages 38 to 66 form part of these financial statements.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | 2020 | 2019 |
|---|-------------|-------------|-------------|
| | | £000 | £000 |
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 19 | 22 | (575) |
| Cash flows from investing activities | 20 | 660 | 44 |
| Change in cash and cash equivalents in the year | | 682 | (531) |
| | | 1,713 | 2,244 |
| Cash and cash equivalents at the beginning of the year | | 1,713 | 2,244 |
| Cash and cash equivalents at the end of the year | 21, 22 | 2,395 | 1,713 |

The notes on pages 38 to 66 form part of these financial statements

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Central RSA Academies Trust meets the definition of a public benefit entity under FRS 102.

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.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

• **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 goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

• **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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 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.

1.6 Tangible fixed assets

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

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

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

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

| | | | |
|----------------------------------|---|-----------|---------------------|
| Leasehold land | - | | Not depreciated |
| Long-term leasehold property | - | 2% | straight line basis |
| Fixtures, fittings and equipment | - | 10% - 33% | straight line basis |
| Computer equipment | - | 33% | straight line basis |

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.

1.7 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.

1.8 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.

1.9 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.

1.10 Financial instruments

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

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

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

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

1.11 Operating leases

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

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 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.

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Oldbury Park Primary RSA Academy and St Stephen's C E RSA Academy to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.14 Agency arrangements

The academy trust distributes 16-19 Bursary funds to students as an agent for the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds.

The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 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.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgement:

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

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

CENTRAL RSA ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---|---|---|---|--|--|
| Transfer from local authority on conversion (see note 23) | 54 | (1,229) | 7,875 | 6,700 | 4,700 |
| Donations | - | 10 | - | 10 | 25 |
| Capital Grants | - | - | 867 | 867 | 230 |
| Fixed assets donated by Local Authority | - | - | - | - | 360 |
| Subtotal | - | 10 | 867 | 877 | 615 |
| Total 2020 | 54 | (1,219) | 8,742 | 7,577 | 5,315 |
| Total 2019 | 56 | (588) | 5,847 | 5,315 | |

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FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's direct costs - academies educational operations

| | Restricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---------------------------------------|---|--|--|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | 17,510 | 17,510 | 14,926 |
| Start up grants | 10 | 10 | 80 |
| Other DfE/ESFA grants | 2,566 | 2,566 | 1,939 |
| | <u>20,086</u> | <u>20,086</u> | <u>16,945</u> |
| Other Government grants | | | |
| Local authority grants | 868 | 868 | 447 |
| | <u>868</u> | <u>868</u> | <u>447</u> |
| Exceptional government funding | | | |
| Coronavirus exceptional support | 74 | 74 | - |
| | <u>21,028</u> | <u>21,028</u> | <u>17,392</u> |

The Academy Trust has been eligible to claim additional funding during the year ended 31 August 2020 from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £74,000 of personal protective equipment, additional cleaning materials and other costs. These costs are included in note 7 below as appropriate.

5. Income from other trading activities

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---------------------------------|---|--|--|
| Hire of facilities | 70 | 70 | 138 |
| Catering income | 132 | 132 | 170 |
| Teaching and consultancy income | 17 | 17 | 93 |
| Nursery and WAC income | 38 | 38 | 37 |
| School trip income | 39 | 39 | 27 |
| Other income | 198 | 198 | 161 |
| | <u>494</u> | <u>494</u> | <u>626</u> |

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6. Investment income

| | Unrestricted funds 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---------------------|---|--|--|
| Short term deposits | 1 | 1 | 9 |
| | 1 | 1 | 9 |

7. Expenditure

| | Staff Costs 2020 £000 | Premises 2020 £000 | Other 2020 £000 | Total 2020 £000 | Total 2019 £000 |
|--|--------------------------------------|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Expenditure on fundraising trading activities: | | | | | |
| Direct costs | 337 | - | 55 | 392 | 361 |
| Educational operations: | | | | | |
| Direct costs | 15,193 | - | 1,128 | 16,321 | 13,261 |
| Allocated support costs | 3,744 | 2,401 | 2,001 | 8,146 | 6,836 |
| Teaching school | - | 178 | 3 | 181 | 156 |
| Total 2020 | 19,274 | 2,579 | 3,187 | 25,040 | 20,614 |
| Total 2019 | 15,408 | 2,241 | 2,965 | 20,614 | |

8. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £000 | Support costs 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|------------------------|---|--|--|--|
| Educational operations | 16,321 | 8,146 | 24,467 | 20,097 |
| Total 2020 | 16,321 | 8,146 | 24,467 | 20,097 |
| Total 2019 | 13,261 | 6,836 | 20,097 | |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Educational operations 2020 £000 | Total funds 2020 £000 | Total funds 2019 £000 |
|---------------------|---|--|--|
| Pension | 195 | 195 | 150 |
| Staff costs | 3,744 | 3,744 | 2,889 |
| Depreciation | 1,640 | 1,640 | 1,385 |
| Technology costs | 341 | 341 | 406 |
| Premises costs | 1,134 | 1,134 | 1,020 |
| Other support costs | 995 | 995 | 842 |
| Governance costs | 97 | 97 | 144 |
| | 8,146 | 8,146 | 6,836 |

Included within governance costs are legal costs relating to academy conversions and transfers of £Nil (2019: £46,000) and other professional costs relating to all other matters of £97,000 (2019: £51,000).

9. Net income/(expenditure)

Net income/(expenditure) for the year includes the following costs:

| | 2020 £000 | 2019 £000 |
|---------------------------------------|----------------------|----------------------|
| Operating lease rentals | 124 | 105 |
| Depreciation of tangible fixed assets | 1,640 | 1,385 |
| Fees paid to auditor for: | | |
| - audit | 16 | 14 |
| - other services | 15 | 23 |
| | 1,800 | 1,527 |

Included within expenditure is £24,000 of unrecoverable debts, of which £20,000 relates to a company which went into administration September 2020.

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 | 2019 |
|---------------------------|-------------|-------------|
| | £000 | £000 |
| Wages and salaries | 13,746 | 11,468 |
| Social security costs | 1,283 | 1,003 |
| Pension costs | 3,792 | 2,429 |
| | 18,821 | 14,900 |
| Agency staff costs | 383 | 494 |
| Staff restructuring costs | 70 | 14 |
| | 19,274 | 15,408 |

Staff restructuring costs comprise:

| | 2020 | 2019 |
|---------------------|-------------|-------------|
| | £000 | £000 |
| Redundancy payments | 36 | - |
| Severance payments | 34 | 14 |
| | 70 | 14 |

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £32,020 (2019: £14,367). Individually the payments were: £14,801, £9,945 and £9,274.

c. Staff numbers

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

| | 2020 | 2019 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 258 | 176 |
| Administration and support | 327 | 285 |
| Management | 22 | 9 |
| | 607 | 470 |

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10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

| | 2020 | 2019 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 219 | 166 |
| Administration and support | 212 | 151 |
| Management | 22 | 9 |
| | 453 | 326 |

d. Higher paid staff

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

| | 2020 | 2019 |
|---------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 11 | 9 |
| In the band £70,001 - £80,000 | 2 | 2 |
| In the band £80,001 - £90,000 | 1 | 4 |
| In the band £90,001 - £100,000 | 3 | 1 |
| In the band £130,001 - £140,000 | - | 1 |
| In the band £140,001 - £150,000 | 1 | - |
| | 1 | - |

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,195,192 (2019: £648,123). The increase is due to investment and centralisation of management, Primary Executive Lead role and growth of two schools during 2020.

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11. Central services

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

- human resources
- financial services
- legal services
- educational support services

The academy charges for these services on the following basis, which are based on the number of pupils at each school:

| | 2020 | 2019 |
|---------------------------------------|------|------|
| RSA Academy Arrow Vale | 5.0% | 5.0% |
| Ipsley CE RSA Academy | 3.6% | 3.6% |
| Church Hill Middle School RSA Academy | 3.6% | 3.6% |
| Abbeywood First School RSA Academy | 3.0% | 3.0% |
| RSA Academy Tipton | 7.0% | 7.0% |
| Sutton Park Primary Academy | 3.0% | 3.0% |
| Oldbury Park Primary RSA Academy | 3.5% | - |
| St Stephen's C E RSA Academy | 3.5% | - |

The actual amounts charged during the year were as follows:

| | 2020 £000 | 2019 £000 |
|---------------------------------------|--------------|--------------|
| RSA Academy Arrowvale | 196 | 182 |
| Ipsley CE RSA Academy | 94 | 90 |
| Church Hill Middle School RSA Academy | 44 | 43 |
| Abbeywood First School RSA Academy | 37 | 36 |
| RSA Academy Tipton | 399 | 333 |
| Sutton Park Primary Academy | 26 | 18 |
| Oldbury Park Primary RSA Academy | 44 | - |
| St Stephen's C E RSA Academy | 21 | - |
| Total | 861 | 702 |

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £1,000 were reimbursed or paid directly to 4 Trustees (2019 - £1,000 to 4 Trustees).

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13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

| | Long-term leasehold property £000 | Furniture and equipment £000 | Computer equipment £000 | Motor vehicles £000 | Total £000 |
|--------------------------|--|---|--|------------------------------------|-----------------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | 65,874 | 2,235 | 2,137 | 3 | 70,249 |
| Additions | 52 | 20 | 167 | - | 239 |
| Acquired on conversion | 7,770 | 33 | 72 | - | 7,875 |
| At 31 August 2020 | 73,696 | 2,288 | 2,376 | 3 | 78,363 |
| Depreciation | | | | | |
| At 1 September 2019 | 20,395 | 1,895 | 1,958 | 1 | 24,249 |
| Charge for the year | 1,267 | 165 | 207 | 1 | 1,640 |
| At 31 August 2020 | 21,662 | 2,060 | 2,165 | 2 | 25,889 |
| Net book value | | | | | |
| At 31 August 2020 | 52,034 | 228 | 211 | 1 | 52,474 |
| At 31 August 2019 | 45,479 | 340 | 179 | 2 | 46,000 |

Land is included in the total leasehold land and buildings valuation at a value of £10,316,000 (2019: £8,308,000) and is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

| | 2020 | 2019 |
|--------------------------------|-------------|-------------|
| | £000 | £000 |
| Due within one year | | |
| Trade debtors | 28 | 64 |
| Other debtors | 192 | 410 |
| Prepayments and accrued income | 765 | 647 |
| | 985 | 1,121 |
| | 985 | 1,121 |

16. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Trade creditors | 585 | 600 |
| Other taxation and social security | 321 | 273 |
| Other creditors | 481 | 359 |
| Accruals and deferred income | 555 | 183 |
| | 1,942 | 1,415 |
| | 1,942 | 1,415 |
| | 2020 | 2019 |
| | £000 | £000 |
| Deferred income at 1 September 2019 | 9 | 51 |
| Resources deferred during the year | 209 | 9 |
| Amounts released from previous periods | (9) | (51) |
| | 209 | 9 |
| | 209 | 9 |

Deferred income at the balance sheet date is represented by grant funds and other educational activities funds received in advance which relate to activities that will be undertaken during the year ending 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

| | Balance at 1 September 2019 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2020 £000 |
|-------------------------------------|---|----------------------|------------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| General Funds | 1,293 | 549 | (392) | (818) | - | 632 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 17,510 | (18,344) | 834 | - | - |
| Start Up Grant | - | 10 | (10) | - | - | - |
| Pupil Premium | - | 1,140 | (1,140) | - | - | - |
| Other Grants | - | 2,378 | (2,378) | - | - | - |
| Teaching school | 48 | 249 | (181) | - | - | 116 |
| Pension reserve | (8,969) | (1,229) | (955) | - | (1,275) | (12,428) |
| | <u>(8,921)</u> | <u>20,058</u> | <u>(23,008)</u> | <u>834</u> | <u>(1,275)</u> | <u>(12,312)</u> |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 43,758 | 7,875 | (1,190) | - | - | 50,443 |
| DfE Group Capital Grants | 1,580 | 867 | (300) | (16) | - | 2,131 |
| Donated Assets | 360 | - | (50) | - | - | 310 |
| Capital expenditure from GAG | 380 | - | (100) | - | - | 280 |
| | <u>46,078</u> | <u>8,742</u> | <u>(1,640)</u> | <u>(16)</u> | <u>-</u> | <u>53,164</u> |
| Total Restricted funds | <u>37,157</u> | <u>28,800</u> | <u>(24,648)</u> | <u>818</u> | <u>(1,275)</u> | <u>40,852</u> |
| Total funds | <u><u>38,450</u></u> | <u><u>29,349</u></u> | <u><u>(25,040)</u></u> | <u><u>-</u></u> | <u><u>(1,275)</u></u> | <u><u>41,484</u></u> |

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

The pupil premium funding must be used to support children from families on low income or children in care.

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

The Teaching School funds must be used for the operation of the Teaching School activities operated through the Academy Trust.

Other grants and income, which include other ESFA / DfE grants (including Universal Infant Free School Meal grants, Teacher Pay grants and Teachers' Pension grants), Local Authority funding, and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided.

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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 2020.

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

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

| | 2020 | 2019 |
|--|---------------|---------------|
| | £000 | £000 |
| RSA Academy Arrow Vale | (960) | (682) |
| Ipsley CE RSA Academy | 210 | 128 |
| Church Hill Middle School RSA Academy | 330 | 318 |
| Abbeywood First School RSA Academy | 155 | 183 |
| RSA Academy Tipton | 1,530 | 1,720 |
| Sutton Park Primary Academy | 1 | 27 |
| Oldbury Park Primary RSA Academy | (83) | - |
| St Stephen's C E RSA Academy | 97 | - |
| Teaching School Alliance | 116 | 48 |
| Central MAT | (648) | (401) |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 748 | 1,341 |
| Restricted fixed asset fund | 53,164 | 46,078 |
| Pension reserve | (12,428) | (8,969) |
| | <hr/> | <hr/> |
| Total | 41,484 | 38,450 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following academies are carrying a net deficit on their portion of the funds as follows:

| | Deficit |
|----------------------------------|----------------|
| | £000 |
| RSA Academy Arrow Vale | (924) |
| Oldbury Park Primary RSA Academy | (83) |
| Central MAT | (684) |
| | <hr/> <hr/> |

It is acknowledged by trustees that growth in pupil numbers creates a lag in income, not only at school level but at central level. The financial effect of the lag in income for the trust for 2019/2020 was £478k.

Additionally the Trust recognises the impact of income distribution on three tier schools. This is where funding per pupil is funded at a flat rate from Y7 through to Y9 when class sizes may reduce in Y9 in preparation for GCSEs and options, making affordability more difficult. The Trust will be reviewing this as part of a wider review of using GAG Pooling.

The academy is taking the following action to return the academies to surplus:

The Trust has invested in the central services it provides to enable trust growth and school improvement. During November 2020 the Trust was granted Trust Capacity Funding to further invest in growth and will be delivering this alongside a reducing in year deficit position for each school as per the budget forecast return.

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17. 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 £000 | Other support staff costs £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total 2020 £000 | Total 2019 £000 |
|--|--|---|---------------------------------|--|-----------------------|-----------------------|
| RSA Academy Arrow Vale | 3,204 | 663 | 300 | 469 | 4,636 | 4,365 |
| Ipsley CE RSA Academy | 2,139 | 406 | 156 | 295 | 2,996 | 2,812 |
| Church Hill Middle School RSA Academy & Abbeywood First School | 2,321 | 336 | 123 | 325 | 3,105 | 2,929 |
| RSA Academy Tipton | 4,670 | 807 | 394 | 875 | 6,746 | 6,267 |
| Sutton Park Primary Academy | 872 | 162 | 56 | 158 | 1,248 | 790 |
| Oldbury Park Primary RSA Academy | 1,156 | 220 | 22 | 201 | 1,599 | - |
| St Stephen's C E RSA Academy | 534 | 130 | 28 | 91 | 783 | - |
| Teaching School Alliance | - | - | - | 181 | 181 | 156 |
| Central MAT | 1,252 | 597 | 48 | 209 | 2,106 | 1,910 |
| Academy | 16,148 | 3,321 | 1,127 | 2,804 | 23,400 | 19,229 |

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17. Statement of funds (continued)

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

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Transfers in/out £000 | Gains/ (Losses) £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|---|----------------|---------------------|-----------------------------|----------------------------|---|
| Unrestricted funds | | | | | | |
| General Funds | 1,594 | 691 | (361) | (631) | - | 1,293 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 14,926 | (15,522) | 596 | - | - |
| Start Up Grant | - | 80 | (80) | - | - | - |
| Pupil Premium | - | 1,243 | (1,243) | - | - | - |
| Other Grants | - | 1,168 | (1,168) | - | - | - |
| Teaching School | 92 | 112 | (156) | - | - | 48 |
| Pension reserve | (4,959) | (613) | (699) | - | (2,698) | (8,969) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | (4,867) | 16,916 | (18,868) | 596 | (2,698) | (8,921) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 39,551 | 5,257 | (1,050) | - | - | 43,758 |
| DfE Group Capital Grants | 1,585 | 230 | (235) | - | - | 1,580 |
| Donated Assets | - | 360 | - | - | - | 360 |
| Capital expenditure from GAG | 445 | - | (100) | 35 | - | 380 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 41,581 | 5,847 | (1,385) | 35 | - | 46,078 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Restricted funds | 36,714 | 22,763 | (20,253) | 631 | (2,698) | 37,157 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds | 38,308 | 23,454 | (20,614) | - | (2,698) | 38,450 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CENTRAL RSA ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £000 | Restricted funds 2020 £000 | Restricted fixed asset funds 2020 £000 | Total funds 2020 £000 |
|--|---|---|---|--|
| Tangible fixed assets | - | - | 52,474 | 52,474 |
| Current assets | 632 | 2,058 | 690 | 3,380 |
| Creditors due within one year | - | (1,942) | - | (1,942) |
| Provisions for liabilities and charges | - | (12,428) | - | (12,428) |
| Total | 632 | (12,312) | 53,164 | 41,484 |

Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £000 | Restricted funds 2019 £000 | Restricted fixed asset funds 2019 £000 | Total funds 2019 £000 |
|--|---|---|---|--|
| Tangible fixed assets | - | - | 46,000 | 46,000 |
| Current assets | 1,318 | 1,438 | 78 | 2,834 |
| Creditors due within one year | (25) | (1,390) | - | (1,415) |
| Provisions for liabilities and charges | - | (8,969) | - | (8,969) |
| Total | 1,293 | (8,921) | 46,078 | 38,450 |

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FOR THE YEAR ENDED 31 AUGUST 2020

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

| | 2020 | 2019 |
|--|-------------|--------------|
| | £000 | £000 |
| Net income for the period (as per statement of financial activities) | 4,309 | 2,840 |
| | <hr/> | <hr/> |
| Adjustments for: | | |
| Depreciation | 1,640 | 1,385 |
| Capital grants from DfE and other capital income | (867) | (622) |
| Interest receivable | (1) | (1) |
| Difference between pension charge and cash contributions | 2,227 | 699 |
| Decrease/(increase) in debtors | 136 | (315) |
| Increase in creditors | 632 | 139 |
| Transfer from Local Authority re school joining the trust | (8,054) | (4,700) |
| | <hr/> | <hr/> |
| Net cash provided by/(used in) operating activities | 22 | (575) |
| | <hr/> <hr/> | <hr/> <hr/> |

20. Cash flows from investing activities

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Dividends, interest and rents from investments | 1 | 1 |
| Purchase of tangible fixed assets | (208) | (219) |
| Capital grants from DfE Group | 867 | 262 |
| | <hr/> | <hr/> |
| Net cash provided by investing activities | 660 | 44 |
| | <hr/> <hr/> | <hr/> <hr/> |

21. Analysis of cash and cash equivalents

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Cash in hand | 2,395 | 1,713 |
| | <hr/> | <hr/> |
| Total cash and cash equivalents | 2,395 | 1,713 |
| | <hr/> <hr/> | <hr/> <hr/> |

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FOR THE YEAR ENDED 31 AUGUST 2020

22. Analysis of changes in net debt

| | At 1 September 2019 £000 | Cash flows £000 | At 31 August 2020 £000 |
|--------------------------|-----------------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 1,713 | 682 | 2,395 |
| | 1,713 | 682 | 2,395 |
| | 1,713 | 682 | 2,395 |

23. Conversion to an academy trust

On 1 October 2019 Oldbury Park Primary RSA Academy (OP) and St Stephen's C E RSA Academy (STS) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Central RSA Academies Trust from Worcestershire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

| | Unrestricted funds £000 | Restricted funds £000 | Restricted fixed asset funds £000 | Total funds £000 |
|--|-------------------------------|-----------------------------|--|------------------------|
| Tangible fixed assets | | | | |
| OP - Leasehold Land and Buildings | - | - | 5,450 | 5,450 |
| STS - Leasehold land and buildings | - | - | 2,320 | 2,320 |
| OP - Other tangible fixed assets | - | - | 54 | 54 |
| STS - Other tangible fixed assets | - | - | 51 | 51 |
| Current assets | | | | |
| OP - Cash representing budget surplus on LA funds | (34) | - | - | (34) |
| STS - Cash representing budget surplus on LA funds | 88 | - | - | 88 |
| Non-current liabilities | | | | |
| OP & STS - Pension liabilities | - | (1,229) | - | (1,229) |
| Net assets/(liabilities) | 54 | (1,229) | 7,875 | 6,700 |
| | 54 | (1,229) | 7,875 | 6,700 |

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

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

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

Contributions amounting to £322,000 were payable to the schemes at 31 August 2020 (2019 - £219,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,956,000 (2019 - £1,182,000).

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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24. 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 2020 was £1,010,000 (2019 - £804,000), of which employer's contributions totalled £782,000 (2019 - £628,000) and employees' contributions totalled £228,000 (2019 - £176,000). The agreed contribution rates for future years are 19.6 per cent for employers and 5.5 per cent for employees.

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

Principal actuarial assumptions

| | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.20 - 3.80 | 3.60 - 3.65 |
| Rate of increase for pensions | 2.20 - 2.30 | 2.15 - 2.20 |
| Discount rate for scheme liabilities | 1.65 - 1.80 | 1.80 - 1.90 |

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

| | 2020 | 2019 |
|-----------------------------|-------------|-------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.9 - 22.6 | 20.9 - 22.8 |
| Females | 24.1 - 25.0 | 23.2 - 25.8 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.8 - 24.3 | 22.6 - 25.1 |
| Females | 26.0 - 27.0 | 25.1 - 28.2 |

Sensitivity analysis

West Midlands Pension Fund

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | (331) | (266) |
| Discount rate -0.1% | 342 | 274 |
| Mortality assumption - 1 year increase | 428 | 340 |
| Mortality assumption - 1 year decrease | (412) | (328) |
| CPI rate +0.1% | 305 | 236 |
| CPI rate -0.1% | (296) | (229) |
| Long term salary +0.1% | 34 | 38 |
| Long term salary -0.1% | (34) | (37) |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Worcestershire County Council Pension Fund

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | (283) | (196) |
| Mortality assumption - 1 year increase | 387 | 175 |
| CPI rate +0.1% | 289 | 201 |
| CPI rate +0.1% | 31 | 27 |
| | (283) | (196) |

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

| | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| | £000 | £000 |
| Equities | 7,274 | 6,694 |
| Gilts | 1,031 | 882 |
| Corporate bonds | 549 | 447 |
| Property | 763 | 738 |
| Cash and other liquid assets | 637 | 338 |
| Other | 1,622 | 1,193 |
| Total market value of assets | 11,876 | 10,292 |

The actual return on scheme assets was £609,000 (2019 - £523,000).

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

| | 2020 | 2019 |
|---|----------------|----------------|
| | £000 | £000 |
| Current service cost | (1,535) | (976) |
| Past service cost | (7) | (201) |
| Interest income | 210 | 259 |
| Interest cost | (391) | (398) |
| Administrative expenses | (14) | (11) |
| Total amount recognised in the Statement of Financial Activities | (1,737) | (1,327) |

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24. Pension commitments (continued)

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

| | 2020 £000 | 2019 £000 |
|------------------------|----------------------------|----------------------------|
| At 1 September | 19,261 | 14,061 |
| Current service cost | 1,535 | 976 |
| Interest cost | 391 | 398 |
| Employee contributions | 228 | 176 |
| Actuarial losses | 1,288 | 2,961 |
| Benefits paid | (431) | (125) |
| Business combinations | 2,025 | 613 |
| Past service costs | 7 | 201 |
| | <hr/> | <hr/> |
| At 31 August | 24,304 | 19,261 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2020 £000 | 2019 £000 |
|-------------------------|----------------------------|----------------------------|
| At 1 September | 10,292 | 9,102 |
| Interest on plan assets | 210 | 259 |
| Actuarial gains | 13 | 263 |
| Employer contributions | 782 | 628 |
| Employee contributions | 228 | 176 |
| Benefits paid | (431) | (125) |
| Business combinations | 796 | - |
| Administrative expenses | (14) | (11) |
| | <hr/> | <hr/> |
| At 31 August | 11,876 | 10,292 |
| | <hr/> <hr/> | <hr/> <hr/> |

25. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £000 | 2019 £000 |
|--|----------------------------|----------------------------|
| Not later than 1 year | 107 | 95 |
| Later than 1 year and not later than 5 years | 205 | 186 |
| Later than 5 years | 6 | 23 |
| | <hr/> | <hr/> |
| | 318 | 304 |
| | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Members' liability

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

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds on behalf of the ESFA. In the accounting period ended 31 August 2020, the Trust received £26,000 (2019: £27,000) and disbursed £17,000 (2019: £27,000) from the fund. An amount of £Nil (2019: £Nil) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.

29. Post balance sheet events

It is planned that the Trust will acquire a new school on 1 January 2021 called Roman Way First School, Redditch.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

30. Teaching school trading account

| | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|---|--------------|--------------|--------------|--------------|
| Income | | | | |
| Direct income | | | | |
| NCTL Income | 102 | | 109 | |
| Other direct income | 147 | | 83 | |
| Funds transferred to partner schools | - | | (99) | |
| | 249 | | 93 | |
| Other income | | | | |
| Fundraising and other trading activities | - | | 19 | |
| Total income | | 249 | | 112 |
| Expenditure | | | | |
| Direct expenditure | | | | |
| Other direct costs | 3 | | 13 | |
| Other expenditure | | | | |
| Other support costs | 178 | | 143 | |
| Total expenditure | | 181 | | 156 |
| | | 68 | | (44) |
| Surplus/(deficit) from all sources | | 68 | | (44) |
| Teaching school balances at 1 September 2019 | | 48 | | 92 |
| | | 116 | | 48 |
| Teaching school balances at 31 August 2020 | | 116 | | 48 |