

CENTRAL REGION SCHOOLS TRUST
(Formerly known as Central RSA Academies Trust)

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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CENTRAL REGION SCHOOLS 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 J Howells E Keates, Vice Chair O MacSherry Dr N Clifford J Woodcock (nee Townshend) M Chowdhury J Stephenson (from 28 October 2021)
Company registered number	08166526
Company name	Central Region Schools Trust (formerly 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, Finance Director (CFO) N Beech, Executive Principal - Ipsley, Abbeywood and Church Hill RSA Academies D Smith, Trust Primary Executive Principal and Principal of Oldbury Park RSA Academy (retired 31 August 2021) I Mellor, Principal - Arrow Vale RSA Academy C Price, Principal - RSA Academy, Tipton (resigned 31 October 2020) H Tanner, Principal – RSA Academy, Tipton (Acting between 1 November 2020 to 30 April 2021, Principal wef 1 May 2021) M Moore, Chief Operating Officer (COO) S McMonagle, School Improvement Leader A Crawley, Principal - Sutton Park RSA Academy S Callanan, Principal - St Stephen's RSA Academy S Allen, Principal – Arrow Valley First School (wef 1 April 2021)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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
Worcestershire
B98 8BZ

Solicitors Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 9 Academies across 3 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 4,923 pupils currently enrolled across the Academies based on the October 2021 Census and includes Waseley Hills pupils (joined trust on 1 November 2021).

A tenth school joined the Trust on 1 November 21, Waseley Hills High School, located in Rubery of north Worcestershire. Since 2020 the trust has been providing school improvement support via a successful Educational School Improvement Fund (ESIF) bid. The school is also one of the first fifty named schools for a rebuild programme announced by the Government during 2020. This has been confirmed as a full rebuild scheduled in spring 2024.

An eleventh school, Holyhead school in Birmingham, has been approved by the RSC Headteacher Board to join our Trust and is scheduled to take place on 1 January 2022. This school will likely form the start of a Birmingham and Black Country hub to include Gospel Oak.

COVID-19 continued to take centre stage within the academic year 2020/21 for the education sector with Schools operating within 'bubbles' from September to December with bubble closures where COVID-19 was suspected and confirmed, including a national lockdown during November for two weeks, but where schools could remain open where possible. Another national lockdown was then announced after Christmas where schools were instructed to close until 8 March, although we continued to provide remote and online education for our pupils.

The public examinations series for 2021 were scrapped, as were SATs for primary aged pupils. Year 11 and Year 13 pupils were awarded examination grades based on centre 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. In terms of process, there were no appeals of grades at Arrow Vale RSA Academy and a very small number at RSA Academy Tipton.

The transition to online and remote learning was a huge undertaking for the trust during 2020's pandemic and systems established have continued to be used into 2021 when pupils were unable to attend, including the national lockdown period in the Spring Term, 2021. Staff and students continued to use MS Teams to deliver learning and wellbeing checks, along with systematic telephone contact and direct calls to all families.

Trustees reviewed and approved risk assessments during 2020/21; 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 received 700 donated laptops from the DfE scheme which have been distributed appropriately to support learning needs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Region Schools Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as the Central Region Schools Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and the Local 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 five but shall not be subject to any maximum. Subject to Articles 45-46, 48-49, 50-50A and 53, the Academy Trust shall have the following Trustees:

- (a) no fewer than 5 Directors appointed by the Members
- (b) at least 2 Directors appointed by the Diocesan Corporate Member
- (c) additional Directors who may be appointed under Article 58
- (d) 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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 are commissioned where necessary. A Governance handbook and dedicated portal are provided. Articles news items and links to training modules and webinars are provided via the portal.

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 Governance (HofG) and fortnightly meetings between the Clerk to Governors and the HofG.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

At 31 August 2021, the Academy Trust comprised the following individual academies:

- Gospel Oak School (formerly known as The RSA Academy) in 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
- Abbeywood RSA Academy, Redditch
- St Stephens CE RSA Academy, Redditch
- Arrow Valley First School, Redditch (joined 1 April 2021)
- Waseley Hills High School (joined post year end on 1 November 2021)

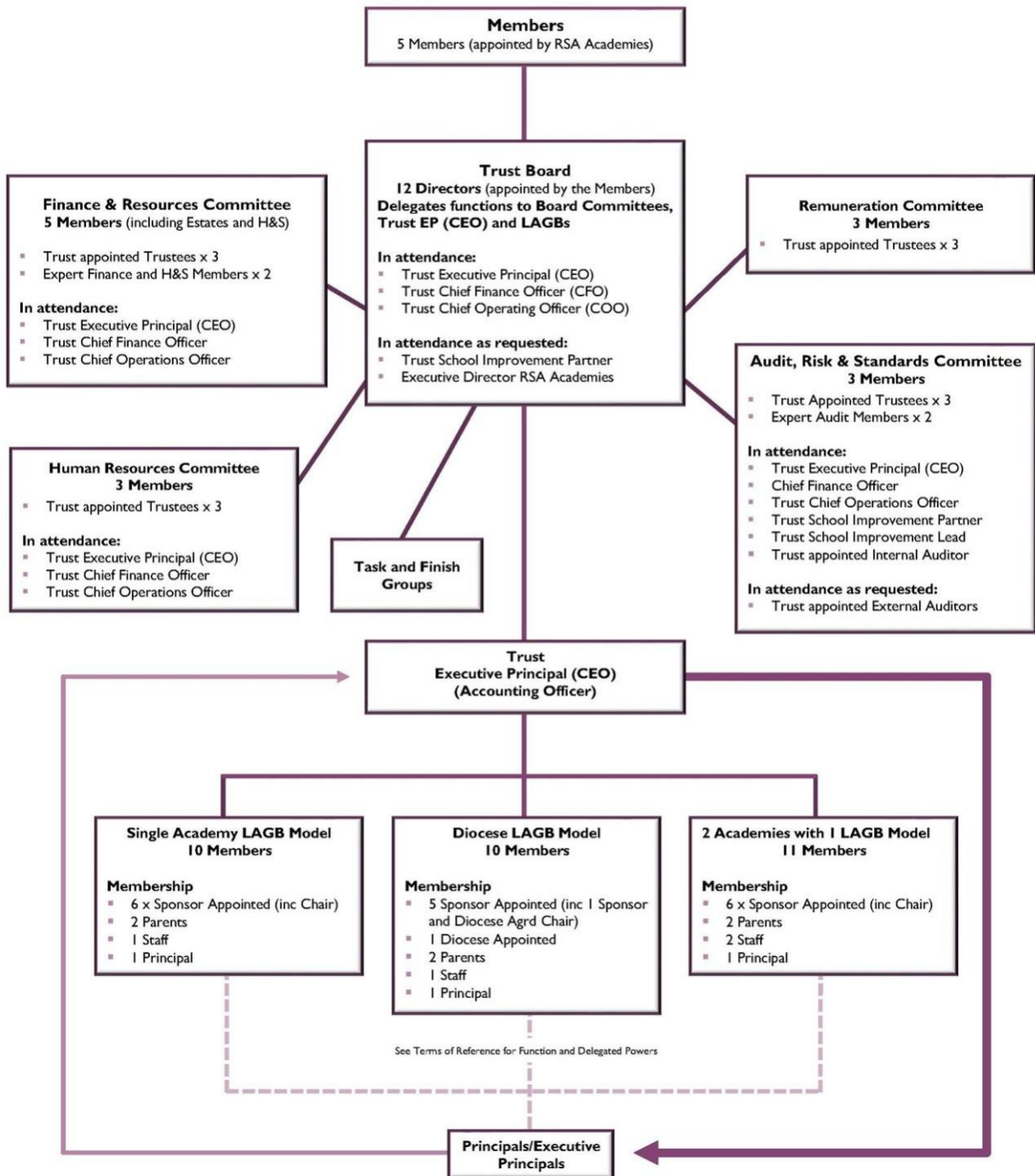
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)



Central RSA Academies Trust Governance Structure



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Local Academy Governing Boards (“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, Risk and Standards 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 LAGBs 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 2021

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	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	1
Total pay bill	19,200
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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i. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

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, with any reasonable adjustments in place, as with other employees.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are 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 Region Schools 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.

Mission

To promote opportunity and social justice for every child through exceptional schools.

Vision

As a trust founded by the Royal Society of Arts, our exceptional schools work together to create learning that is inspirational for all: igniting imagination and enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing their knowledge, attributes, skills and networks for success and fulfilment. In our powerful communities, everything is possible, and aspirations are high.

Outcomes are highly impressive.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Strategic objectives

SO1. Developing EXCEPTIONAL LEARNERS: We seek to develop confident and creative learners who can thrive in a changing world. Our curriculum will be the realisation of our shared aspirations for our learners.

SO2. Recruiting, developing, and retaining EXPERT PROFESSIONALS: Great schools are created through having great teachers and support staff. We aim to recruit and develop a superb workforce, highly skilled and passionate about getting the very best for all our pupils.

SO3. Achieving EXCELLENCE OF operational INFRASTRUCTURE; operating efficient and effective SYSTEMS; AND maintaining and improving PLACES: Innovative and sustainable schools that are creative, vibrant, safe, compliant, financially healthy, well resourced, and exceptionally well governed and led.

SO4. Building EMPOWERED COMMUNITIES AND developing LASTING PARTNERSHIPS to support the development of social justice: 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.

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 and is available from the Executive Principal (CEO).

The key activities of the Academy Trust for the year ended 31 August 2021 were focused as follows:

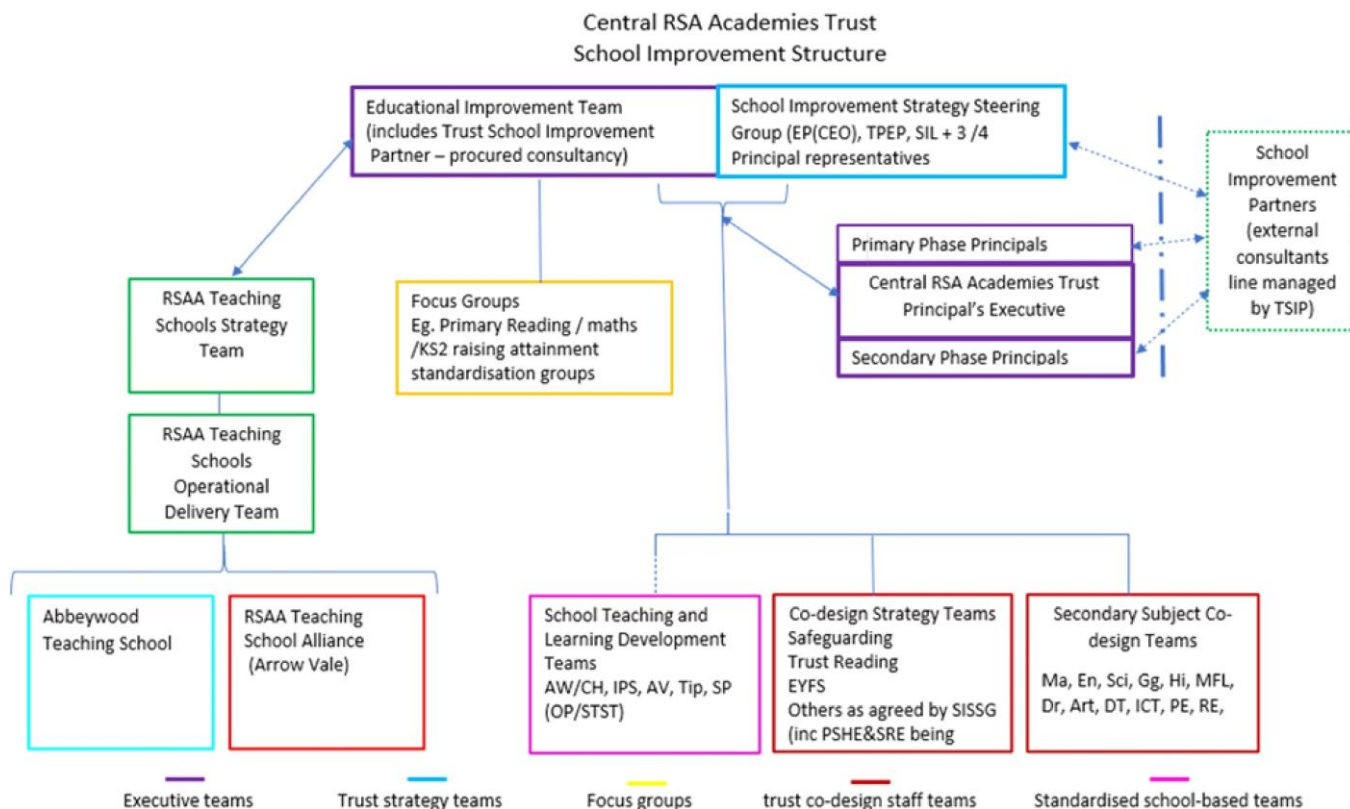
- Progress measures in all schools continued to improve on previous, pupils across the trust performed better than expected
- Attendance and wellbeing measures for pupils across the trust continued to improve
- Recovery from COVID-19
- The delivery of the trust development and investment plan successfully delivered 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

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 2021

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 wellbeing 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

During 2020/21 our Royal Society of Arts Academies 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:

- 100% of secondary trainees passed at Grade 1 & 2
- RSAA TSA Completion Rate (Secondary) 100%
- RSAA TSA Completion Rate (Primary) 100%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

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.

21% of trainees were retained within the Trust.

System Leadership

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

DfE sponsorship approval for an category 4first school (joined 1 April 2021)

DfE approval for 'intervention' school to join the SAT as a SAT to MAT (approved June 2021)

Emergency School Improvement Fund grant approval for secondary school support

NLE support – DfE School Improvement Offer – 4 schools

Recruited 7 additional Specialist Leaders in Education (SLEs)

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

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 tenth year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2021 was 4,069 and increases to 4,923 in October 2021 (including Waseley Hills at 763 which joined the trust on 1 November 2021).

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 2021 were as follows:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

(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).

MAT Primary School KS2 Data July 2021

			Year 6	Year 6	Year 6	Year 6
			Reading	Writing	Maths	Combined
Church hill	All	Exp	81.0%	76.0%	76.0%	71.0%
		GD	45.0%	11.0%	27.0%	8.0%
		Exp	70.0%	61.0%	58.0%	51.0%
Ipsley	All	GD	24.0%	9.0%	9.0%	6.0%
		Exp	69.0%	72.0%	78.0%	65.0%
		GD	30.0%	20.0%	25.0%	14.0%
Oldbury Park	All	Exp	49.0%	55.0%	64.0%	45.0%
		GD	15.0%	11.0%	11.0%	6.0%
		Exp	83.0%	65.0%	77.0%	57.0%
Sutton Park	All	GD	28.0%	12.0%	25.0%	3.0%
		Exp	62.0%	54.0%	46.0%	36.0%
		GD	8.0%	8.0%	8.0%	0.0%
Trust	All	Exp	90.0%	87.0%	97.0%	83.0%
		GD	43.0%	33.0%	17.0%	10.0%
		Exp	67.0%	67.0%	83.0%	50.0%
Trust	All	GD	17.0%	17.0%	17.0%	10.0%
		Exp	76.0%	72.0%	78.0%	64.0%
		GD	34.0%	18.0%	12.0%	8.0%
Trust	All	Exp	60.0%	56.0%	59.0%	46.0%
		GD	19.0%	9.0%	7.0%	4.0%
		PPM				

Key:

Exp Age related expectations (National measure)

GD Greater Depth (National measure)

PPM Pupil Premium (disadvantaged) pupils' performance

Combined - where students achieved the combination of all three subjects

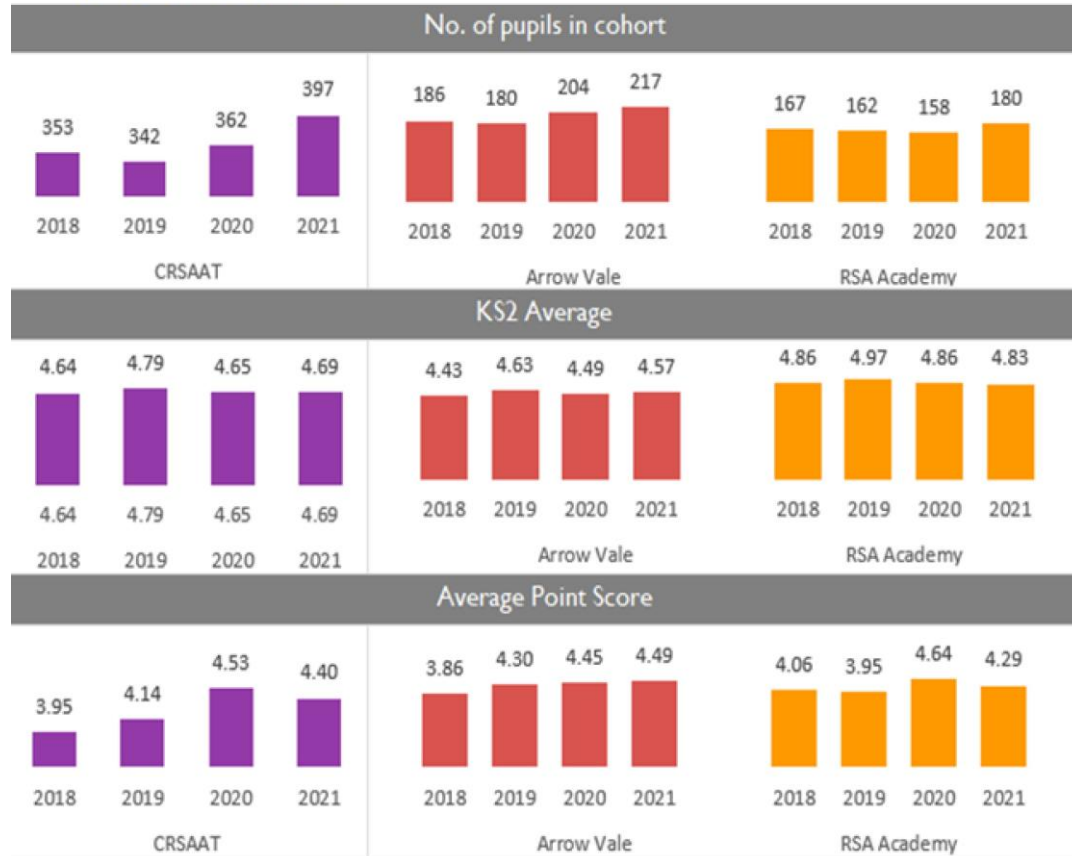
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

MAT Key Stage 4 Data August 2021



Note: The data is a summary of the grades given by the examination boards following the scrapping of the 2021 GCSE examination series due to COVID-19. These were awarded following rigorous moderation in our schools across the trust and the process scrutinised by Ofqual. All grades submitted by our schools were approved by Ofqual and therefore awarded as submitted by our schools to the students.

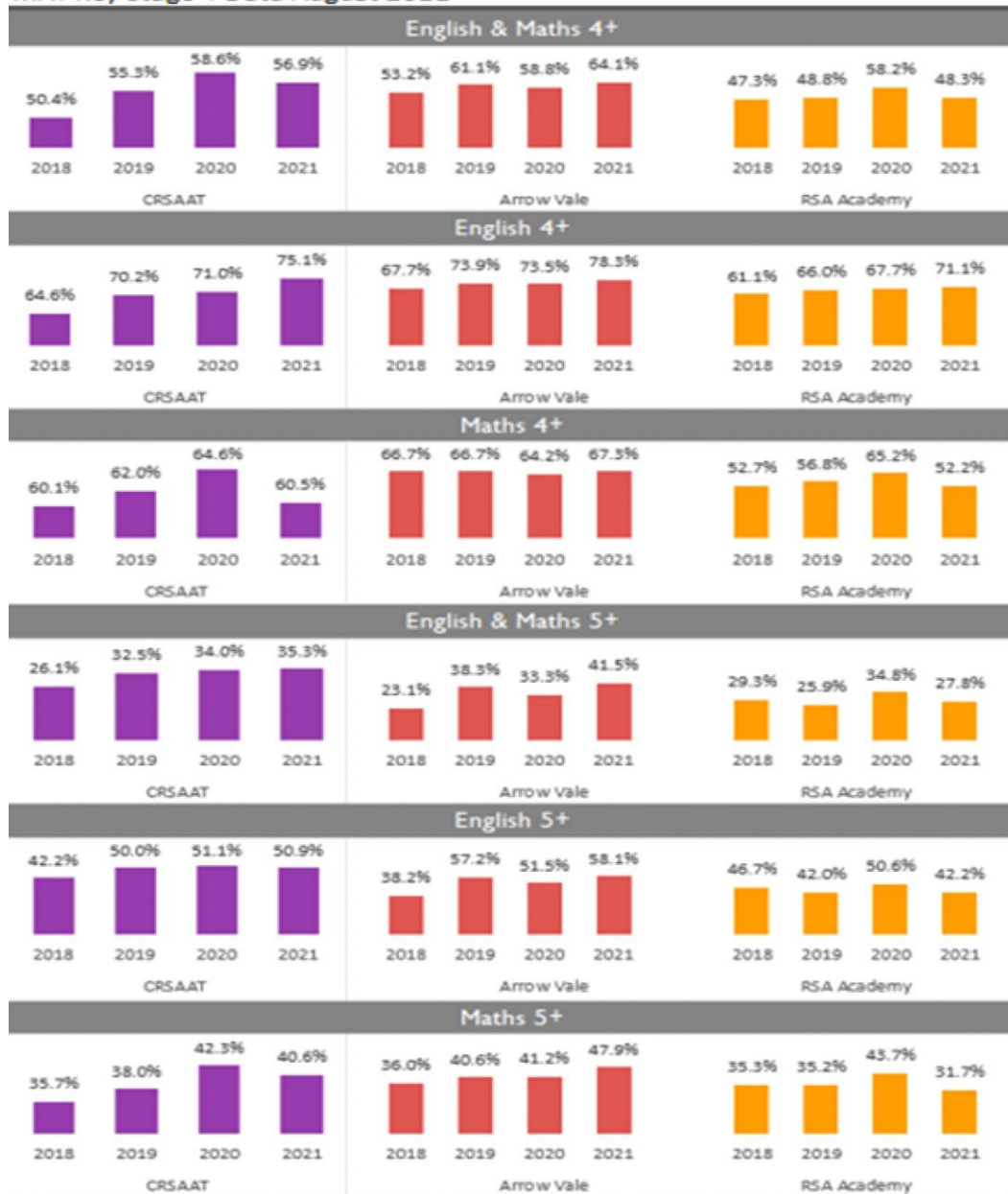
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

MAT Key Stage 4 Data August 2021



MAT Key Stage 5 August 2021

	No. of students	Average Grade	Average Point Score	% A* - B	% A* - C	% A* - E
RSA Academy	24	C=	30.67	45.3%	70.3%	95.3%
Arrow Vale	69	B-	36.65	56.8%	84.0%	100.0%

Ofsted inspections:

There were no Ofsted inspections in our schools during 2020-21.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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 2021, the balance of the unrestricted and restricted income reserves was £1,106,000 (2020: £748,000), which is after transfers of £Nil 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 4,923 (including Wasaley Hills who joined on 1 November 2021) which is an increase of over 21% 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 85.8% (2020: 91.7%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 81.7% (2020: 85.9%).

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.

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 everchanging 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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

Our stakeholders

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

Our people

The Trust's key asset is its people. It employs c.614 staff, and it is only through the combined effort of our staff, together with our supporters and volunteers, that we can change the lives of the children under our care. The 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 engage with the Members through timely communication from the Chair of Trustees and the Executive Principal (CEO). Members engage thoughtfully in those activities reserved to them such as the change of name process and ensure that the Trustees appointed and re-appointed during the year have the skills and experience required by the Trust Board. Communication and probity are further enhanced by one Member also sitting on the Board of Trustees.

Maintaining a reputation for high standards

The Academy Trust is in its tenth 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 strong school improvement track record. All schools that have been in the trust for four 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 six 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.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

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 2021 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 2021, the Academy Trust's total income (excluding capital grants and the net assets transferred from academies joining the Trust in the year) was £24,743,000 (2020: £21,782,000) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £24,384,000 (2020: £22,445,000), resulting in a net surplus for the year of £748,000 (2020: £663,000 deficit).

The balance of reserves at 31 August 2021, excluding the restricted fixed asset funds and LGPS liability fund was £1,106,000 (2020: £748,000).

The net book value of fixed assets at 31 August 2021 was £54,106,000. 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 the academy joining the Trust during the year. The total value of these net assets transferred, as included in the Statement of Financial Activities, were £1,824,000. The details of the net assets transferred and the basis of their valuations are set out in Note 23 to the financial statements.

The net book value of fixed assets at 31 August 2021 is £54,106,000, which includes the fixed asset transferred from the new academy joining the Trust during the year of £2,302,000 and depreciation charges for the period of £1,806,000. 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 £15,520,000 (2020: £12,428,000), 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 2021 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.

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 enable growth in pupil numbers by covering delays between spending and receipts of grants (known as the funding lag, where income levels are dictated by prior year pupil numbers) 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 2021 is £40,642,000 (2020: £41,484,000), of which £623,000 (2020: £632,000) 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 2021 is £55,055,000 (2020: £53,164,000), 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 2021 of £15,520,000, 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 REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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. The impact of COVID-19 has shaped the planning and investment needs in order to mitigate impact.

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 CoDesign Team, which has the Designated Safeguarding lead from each school in attendance.

During lockdown particular focus was given by leaders to ensure every child was safe and well in the period where home learning was required.

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, National Insurance 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.

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 high quality Talent Acquisition, Continued Personal Development, Career Progression and Promotion via integrated succession planning.

Failures in governance and / or management

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

Fraud and mismanagement of funds

The Academy Trust has engaged 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 Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

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 REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

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

	2021	2020
Energy consumption used to calculate emissions (kWh)	6,317,128	4,880,245
Energy consumption breakdown (kWh):		
Gas	4,546,387	3,362,767
Electricity	1,769,957	1,448,035
Transport fuel	784	69,443
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	923	685
Owned transport	2	14
Total scope 1	<u>925</u>	<u>699</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>376</u>	<u>338</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>2</u>	<u>6</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>1,303</u>	<u>1,043</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>2.25</u>	<u>0.28</u>

The Academy Trust 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.

Measures taken to improve energy efficiency

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.

WCC report an increase in energy CO2 emissions in 20/21 across all schools they provide Carbon Reporting for.

Note the algorithm applied alters year to year to convert KPIs to CO2 emissions.

CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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:

- Trust growth with one confirmed secondary school joined on 1 November, and another planned for January 2022. Both schools previously single academy trusts.
- Central Trust structural review underway due to the new growth, seeking efficient and effective ways to support all our member schools and pupils.

Trustees have consulted widely on a new strategic plan 2021+, to take the trust forward. The plan lays out the mission, vision and values of the trust, as well as 4 strategic objectives.

Mission, Vision and Values

Mission:

To promote opportunity and social justice for every child through exceptional schools.

Vision

What CRST hopes to achieve:

As a trust founded by The Royal Society of Arts, our exceptional schools work together to create learning that is inspirational for all: igniting imagination and enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing their knowledge, attributes, skills and networks for success and fulfilment. In our empowered communities, everything is possible and aspirations are high. Outcomes are highly impressive.

Values

The ethics and drivers of CRST:

<p><u>Integrity</u> Integrity in everything we do, in our leadership and practice, in our approach and in the ways we build the character of our children.</p>	<p><u>Excellence</u> Excellence in leadership, teaching and learning, resulting in excellent outcomes for every child.</p>	<p><u>Creativity</u> Creativity is fostered to encourage powerful thinking into practical action.</p>	<p><u>Community</u> Building empowered communities and networks where everything is possible and aspirations are high.</p>	<p><u>Respect</u> Respect for others is intrinsic in all our behaviours and ensures we embrace all strands of inclusion.</p>
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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.


CENTRAL REGION SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

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, on 15 December 2021 and signed on its behalf by:

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E Griffiths
Chair of Trustees

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Central Region Schools 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 Region Schools 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 5 times during the year despite the impact of COVID-19 and lockdown, with one additional Strategy meeting. Meetings were 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	5	5
W Adams	5	5
S Bates	3	5
W Chikowore	2	5
J Howells	5	5
E Keates, Vice Chair	3	5
O MacSherry	4	5
Dr N Clifford	5	5
J Woodcock (nee Townshend)	5	5
M Chowdhury	4	5

The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

The Board of Trustees met five times during the year with an additional designated Strategy meeting. The Trustees have maintained effective financial oversight and governance through the formal work undertaken by the Finance and Resources Committee and the Audit Risk and Standards Committee as detailed further below. These are sub-Committees of the Board of Trustees which met 4 and 3 times respectively during the year. The minutes of their meetings are provided to the full Board of Trustees. The Chairs of the 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 Finance and Resources committee carried a vacancy in 2020-21 and the Trust has been recruiting to fill the skills gaps while expert volunteer committee members have assisted on the Finance and Resources Committee, 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:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustee	Meetings attended	Out of a possible
O MacSherry	4	4
W Chikowore	4	4
J Gill (Non trustee)	3	3
J Stephenson (Non trustee)	2	4
A Wood (Non trustee)	1	2

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 which COVID-19 continued to have on budgets, for example loss of lettings and catering income.

The Audit Risk and Standards 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 reports its findings to the full 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	3	3
J Howells	3	3
E Chowdhury	2	3
T Kristunas (Internal Auditor)	3	3

The Committee met 3 times during the year with three Trustees as members of the committee. The remit of the Committee was expanded from Audit and Risk to Audit Risk and Standards.

The key issue(s) deal with by the Audit Risk and Standards 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.

Review of value for money

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

The accounting officer considers how the academy'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:

- appointment of a CIPS level 4 qualified Procurement Manager (via TCaF) for trust wide procurement review;
- use of DfE frameworks and CPC tendering to deliver savings on large contracts;
- continual review of service level agreements and contract renewal to enable cross trust alignment; and
- careful consideration of curriculum plans and implications on staffing budgets to ensure efficiency balanced with delivery.

CENTRAL REGION SCHOOLS TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 ongoing 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 Region Schools Trust for the year 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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; and
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from Teresa Kristunas

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:

- Review of compliance with GDPR/Data Protection Act 2018
- Review and testing of Recruitment & Selection at Oldbury Park, Sutton Park and St Stephen's
- ICT Security Audit based on ISO 9001
- Monthly Financial Closedown and transaction sampling
- Educational Visits at Oldbury Park, Sutton Park and St Stephen's
- Access payroll - follow up on 2019/20 audit findings

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.

CENTRAL REGION SCHOOLS TRUST
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GOVERNANCE STATEMENT (CONTINUED)

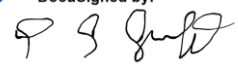
Review of effectiveness

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; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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:

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E Griffiths
Chair of Trustees

DocuSigned by:

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G Shears
Accounting Officer

Date: 15 December 2021


CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Central Region Schools Trust I have considered my responsibility to notify the Academy Trust 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 Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.

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G Shears
Accounting Officer

Date: 15 December 2021

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

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

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

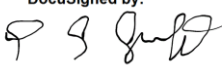
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

DocuSigned by:

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E Griffiths
Chair of Trustees

Date: 15 December 2021

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL REGION SCHOOLS TRUST**

Opinion

We have audited the financial statements of Central Region Schools Trust (the 'Academy Trust') for the year ended 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 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 2020 to 2021 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 Trust 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.

Responsibilities of trustees

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

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

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.

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

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

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

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

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

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

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

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

Use of our report

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

15 December 2021

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CENTRAL REGION SCHOOLS 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 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Region Schools Trust during the year 1 September 2020 to 31 August 2021 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 Region Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Central Region Schools 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 Region Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Central Region Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Central Region Schools Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust'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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Date: 15 December 2021

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Transfer on conversion		-	(478)	2,302	1,824	6,700
Other		-	20	1,399	1,419	877
Charitable activities	4	-	24,163	-	24,163	21,028
Teaching schools	30	-	216	-	216	249
Other trading activities	5	343	-	-	343	494
Investments	6	1	-	-	1	1
Total income		<u>344</u>	<u>23,921</u>	<u>3,701</u>	<u>27,966</u>	<u>29,349</u>
Expenditure on:						
Raising funds		353	-	-	353	392
Charitable activities		-	24,921	1,810	26,731	24,467
Teaching schools	30	-	117	-	117	181
Total expenditure	7	<u>353</u>	<u>25,038</u>	<u>1,810</u>	<u>27,201</u>	<u>25,040</u>
Net (expenditure)/income		<u>(9)</u>	<u>(1,117)</u>	<u>1,891</u>	<u>765</u>	<u>4,309</u>
Net movement in funds before other recognised gains/(losses)		<u>(9)</u>	<u>(1,117)</u>	<u>1,891</u>	<u>765</u>	<u>4,309</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,606)	-	(1,606)	(1,275)
Net movement in funds		<u>(9)</u>	<u>(2,723)</u>	<u>1,891</u>	<u>(841)</u>	<u>3,034</u>
Reconciliation of funds:						
Total funds brought forward		632	(12,312)	53,164	41,484	38,450
Net movement in funds		(9)	(2,723)	1,891	(841)	3,034
Total funds carried forward		<u>623</u>	<u>(15,035)</u>	<u>55,055</u>	<u>40,643</u>	<u>41,484</u>

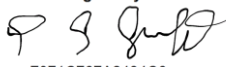
The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 41 to 72 form part of these financial statements.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08166526

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	54,106	52,474
Current assets			
Debtors	15	1,238	985
Cash at bank and in hand		3,464	2,395
		4,702	3,380
Creditors: amounts falling due within one year	16	(2,646)	(1,942)
Net current assets		2,056	1,438
Net assets excluding pension liability		56,162	53,912
Defined benefit pension scheme liability	24	(15,520)	(12,428)
Total net assets		40,642	41,484
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	55,055	53,164
Restricted income funds	17	484	116
Pension reserve	17	(15,520)	(12,428)
Total restricted funds	17	40,019	40,852
Unrestricted income funds	17	623	632
Total funds		40,642	41,484

The financial statements on pages 38 to 71 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

 F071C767A2434C6...

E Griffiths
 Chair of Trustees

Date: 15 December 2021

The notes on pages 41 to 71 form part of these financial statements.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	805	22
Cash flows from investing activities	20	264	660
Change in cash and cash equivalents in the year		1,069	682
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		2,395	1,713
Cash and cash equivalents at the end of the year	21, 22	<hr/> 3,464	<hr/> 2,395

The notes on pages 41 to 71 form part of these financial statements

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Central Region Schools 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CENTRAL REGION SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant (GAG) 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 Trust has provided the goods or services.

• **Donated goods, facilities and services**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust 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 Trust. 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 REGION SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

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 REGION SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	-		not depreciated
Long-term leasehold property	-	2%	straight-line
Furniture and equipment	-	10% - 33%	straight-line
Computer equipment	-	33%	straight-line
Motor vehicles	-	33%	straight-line

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Financial instruments

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

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

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 REGION SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust 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 Arrow Valley First School to the Academy Trust 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 REGION SCHOOLS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust at the discretion of the Trustees.

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

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

2. 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 2021. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Transfer from local authority on conversion (see note 23)	-	(478)	2,302	1,824	6,700
Donations	-	20	-	20	10
Capital Grants	-	-	1,399	1,399	867
Total 2021	-	(458)	3,701	3,243	7,577
Total 2020	54	(1,219)	8,742	7,577	

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

	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	19,356	19,356	17,510
Other DfE/ESFA grants			
Pupil Premium	1,309	1,309	1,140
Teachers' Pay grants	229	229	277
Teachers' Pension grants	688	688	615
Universal Infant Free School Meals	226	226	176
Other DfE Group grants	400	400	220
	<hr/>	<hr/>	<hr/>
	22,208	22,208	19,938
Other Government grants			
Other government grants	461	461	148
Local authority grants	1,038	1,038	868
	<hr/>	<hr/>	<hr/>
	1,499	1,499	1,016
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	298	298	-
Mass Testing	131	131	-
	<hr/>	<hr/>	<hr/>
	429	429	-
COVID-19 additional funding (non-DfE/ESFA)			
Other	27	27	74
	<hr/>	<hr/>	<hr/>
	27	27	74
	<hr/>	<hr/>	<hr/>
	24,163	24,163	21,028
	<hr/>	<hr/>	<hr/>
Total 2020	<u>21,028</u>	<u>21,028</u>	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £298,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £274,000 during this financial year. These costs are included in note 7 below as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	72	72	70
Catering income	24	24	132
Teaching and consultancy income	10	10	17
Nursery and WAC income	42	42	38
School trip income	22	22	39
Other income	173	173	198
	<u>343</u>	<u>343</u>	<u>494</u>

6. Investment income

	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	<u>1</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2021	2021	2021	2021	2020
	£000	£000	£000	£000	£000
Expenditure on fundraising trading activities:					
Direct costs	324	-	29	353	392
Educational operations:					
Direct costs	16,543	-	1,238	17,781	16,321
Allocated support costs	3,857	3,147	1,946	8,950	8,146
Teaching school	-	56	61	117	181
Total 2021	<u>20,724</u>	<u>3,203</u>	<u>3,274</u>	<u>27,201</u>	<u>25,040</u>
Total 2020	<u>19,274</u>	<u>2,579</u>	<u>3,187</u>	<u>25,040</u>	

8. Analysis of expenditure by activities

	Activities	Support	Total	Total
	undertaken	costs	funds	funds
	directly	2021	2021	2020
	2021	£000	£000	£000
	£000	£000	£000	£000
Educational operations	17,781	8,950	26,731	24,467
Total 2021	<u>17,781</u>	<u>8,950</u>	<u>26,731</u>	<u>24,467</u>
Total 2020	<u>16,321</u>	<u>8,146</u>	<u>24,467</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension	230	230	195
Staff costs	3,857	3,857	3,744
Depreciation	1,806	1,806	1,640
Technology costs	349	349	341
Premises costs	1,337	1,337	1,134
Other support costs	1,230	1,230	995
Governance costs	139	139	97
Donations	2	2	-
	<u>8,950</u>	<u>8,950</u>	<u>8,146</u>

Legal costs in the year relating to academy conversions and transfers totals £9,500 (2020: £Nil).

9. Net income/(expenditure)

Net (expenditure)/income for the year includes:

	2021 £000	2020 £000
Operating lease rentals	101	124
Depreciation of tangible fixed assets	1,806	1,640
Fees paid to auditor for:		
- audit	16	16
- other services	10	15
	<u>1,933</u>	<u>1,900</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	14,802	13,746
Social security costs	1,402	1,283
Pension costs	4,094	3,792
	<hr/>	<hr/>
	20,298	18,821
Agency staff costs	269	383
Staff restructuring costs	157	70
	<hr/>	<hr/>
	<u>20,724</u>	<u>19,274</u>

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments	108	36
Severance payments	26	34
Actuarial Strain - pension	23	-
	<hr/>	<hr/>
	157	70
	<hr/>	<hr/>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £26,473 (2020: £34,020). Individually the payments were: £204, £6,165, £1,915, £2,209, £2,297, £3,701, £4,084 and £5,897 (2020: £14,801, £9,945 and £9,274).

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	248	258
Administration and support	343	327
Management	23	22
	<hr/>	<hr/>
	614	607
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teachers	233	219
Administration and support	249	212
Management	23	22
	<u>505</u>	<u>453</u>

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	12	11
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	2	3
In the band £100,000 - £110,000	1	-
In the band £140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,242,000 (2020: £1,195,000). The increase is due the new school in 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

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

The Academy Trust charges for these services on the following bases:

	2021	2020
Arrow Vale RSA Academy	5.0%	5.0%
Ipsley CE RSA Academy	3.6%	3.6%
Church Hill RSA Academy	3.6%	3.6%
Abbeywood RSA Academy	3.0%	3.0%
Gospel Oak School (formerly known as The RSA Academy Tipton)	7.0%	7.0%
Sutton Park RSA Academy	3.0%	3.0%
Oldbury Park RSA Academy	3.5%	3.5%
St Stephen's CE RSA Academy	3.5%	3.5%
Arrow Valley First School (joined 1 April 2021)	3.0%	0.0%

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Arrow Vale RSA Academy	241	196
Ipsley CE RSA Academy	102	94
Church Hill RSA Academy	86	44
Abbeywood RSA Academy	29	37
Gospel Oak School (formerly known as The RSA Academy Tipton)	430	399
Sutton Park RSA Academy	25	26
Oldbury Park RSA Academy	49	44
St Stephen's CE RSA Academy	25	21
Arrow Valley First School (joined 1 April 2021)	12	-
Total	<u>999</u>	<u>861</u>

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to no Trustees (2020 - £1,000 to 4 Trustees).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme 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 2020	73,696	2,288	2,375	3	78,362
Additions	349	276	511	-	1,136
Acquired on conversion	2,236	5	61	-	2,302
Disposals	-	-	(110)	-	(110)
At 31 August 2021	76,281	2,569	2,837	3	81,690
Depreciation					
At 1 September 2020	21,662	2,060	2,165	2	25,889
Charge for the year	1,295	199	311	1	1,806
On disposals	-	-	(110)	-	(110)
At 31 August 2021	22,957	2,259	2,366	3	27,585
Net book value					
At 31 August 2021	53,324	310	471	-	54,105
At 31 August 2020	52,034	228	210	2	52,474

Land is included in the total leasehold land and buildings valuation at a value of £11,254,540 (2020: £10,316,000) and is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2021	2020
	£000	£000
Due within one year		
Trade debtors	171	28
Other debtors	215	192
Prepayments and accrued income	852	765
	<u>1,238</u>	<u>985</u>
	<u><u>1,238</u></u>	<u><u>985</u></u>

16. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	760	585
Other taxation and social security	353	321
Other creditors	518	481
Accruals and deferred income	1,015	555
	<u>2,646</u>	<u>1,942</u>
	<u><u>2,646</u></u>	<u><u>1,942</u></u>
	2021	2020
	£000	£000
Deferred income at 1 September 2020	209	9
Resources deferred during the year	363	209
Amounts released from previous periods	(209)	(9)
	<u>363</u>	<u>209</u>
	<u><u>363</u></u>	<u><u>209</u></u>

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 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds					
General Funds	632	344	(353)	-	623
Restricted general funds					
General Annual Grant (GAG)	-	19,356	(19,111)	-	245
Donations	-	20	(20)	-	-
Pupil Premium	-	1,309	(1,309)	-	-
Teaching school	116	216	(117)	-	215
Teachers' Pay grant	-	229	(229)	-	-
Teachers' Pension grant	-	688	(688)	-	-
Universal Infant Free School Meals	-	226	(226)	-	-
Other government grants	-	461	(461)	-	-
Local authority grants	-	1,038	(1,038)	-	-
Catch-up premium	-	298	(274)	-	24
Mass Testing	-	131	(131)	-	-
COVID-19 grants - other	-	27	(27)	-	-
Other grants	-	399	(399)	-	-
Pension reserve	(12,428)	(478)	(1,008)	(1,606)	(15,520)
	<u>(12,312)</u>	<u>23,920</u>	<u>(25,038)</u>	<u>(1,606)</u>	<u>(15,036)</u>
Restricted fixed asset funds					
Transfer on conversion	50,443	2,302	(1,329)	-	51,416
DfE Group Capital Grants	2,131	1,399	(331)	-	3,199
Donated Assets	310	-	(50)	-	260
Capital expenditure from GAG	280	-	(100)	-	180
	<u>53,164</u>	<u>3,701</u>	<u>(1,810)</u>	<u>-</u>	<u>55,055</u>
Total Restricted funds	<u>40,852</u>	<u>27,621</u>	<u>(26,848)</u>	<u>(1,606)</u>	<u>40,019</u>
Total funds	<u><u>41,484</u></u>	<u><u>27,965</u></u>	<u><u>(27,201)</u></u>	<u><u>(1,606)</u></u>	<u><u>40,642</u></u>

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

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

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.

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 Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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17. Statement of funds (continued)

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

	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	-	-
Donations	-	10	(10)	-	-	-
Pupil Premium	-	1,140	(1,140)	-	-	-
Other donations	-	2,378	(2,378)	-	-	-
Teaching school	48	249	(181)	-	-	116
Pension reserve	(8,969)	(1,229)	(955)	-	(1,275)	(12,428)
	(8,921)	20,058	(23,008)	834	(1,275)	(12,312)
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
	46,078	8,742	(1,640)	(16)	-	53,164
Total Restricted funds	37,157	28,800	(24,648)	818	(1,275)	40,852
Total funds	38,450	29,349	(25,040)	-	(1,275)	41,484

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£000	£000
Arrow Vale RSA Academy	(832)	(960)
Ipsley CE RSA Academy	362	210
Church Hill RSA Academy	513	330
Abbeywood RSA Academy	(90)	155
Gospel Oak School (formerly known as The RSA Academy Tipton)	1,406	1,530
Sutton Park RSA Academy	-	1
Oldbury Park RSA Academy	(3)	(83)
St Stephen's CE RSA Academy	83	97
Arrow Valley First School (joined 1 April 2021)	47	-
Teach Central (formerly Teaching School Alliance)	173	116
Central MAT	(552)	(648)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,107	748
Restricted fixed asset fund	55,055	53,164
Pension reserve	(15,520)	(12,428)
	<hr/>	<hr/>
Total	40,642	41,484
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	Deficit £000
Arrow Vale RSA Academy	(832)
Abbeywood RSA Academy	(90)
Oldbury Park RSA Academy	(3)
Central MAT	(552)
	(1477)

It is acknowledged by trustees that unfunded growth in pupil numbers creates a cumulative deficit and in the case of Arrow Vale RSA Academy, their deficit can be wholly-attributed to cumulative unfunded growth. As growth slows and plateaus there will be some opportunity to deliver efficiencies that repay this deficit. The trust overall delivered education to 74 more pupils than it received funding for. This is built on previous and similar growth over recent years.

This funding lag affects central contributions also and trustees approved growth in central staffing to enhance services to schools and be able to take on more schools. TCaF grants were secured during 20/21 which supported the Academy Trust with this too.

The Academy Trust is taking the following action to return the academies to surplus:

Some restructuring took place during 2020/21 to address deficits and inefficiencies in curriculum staff and senior teams. Central Funding options are being reviewed during 2021/22 which is to recognise the value a further enhanced central service team could deliver back to schools and pupils. The trust physically pools cash already, but continues to track reserves per school.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 £000	Total 2020 £000
Arrow Vale RSA Academy	3,262	590	95	829	4,776	4,636
Ipsley CE RSA Academy	2,277	329	98	487	3,191	2,996
Church Hill Middle School RSA Academy (includes Abbeywood RSA Academy in 2020)	1,259	186	48	266	1,759	3,105
Abbeywood RSA Academy	1,249	158	33	208	1,648	-
Gospel Oak School (formerly known as The RSA Academy Tipton)	5,106	757	60	1,445	7,368	6,746
Sutton Park RSA Academy	882	128	18	219	1,247	1,248
Oldbury Park RSA Academy	1,178	178	36	291	1,683	1,599
St Stephen's CE RSA Academy	617	113	25	147	902	783
Arrow Valley First School (joined 1 April 2021)	269	45	12	66	392	-
Teach Central (formerly Teaching School Alliance)	14	-	-	103	117	181
Central MAT	1,446	539	9	314	2,308	2,106
Academy Trust	17,559	3,023	434	4,375	25,391	23,400

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	54,106	54,106
Current assets	623	3,130	949	4,702
Creditors due within one year	-	(2,646)	-	(2,646)
Provisions for liabilities and charges	-	(15,520)	-	(15,520)
Total	623	(15,036)	55,055	40,642

Analysis of net assets between funds - prior year

	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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	2020
	£000	£000
Net income for the year (as per statement of financial activities)	765	4,309
	<hr/>	<hr/>
Adjustments for:		
Depreciation	1,806	1,640
Capital grants from DfE and other capital income	(1,399)	(867)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	478	-
Defined benefit pension scheme cost less contributions payable	778	2,227
Difference between pension charge and cash contributions	230	-
(Increase)/decrease in debtors	(254)	136
Increase in creditors	704	632
Transfer from Local Authority re school joining the trust	(2,302)	(8,054)
	<hr/>	<hr/>
Net cash provided by operating activities	805	22
	<hr/> <hr/>	<hr/> <hr/>

20. Cash flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(1,136)	(208)
Capital grants from DfE Group	1,399	867
	<hr/>	<hr/>
Net cash provided by investing activities	264	660
	<hr/> <hr/>	<hr/> <hr/>

21. Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	3,464	2,395
	<hr/>	<hr/>
Total cash and cash equivalents	3,464	2,395
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,395	1,069	3,464
	<u>2,395</u>	<u>1,069</u>	<u>3,464</u>

23. Conversion to an academy trust

On 1 April 2021 Arrow Valley First School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Central Region Schools 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.

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Long-term leasehold property	-	2,236	2,236
Furniture and equipment	-	5	5
Computer equipment	-	61	61
Current liabilities			
Pension liability	(478)	-	(478)
Net (liabilities)/assets	<u>(478)</u>	<u>2,302</u>	<u>1,824</u>

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24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £368,000 were payable to the schemes at 31 August 2021 (2020 - £322,000) 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 £2,328,000 (2020 - £1,956,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

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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 2021 was £1,190,000 (2020 - £1,010,000), of which employer's contributions totalled £957,000 (2020 - £782,000) and employees' contributions totalled £ 233,000 (2020 - £228,000). The agreed contribution rates for future years are 19.6 per cent for employers and 5.5 per cent for employees.

As described in note 23 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

	2021	2020
	%	%
Rate of increase in salaries	3.85 - 4.30	3.20 - 3.80
Rate of increase for pensions	2.85 - 2.90	2.20 - 2.30
Discount rate for scheme liabilities	1.70	1.65 - 1.80

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6 - 22.7	21.9 - 22.6
Females	24.0 - 25.1	24.1 - 25.0
Retiring in 20 years		
Males	23.4 - 24.4	23.8 - 24.3
Females	25.8 - 27.1	26.0 - 27.0

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24. Pension commitments (continued)

Sensitivity analysis

West Midlands Pension Fund

	2021	2020
	£000	£000
Discount rate +0.1%	(411)	(331)
Discount rate -0.1%	424	342
Mortality assumption - 1 year increase	580	428
Mortality assumption - 1 year decrease	(556)	(412)
CPI rate +0.1%	378	305
CPI rate -0.1%	(366)	(296)
Long term salary +0.1%	41	34
Long term salary -0.1%	(41)	(34)
	<u> </u>	<u> </u>

Worcestershire County Council Pension Fund

	2021	2020
	£000	£000
Discount rate +0.1%	(368)	(283)
Mortality assumption - 1 year increase	554	387
CPI rate +0.1%	375	289
Long term salary +0.1%	33	31
	<u> </u>	<u> </u>

Share of scheme assets

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

	2021	2020
	£000	£000
Equities	11,298	7,274
Gilts	573	1,031
Corporate bonds	433	549
Property	862	763
Cash and other liquid assets	468	637
Other	1,804	1,622
	<u> </u>	<u> </u>
Total market value of assets	15,438	11,876
	<u> </u>	<u> </u>

The actual return on scheme assets was £2,259,000 (2020 - £609,000).

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

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

	2021	2020
	£000	£000
Current service cost	(1,742)	(1,535)
Past service cost	-	(7)
Interest income	217	210
Interest cost	(428)	(391)
Administrative expenses	(12)	(14)
Total amount recognised in the Statement of Financial Activities	(1,965)	(1,737)

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

	2021	2020
	£000	£000
At 1 September	24,304	19,261
Current service cost	1,742	1,535
Interest cost	428	391
Employee contributions	233	228
Actuarial losses	3,648	1,288
Benefits paid	(238)	(431)
Business combinations	841	2,025
Past service costs	-	7
At 31 August	30,958	24,304

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

	2021	2020
	£000	£000
At 1 September	11,876	10,292
Interest on plan assets	217	210
Actuarial gains	2,042	13
Employer contributions	957	782
Employee contributions	233	228
Benefits paid	(238)	(431)
Business combinations	363	796
Administrative expenses	(12)	(14)
At 31 August	15,438	11,876

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than 1 year	93	107
Later than 1 year and not later than 5 years	157	205
Later than 5 years	-	6
	250	318
	250	318

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 2021, the Trust received £26,000 (2020: £26,000) and disbursed £18,000 (2020: £17,000) from the fund. An amount of £15,000 (2020: £9,000) is included in deferred income relating to the undistributed funds that are repayable to the ESFA.

29. Post balance sheet events

On 1 November 2021 Waseley Hills High School joined the Trust and Holyhead School in Birmingham is scheduled to join the Trust on 1 January 2022.

The Trust's relationship with the Principal Sponsor, the Royal Society for Arts, Manufactures and Commerce ("the RSA") is changing. From 31 March 2022 the academies arm of the RSA is closing and any financial obligations that member schools paid to the RSA will cease.

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NOTES TO THE FINANCIAL STATEMENTS
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30. Teaching school trading account

	2021	2021	2020	2020
	£000	£000	£000	£000
Income				
Direct income				
NCTL Income	111		102	
Other direct income	105		147	
Total direct income	<u>216</u>		<u>249</u>	
Other income				
Total income		216		249
Expenditure				
Direct expenditure				
Other direct costs	8		3	
Other expenditure				
Other support costs	109		178	
Total expenditure		<u>117</u>		<u>181</u>
Surplus from all sources		99		68
Teaching school balances at 1 September 2020		116		48
Teaching school balances at 31 August 2021		<u>215</u>		<u>116</u>