

University Schools Trust, East
London

(A company limited by
guarantee)

Annual Report and Financial
Statements

31 August 2022

Company registration number
07742547 (England and Wales)



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Reference and administrative details

Members

Queen Mary University of London
King's College London
Lord A Mawson
Mrs C Whatford CBE (Appointed 15 August 2022)
London Borough of Tower Hamlets (Resigned 25 January 2022)
Poplar HARCA (Resigned 9 February 2022)
AXA (Resigned 10 February 2022)
Mr Philip Ogden (Appointed 1 December 2022)

Trustees

Mr A Bhattacharjee
Mr P Blagburn
Mr W Carroll (Resigned 19 October 2021)
Ms S Cowls (Resigned 14 April 2022)
Dr C Goudy
Mr S Hall
Prof P Heathcote (Chair)
Cllr A Islam (Resigned 5 August 2022)
Mrs G Kemp (Trust Leader and Accounting Officer)
Mrs E Marshall MBE
Mrs G May
Prof I McFadzean
Prof M O'Thomas
Miss P Patel (Appointed 15 September 2022)
Baron C van Randwyck (Appointed 1 September 2021)

Trust Partners

King's College London
London Borough of Tower Hamlets
NHS London
Poplar HARCA
Queen Mary University of London
University College London
University of East London
University of Greenwich
University of Warwick

Reference and administrative details

Senior management team:

Director of Data and Compliance	Mr D Kulesza-Smith
Director of Finance and Operations	Mr R Dearing
Trust Leader	Mrs G Kemp

Registered office	UST House Limehouse Causeway London E14 8AQ
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Company registration number	07742547 (England and Wales)
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
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	Bank of Scotland Plc The Mound Edinburgh EH1 1YZ
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	Lloyds Bank 39 Threadneedle Street London EC2R 8AU
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Reference and administrative details

Solicitors

Browne Jacobson
15th Floor
6 Bevis Marks
London
EC3A 7BA

Legal Services Royal Borough of
Greenwich
The Woolwich Centre - 4th Floor
35 Wellington Street
Woolwich
SE18 6HQ

Legal Services, London Borough of
Tower Hamlets
Mulberry Place
5 Clove Crescent
London
E14 2BG

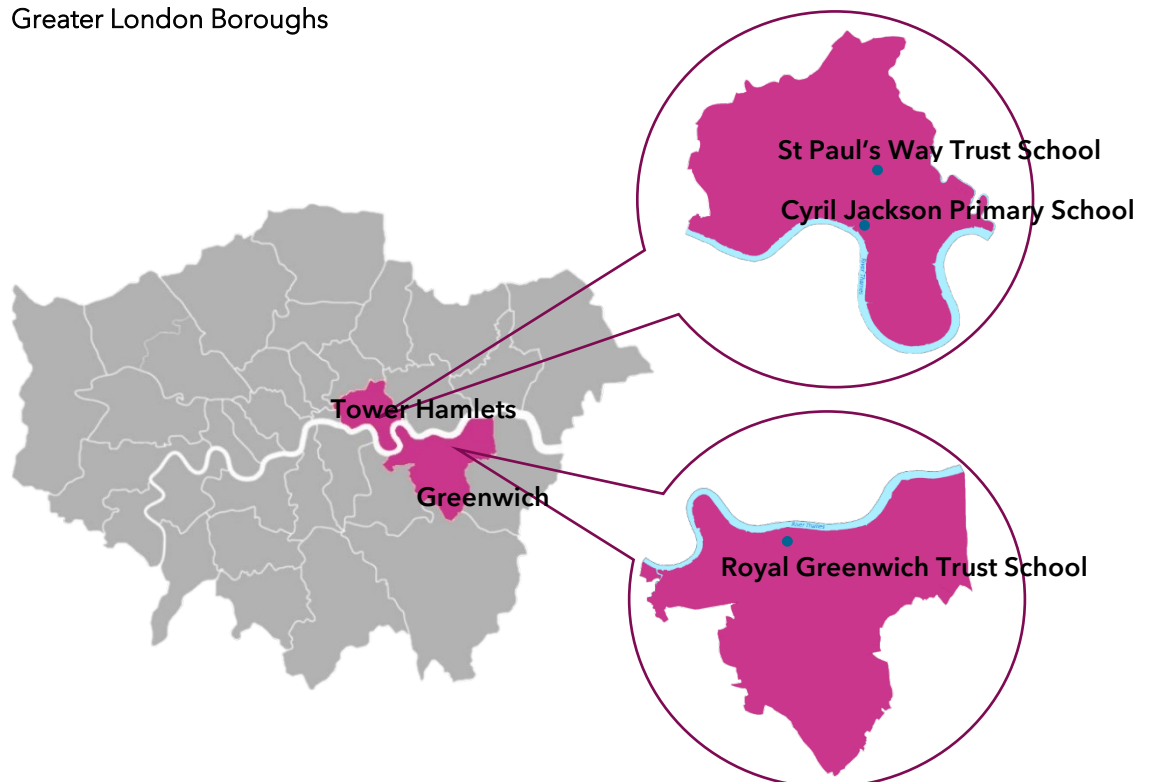
Trustees' report 31 August 2022

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

University Schools Trust, East London (the Trust) operates three member schools located in two London Boroughs:

- ◆ St Paul's Way Trust School (SPWTS) is a Good all-through school in Tower Hamlets with multiple Outstanding features;
- ◆ Royal Greenwich Trust School (RGTS), a former University Technical College is a Good secondary school with a VI Form provision in Greenwich (our first Year 11 pupils started in September 2021); and
- ◆ Cyril Jackson Primary School (CJPS), an Outstanding two-form primary school in Tower Hamlets joined the Trust on the 1 September 2021.

Greater London Boroughs



During the 2021-2022 year the Trust had a total maximum pupil capacity of 3,238 when the schools fill all year groups following CJPS joining the Trust in September 2021. This year is the first that all year groups were full (i.e. no empty year groups).

Trustees' report 31 August 2022

The total number of pupils attending at the time of the October census in the 2021/22 academic year was 3,078. This was comprised of 1,793 pupils at SPWTS, 845 pupils at RGTS and 440 pupils at CJPS, with 845 pupils in primary, 1,930 pupils in secondary and 303 pupils in the sixth form across the three schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of the Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the University Schools Trust or the UST.

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.

A key strength of the Trust is its Trustees, appointed from our world leading and internationally renowned University Partners, and from key organisations in both the charitable and statutory sectors. They are able to open up to our staff, pupils and families an extensive and comprehensive range of experiences and opportunities. Our schools and Trust partners are committed to empowering communities, improving social justice and breaking barriers for social mobility, and have a particular focus on reducing the attainment gap for those who are amongst the most disadvantaged in our society.

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.

Method of recruitment and appointment or election of trustees

The Board of Trustees (Board) comprises nominee trustees from the Trust partners and any persons appointed by the Trust by special resolution. An employee of the Trust cannot be a trustee, with the exception of the Trust Leader.

As per the Articles of Association, the Board shall not have less than three trustees. The Board shall have:

- ◆ up to nine trustees appointed by members;
- ◆ up to two trustees appointed by the foundation / sponsor body; and
- ◆ the Trust Leader.

The Trust has a School Committee (Local Governing Body) for each of its schools, including parent governors, and so there are no parent trustees on the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees (continued)

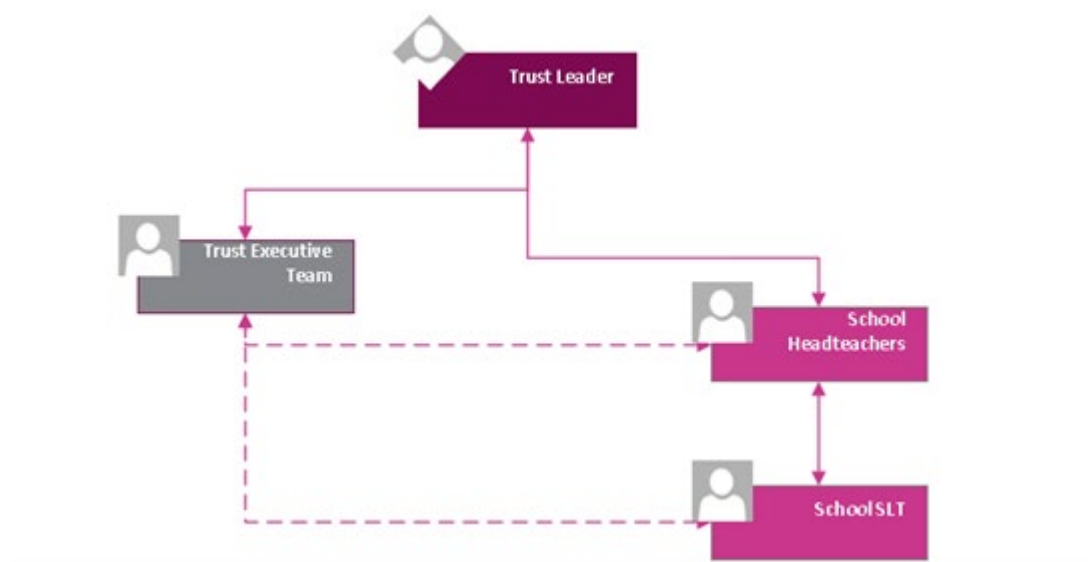
The Trustees who are appointed may co-opt additional trustees.

Policies and procedures adopted for the induction and training of trustees

All new trustees and governors receive an induction including tours of all Trust sites and the opportunity to attend professionally run training courses. Trustees and governors are also provided with ongoing opportunities to undertake and receive suitable training so as to enable them to undertake their role more effectively. To this end the Trust and each School Committee (Local Governing Body) has contracts with the Confederation of School Trusts, the National Governance Association and Hub4Leaders. These contracts allow for any or all of the members of the Board and School Committees to attend any of the training courses provided. All new trustees and governors are actively encouraged to take advantage of these resources so as to gain a better understanding of the role and responsibilities of being a trustee or governor. Additionally, trustees and governors with specific roles within the Board or School Committees are linked to an appropriate member of staff and strongly encouraged to undertake specific training.

Organisational Structure (Management)

The management structure of the Trust is shown in the organogram below. The Trust Leader is also a member of the Trust Board.



Organisational structure (Governance)

The organisational structure of the Trust consists of three levels:

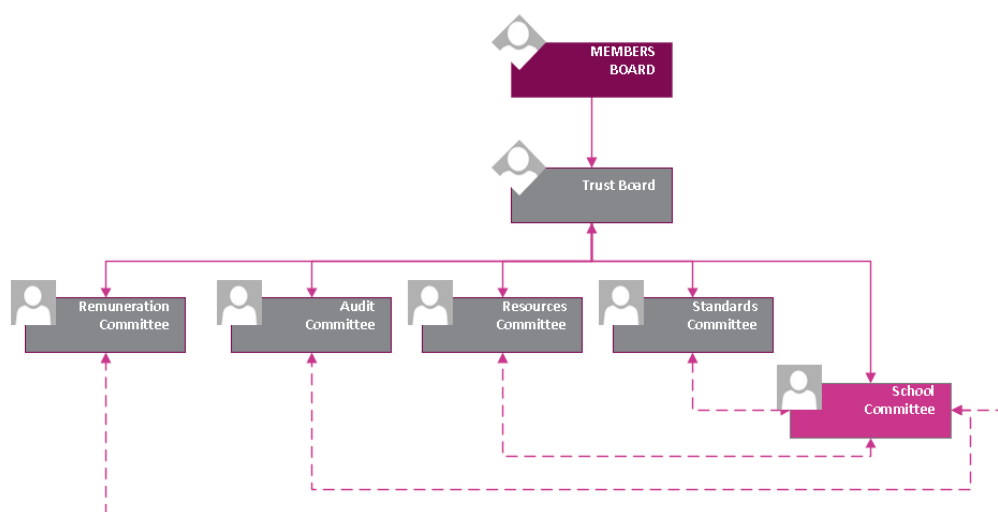
- ◆ Members;
- ◆ Board (trustees and directors); and
- ◆ School Committees (Local Governing Bodies).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (Governance) (continued)

The Board has four Committees: Standards; Resources; Audit and Risk; and Remuneration.

The Board is responsible for, and oversees, the management and administration of the Trust and the schools run by the Trust. Whilst legal and strategic decision-making authority rests with the trustees, in order to discharge these responsibilities, the Articles and Master Funding Agreement provide the trustees with the power to delegate decision making as it deems appropriate to: Committees; the Trust Leader; School Committees; and the individual school Executive Headteacher or Headteacher.



The trustees retain overarching responsibility for governance and have the power to direct and make changes where required, as defined in the Trust's Scheme of Delegation. The Board has retained responsibility for all financial and employment matters, again as defined in the Scheme of Delegation, and is responsible for setting Trust policy in these areas. The Board monitors the overall Trust budget and makes major decisions about the direction of the Trust, capital expenditure and senior staff appointments. Governors are responsible for implementing both those policies and the School Development Plan within the resources available at their school.

The trustees are responsible for exercising oversight over the governance and management of the Trust. In exercising their responsibilities, trustees consider the advice given by the Executive Team, the Executive Headteacher or Headteacher and the Chairs of the School Committees.

The Trust Leader is the Accounting Officer as defined by the Academy Trust Handbook.

During the period from 1 September 2021 to 31 August 2022, the Trust Board met four times.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration of the Trust's key management personnel is the responsibility of the Remuneration Committee. Key management personnel of the Trust comprise its members, trustees, Trust Leader and Executive Team. As with other personnel, key management follow national pay guidelines for teachers and support staff. Neither members nor trustees receive any remuneration for their role beyond the reimbursement of expenses incurred directly in connection with their role.

In setting pay and remuneration for the Trust Leader and Executive Team, the Remuneration Committee considers performance management information and relevant benchmarks within the sector.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number	4
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Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1% - 50%	3
51% - 99%	–
100%	–

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£4,905
Total pay bill	£14,554,240
Percentage of the 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	47.9%
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Related parties and other connected charities and organisations

The Trust enjoyed an effective partnership with six world-leading university partners (Queen Mary University of London, King's College London, University College London, University of East London, University of Greenwich, and the University of Warwick) and three sector-leading bodies (the NHS, Poplar HARCA and the London Borough of Tower Hamlets). These partners actively worked with the Trust by supporting the delivery of the curriculum, assisting in the development of staff and providing opportunities for students.

Engagement with employees (including disabled persons)

The Trust communicates and engages with all its employees continuously and through a range of different approaches. This includes regular meetings and briefings between the Trust Executive, Headteachers and Chair of Governors. Regular senior leadership meetings and whole school staff meetings and briefings also take place at school level.

There are regular communications to staff from the Trust and School Management on a range of teaching and learning and staff related matters. A termly Trust newsletter is produced for all staff, which outlines all key decisions made by the Trust Board for that specific period. Regular newsletters are produced at school level, focused on school related matters and achievements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

Positive staff and trade union relationships are fundamental to the Trust's ethos on ensuring good employee relations. There are regular staff meetings and meetings with the relevant trade unions at school level, with input at Trust level as required. These meetings are used to discuss matters of mutual interest and to resolve potential problems before they escalate.

In September 2021, the Trust implemented a staff facing personnel portal (I-Trent) in order to support all staff and the Trust in the management of HR payroll and personnel services.

The Trust ethos is that every employee is treated equally, fairly and aware of their obligations under the Equality Act 2010. All HR policies, procedures and processes strongly reflect this ethos. Appropriate support is given to all (including potential) employees, as appropriate, to help them secure and remain in suitable positions within the Trust. This also includes securing promotion. Managers are given appropriate training and guidance to enable them to support disabled applicants and employees, including seeking Occupational Health advice and implementing reasonable workplace adjustments.

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

The trust works with its internal stakeholders being its pupils, parents, local communities and external stakeholders including the Department for Education and in doing so follows the "Seven Principles of Public Life", which are;

- ◆ Selflessness
- ◆ Integrity
- ◆ Objectivity
- ◆ Accountability
- ◆ Openness
- ◆ Honesty
- ◆ Leadership

Suppliers from whom the Trust purchases goods and services and service providers are also key stakeholders. Over the past couple of years, the Trust is in the process of introducing key contracts across the schools in the Trust, to achieve economies of scale and hence best value for money.

OBJECTIVES AND ACTIVITIES

Objects and aims

We are a group of schools, with strong, mutually impactful relationships - which is key to our success. Our Trustees have set the strategic direction in partnership with school leaders, local school committees and staff. All Trustees understand the challenges facing both our individual schools and the wider education setting. Consequently, our ambitious strategic plan is captured by our mission statement of:-

UST Guarantee: Achieving Excellence through Transformational Education that Empowers Communities.

Achieving Excellence:

The Trust inspires each member of our learning community to be ambitious, to realise their potential and to succeed academically and vocationally.

Transformational Education:

The Trust ensures that the dynamic curricula and pastoral offers of our schools are enriched by the civic leadership and research from our university, public and private Trust partners.

Empowering Communities:

The Trust strives to equip all pupils and staff with the skills to transform their lives, empower communities, and excel in our global society.

Objectives, strategies and activities

We bring together, as one family, our schools across London to continue serving our communities. For this, we have developed a strategic plan based around four key areas:-

Our Pupils:

- ◆ To deliver transformational education within high quality learning environments so that staff make a real difference for pupils, and every member of our community is empowered with the knowledge and skills required to realise their chosen journeys of success as global citizens.
- ◆ To offer dynamic curricula by sharing expertise and providing high-quality resources to ensure a clear progress in knowledge and skills towards agreed end points.
- ◆ To deliver a world-class education utilising our collective wealth of people and physical resources - which include co-curriculum development, enrichment opportunities and structured pastoral support and peer group collaboration.
- ◆ To ensure digital and other technologies are used creatively to improve and widen the experience of our learners.
- ◆ To ensure the safety and physical, emotional and mental well-being of all pupils and the promotion of social mobility.
- ◆ To close performance gaps wherever they manifest.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Our People:

- ◆ To ensure robust and effective governance and leadership for a growing Trust, demonstrating strong governance disciplines which provide effective oversight, financially sound strategic planning, ambition and clarity of vision for all.
- ◆ To develop talented practitioners in all areas of the Trust and create a culture of succession planning and excellence.
- ◆ To deliver appropriate and effective professional development in order to improve practice and develop talented practitioners within the organisation.
- ◆ To implement a people strategy which is aligned with the Trust's aspiration to support the highest quality recruitment, retention, and welfare of the staff across our organisation.

Our Partnerships:

- ◆ To involve all parents / carers, ensuring they benefit from and contribute to the education of their children and the wider school community. Trust schools will offer support and guidance for parents / carers to engage with their own learning and development.
- ◆ To enrich both the Trust and our communities by engaging and embracing local communities - enabling all stakeholders to benefit from an excellent educational offer, exceptional facilities and to contribute to the work of our schools.
- ◆ To develop our distinctive and impactful relationships with the Trust university partners and make full use of their civic leadership and research for the benefit of all - such as enrichment opportunities and academic learning path choices for students and highest quality continual professional learning opportunities for staff.
- ◆ To implement internal and external growth plans within our family of schools with the purpose of widening the scope of, and improving the provision for our young people, extending training opportunities to our staff, and improving efficiencies for all.
- ◆ The Trust will engage with local education providers both sharing and benefiting from each other's expertise.

Our Processes:

- ◆ The Trust manages and ensures effective and efficient systems which deliver comprehensive data and drive school improvement.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Our Processes: (continued)

- ◆ To ensure that as the Trust increases in size, the benefits and financial advantages are optimised through our dynamic finance and procurement strategies.
- ◆ To maintain the security of data within the Trust, through widespread understanding and disciplined compliance with procedures.
- ◆ To build on our excellent facilities in which to learn and work.
- ◆ To ensure we have an evolving IT infrastructure which is fit for purpose and aligned to our operational needs, and with the capacity for future growth and the inclusion of emerging technologies for our pupils, staff and community.
- ◆ To maintain our healthy, safe and secure environments.
- ◆ To audit and assess risk continuously, ensuring all areas within the Trust are supported fully and risks are identified and managed.
- ◆ To develop a dynamic marketing and communications programme that is wide-reaching and effective.
- ◆ To widen the Trust's contribution, both as an organisation and as individuals, to support the green agenda and an increase in sustainability.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Admission arrangements for Trust schools

In line with its declared vision and ethos each school within the Trust recruited a comprehensive and balanced intake of students across the ability range in each year of entry, during the year in question.

Admission arrangements for the 2022 academic year are available on each constituent school's website as well as the Trust's own website.

- ◆ St Paul's Way Trust School (<http://www.spwt.net/about-us/admissions>)
- ◆ Royal Greenwich Trust School (<http://www.rgtrustschool.net/secondary/admissions>)
- ◆ Cyril Jackson Primary School (<https://www.cyriljackson.towerhamlets.sch.uk/parents/admission-transfer>)

STRATEGIC REPORT

Achievements and performance

The Trust has had an exceptional year, particularly in supporting our young people to secure their best possible outcomes whilst as well as enhancing and capitalising on the central services of the Trust.

Governance

A review of our Articles of Association and governance documentation at both School and Trust level has strengthened and improved the effectiveness of governance across the Trust. Leaders are challenged on their implementation of their strategic priorities linked to the Trust strategy.

Growth

Cyril Jackson joined UST in September 2021 and has quickly and successfully integrated into the Trust family and has equally contributed significantly to school improvement trust-wide. The school has also benefited from the support of a highly skilled executive team and has welcomed this wholeheartedly.

Continuous Professional Learning

A significant advantage of growth has enabled greater Trust-wide professional learning. This has not only incorporated statutory functions but also wider work linked to teaching and learning principles, curriculum development, research informed practice, instructional coaching, pedagogy and Early Years Foundation Stage etc. As we move forward from this academic year a detailed Trust-wide Professional Development Plan will ensure best practice is shared and cascaded through all schools.

School Improvement (Quality Assurance)

The Trust has appointed Directors of Education for Primary and Secondary in the academic year 2021 - 2022. These colleagues have been instrumental in supporting leaders in their School Improvement Planning, and School Self-Evaluation and Quality Assurance Reviews in the areas of SEND, Teaching and Learning, and Safeguarding.

Future Growth

At Trust level we continue to support Royal Greenwich Trust School with their transition from a University Technical College to a secondary school to ensure facilities meet the needs for a broad and balanced curriculum at KS4 and KS5. Whilst at St Paul's Way Trust School we continue to explore opportunities to expand our highly successful VI Form. Cyril Jackson Primary School will see the completion of their Art/DT block which will substantially enrich the provision the children receive.

UST Central Team

Within the Trust there has also been much to celebrate, we are delighted to see the growth of the Data, Marketing and Communications and HR teams to ensure we are serving the pupils and staff within our community.

Trustees' report 31 August 2022

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Cyril Jackson Primary School

Key Stage 2:

Maths, Writing and Science expected standards were significantly above national average (5%, 7% and 9% respectively).

Grammar, Punctuation and Spelling scaled score was above national average.

Royal Greenwich Trust School

Key Stage 4:

This is the first cohort of students to take KS4 examinations at RGTS so there are no comparisons to previous years.

English 4+% is at 73%, Maths at 59% with both English and Maths combined at 54%. EBacc 4+ at 24%.

Key Stage 5:

The average grade was a Distinction up from a Merit+ in 2019 and equal to Teacher Assessed Grades in 2020 and 2021. Distinction / Distinction* grades rose from 34.5% in 2019 to 53.3%, also above the 2021 grades (51.8%).

The Alps Quality Indicator places the school in the top 1/3 of schools nationally for student progress.

St Paul's Way Trust School

Key Stage 2:

Maths, Reading and Grammar Punctuation & Spellings expected standards were significantly above national average (16%, 13% and 21% respectively).

Grammar, Punctuation and Spelling scaled score was significantly above national average.

Key Stage 4:

The 2022 results, using the 2019 Progress 8 national information, produced a P8 score of +0.50 compared to +0.36 in 2019.

English and Maths at 4+ and 5+ are up compared to both 2019 examination results and 2020 Teacher Assessed Grades. Combined English and Maths at 5+ increased compared to 2019 examination results and both 2020 and 2021 Teacher Assessment Grades.

The % of students achieving 3 or more grade 7+ results increased to 37.4% compared to 22.1% and 26.4 in 2019 and 2020 respectively.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

St Paul's Way Trust School (continued)

Key Stage 5:

The average grade was a B up from B- in 2019. A/A* grades rose from 24.3% in 2019 to 37.6% in 2019.

The ALPs Quality Indicator places the school in the top 10% of schools nationally for student progress.

Key performance indicators

The impact of our improvement strategy will be measured by a set of KPI's that are aligned to the 4 key areas of our strategy: Our Pupils, Our People, Our Partnership and Our Processes which in turn are broken down into our Strategic Objectives outlined below.

KPI1. All Trust Partners adhere to a Memorandum of Understanding that strengthens & improves student opportunities.

Currently only 2 of 9 Memorandum of Understandings have been completed.

KPI2. KS2 Progress will mean the schools achieve the "above national average" category

Due to the Covid pandemic comparable national data was not available for 2020 or 2021 and national data for all areas is not available at time of completion for 2022.

KPI3. KS4 P8 outcomes will mean the schools achieve the "above national average" category

Due to the Covid pandemic comparable national data was not available for 2020 or 2021 and national data for all areas is not available at time of completion for 2022.

KPI4. Level of fixed term and permanent exclusions will be below national average

Due to the Covid pandemic comparable national data was not available for 2020 or 2021.

KPI5. There is evidenced sustained and strong school improvement and development

Ofsted reviews to be at a level of Good or above for all schools in the Trust.

KPI6. All staff have development opportunities and schools have robust succession planning

Ongoing and continuous.

KPI7. All buildings are 100% compliant with statutory requirements

Buildings are fully compliant.

STRATEGIC REPORT (continued)

Key performance indicators (continued)

KPI8. The Trust is fully H&S compliant with zero RIDDOR reportable incidents due to the Trust estate and/ or management actions

The Trust health and safety review showed no areas of compliance concern. There have been zero reportable incidents.

KPI9. There are no security or reportable data breaches across the Trust.

There have been no security breaches in 2021-2022. There have been no reportable data breaches in 2021-2022.

KPI10. All risks are reviewed annually & risk mitigation actions are completed within 3 months

The Trust is regularly reviewing its risks but the process is not fully embedded and is in the process of being rolled out to the schools.

KPI11. The Trust's reserves policy is met.

The Trust has met its 5% of turnover reserves target.

KPI12. Staffing costs are within the range of 70-80% of total expenditure

Staffing costs are consistently between 70% and 80% of total expenditure.

The key performance indicators reviewed at Board meetings included income from the Education & Skills Funding Agency (ESFA) in the form of the general annual grant and other funding streams. The levels of depreciation and capital reinvestment together with actual and projected cash flow and reserves had also been monitored. These items were reported in the financial statements.

Going concern

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

Promoting the success of the Trust

The trustees are committed to improving the outcomes of all our pupils through the relentless pursuit of scholarship and excellence and securing the best possible outcomes. Our schools deliver the highest quality teaching and learning, are fully compliant within our policy framework and ensure financial astuteness. Through our trust partners, our trust schools have access to the widest possible array of talented and committed bodies who share their goals.

STRATEGIC REPORT (continued)

Promoting the success of the Trust (continued)

We steadfastly believe that our approach allows local school committees and school leadership teams to focus on the needs of their communities within a supportive framework. The Trust provides the underpinning systems, structures and external networks to support the work in our schools, enabling them to prioritise their time on the teaching and learning strategies and outcomes at their schools.

We deliver effective, progressive, professional development opportunities for all staff who work within our schools creating a culture of success. Succession planning throughout the organisation is essential to ensure our standards remain high at all times.

We ensure our school environments are fit for purpose and consider the environmental impact when making decisions with regards to our infrastructure. Recent building developments have utilised the local workforce and the highest ecological standards observed. Our schools continue to consider their carbon footprint and changes to the lighting systems are currently being considered.

As a Trust, we place an important emphasis on the professional conduct of our staff, trustees and visitors and all abide by a clear framework and policy. This includes being aware of equality, impartiality and the need to act fairly. The recent equality work within all our schools demonstrates the Trust's commitment to review policy and practice and be at the forefront of equality practice.

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Total income for the year, excluding the transfer in on conversion of Cyril Jackson Primary School, was £29,661k (2021 - £30,815k).

The general annual grant received from the ESFA during the year ended 31 August 2022 totalled £24,573k (2021 - £19,576k).

Total expenditure amounted to £32,068k (2021 - £25,800k), of which £2,158k (2021 - £2,211k) represents depreciation of tangible fixed assets.

After considering actuarial gains on the local government pension scheme of £6,701k (2021 - actuarial losses of £1,294k) the above movements resulted in a net surplus and net movement in funds for the year of £19,545k (2021 - net surplus of £3,721k).

The operational surplus for the year excluding fixed asset purchases was £1,188k (2021 - operational surplus of £685k). This figure excludes movements on the tangible fixed assets, the defined benefit pension liability, fixed asset purchases from revenue funds, and other non-recurring items.

FINANCIAL REVIEW (continued)

The effects of COVID-19 impacted the Trust's financial position for the year in several areas. There was additional premises expenditure incurred to maintain safe working and meet additional protective measures (which included capital spend where room reallocation was required). Unbudgeted IT hardware investment was also made to support working from home, and there were increased net catering costs. Lettings income was also impacted.

Reserves policy

The Board reviews the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of unrestricted reserves should be the equivalent of 5% of turnover (excluding capital funding and amounts transferred on conversion) which is approximately £1,480k (2021: £1,182k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust has a current level of unrestricted reserves (total funds less the amount held in fixed assets and restricted funds) of £1,968k (2021: £1,257k). The Board will continue to monitor the level of reserves and the level deemed appropriate.

The Trust held fund balances at 31 August 2022 of £121,439k (2021: £101,894k) comprising £119,471k (2021: £100,637k) of restricted funds and £1,968k (2021: £1,257k) of unrestricted general funds. Of the restricted funds £119,186k (2021: £105,226k) is represented by tangible fixed assets, and £560k (2021: £83k) of unspent restricted income funds.

Investment policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

The investment objectives are to achieve the best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation and to only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. The Resources Committee will receive reports on investments held and the performance of those investments against objectives and monitor the cash position and cash flow forecast at appropriate intervals.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties

The principal risks and uncertainties that the Trust faces are mitigated by the risk management process that the Board has in place. The Trust maintains a risk register identifying the major risks, mitigating actions and lead officers. The risk register is reviewed by the Board annually and more often by the Audit and Risk Committee. Where significant financial risk still remains the Board has ensured the Trust has relevant insurance cover.

The trustees consider the following to be the main risks:

- ◆ **Barriers to Growth:** The Trust's growth, in its current structure, is limited by the physical space available at the schools. To allow the current provision at the UST to further develop and provide an even broader range of possibilities for all students the Trust is researching opportunities to allow for expansion. The geography of the schools provides a barrier as physical space is limited in London. In addition to internal growth the Trust continues to look for suitable schools to join the Trust and enhance the offer for all involved. A measured approach is being taken to minimize the risk of expansion by ensuring that the leadership and professional capacity within the UST is such that expansion would not result in a detrimental impact on existing, or joining, schools.
- ◆ **Funding Uncertainties:** Like all Trusts, the UST is faced with uncertainty in its future funding. The Trust does not foresee any issues with student numbers, however, the uncertainty in the funding formulae and the ongoing coronavirus expenditure with the associated lack of clarity about these costs being fully met, means that the Trust must be cautious with regard to expenditure, especially regarding long term investments such as staffing and capital works. The revised financial procedures now in place will provide extra security and confidence regarding these matters.
- ◆ **(The Needs of) Increasing Numbers of Students with Special Educational Needs & Disabilities (SEND):** The popularity of the Trust has led to a disproportionate increase in the number of SEND students attending Trust schools compared to both national and local averages. This provides a challenge to the Trust in terms of its financial commitments as well as other resources. The Trust is in continuous dialogue with the local communities that it serves and the Local Authorities regarding the sustainability of a continuing situation especially as the Trust is, and will continue to be, absolutely committed to ensuring that the needs of all students are fully met.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- ◆ Staffing Retention & Recruitment: The Educational success of students within the Trust is dependent upon excellent staff who are able to provide an environment best suited for those students to learn. Recruitment must reflect the need to attract those suitably qualified to maintain and improve standards across the Trust. There are both local and national challenges to this and the Trust is not alone in facing these difficulties. The national picture is one where the education sector has not met the required numbers with respect to teaching staff for a sustained period resulting in a cumulative effect, particularly in areas of Science, Maths and Languages. In addition to this there are more local challenges with London schools having a higher rate of staff movement.
- ◆ Inflationary Pressures: The Trust is facing inflationary pressures across all expenditure but predominantly in staffing and energy costs. With no option to increase income significantly, this is having a detrimental impact on budgets going forward. The future predictions on this matter is that in the short-medium term this position will continue to impact, potentially to increasing degrees.
- ◆ Supply Chain: There have been significant issues affecting the supply chain both in terms of personnel and materials (as well as the energy impact discussed above). This continues to have a knock-on effect on services being provided. At present the levels of disruption are generally manageable and alternative products, services and personnel are being found and provided as necessary. However, it does add strain to the system and may continue to worsen until the national issues are mitigated. It also leads to unfamiliar processes and resources which can lead to an increase in time allocated and also errors.

Financial and risk management objectives and policies

In terms of the financial risks which the Trust is exposed these relate primarily to:

- ◆ Change in Government and legislation
- ◆ Impact of inflationary pressures
- ◆ Potential of reduced funding and consequent cash flow
- ◆ Reduction in student numbers
- ◆ Recruitment and retention of staff
- ◆ Unplanned additional costs

A risk arises in relation to the Local Government Pension Scheme, a defined benefit pension scheme, due to the fact that there is a deficit of £275k (2021: £4,672k).

FINANCIAL REVIEW (continued)

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	4,103,445	2,508,028
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption	483.58	459.37
Owned transport - mini-buses	0.54	N/a
<u>Total scope 1</u>	484.12	459.37

Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	279.81	267.75
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles	N/a	N/a
Total gross emissions in metric tonnes CO ₂ e	763.93	727.12
<u>Number of pupils</u>	3,078	2,557
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil metric tonnes CO ₂ e	0.25	0.28

Quantification and Reporting Methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

To rationalise operating energy consumption the Trust will increase management of engineering systems and educate staff in the benefits.

PLANS FOR FUTURE PERIODS

In April 2022 the DfE launched their White Paper: Opportunity for all: strong schools with great teachers for your child. This paper is a significant milestone in the educational landscape in England as it outlines that by 2030 all schools will be in an academy trust or have plans to join one.

The Trust recognises that further expansion would maximise the Trust Dividend and economies of scale in terms of efficient central services. However, such expansion will only take place if the schools or academies involved are willing participants, and that they share the values and ethos of the Trust.

It is anticipated to be in a position to benefit fully from economies of scale and to continue to have a significant educational impact over a number of institutions, UST needs to work towards having an overall total student number of approximately 7,500 in line with the DfE's optimum figures stated in the White Paper. There is no maximum size of Trust, but there will be a limit on the proportion of schools in a local area that can be run by an individual Trust.

This 7,500 means an increase of approximately 4,250 pupils to move from our current position of 3,250 students. If we assume a two-form entry as an average primary school and a six-form entry as an average secondary school, this will mean a minimum of either 10 'average' primary schools, 5 'average' secondary schools or 4 average secondary schools with sixth forms being added to the portfolio. The reality is that it will likely be a mixture of these figures (e.g. 4 primaries, 2 secondary without sixth forms, one secondary with sixth form), but this provides the extreme ranges in terms of the number of institutions as there are a vast array of possible combinations to achieve the desired size.

As well as the numerical consideration, growth must also ensure educational excellence is maintained by incorporating schools with significant school improvement capacity, as well as those that are vulnerable at the point of entry into the MAT.

AUDITOR

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware
- ◆ the 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13/12/2022 and signed on the Board's behalf by:

Peter Heathcote

Chair

Governance statement 31 August 2022

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that the 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.

The Board has delegated the day-to-day responsibility to the Trust Leader, as the 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 Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board 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 has formally met four times during the year. Attendance during the year at meetings of the Board was as follows:

Trustees	Meetings attended	Out of possible
Mr A Bhattacharjee	2	4
Mr P Blagburn	4	4
Mr W Carroll (Resigned 19 October 2021)	1	1
Miss S Cowsls (Resigned 14 April 2022)	3	3
Dr C Goudy	4	4
Mr S Hall	2	4
Prof P Heathcote (Chair)	4	4
Cllr A Islam (Resigned 5 August 2022)	0	4
Mrs G Kemp (Trust Leader and Accounting Officer)	4	4
Mrs E Marshall MBE	4	4
Mrs G May	4	4
Prof I McFadzean	4	4
Prof M O'Thomas	3	4
Baron C van Randwyck (Appointed 1 September 2021)	4	4

The Board's composition reflects the Trust's partnership structure described within the Trustees' Report.

An independent governance review took place in October 2018 and an external review of governance documents took place throughout the 2020-2021 academic year. The reviews focussed on:

- ◆ How trustees set the strategic direction of the Trust and the schools

Governance statement 31 August 2022

Governance (continued)

- ◆ The Trust Board / School Committee effectiveness in monitoring teaching and learning; measuring progress; safeguarding; finance and HR.
- ◆ The effectiveness of governance structures and roles and responsibilities at each level.
- ◆ The development and implementation of the schemes of delegation, terms of references, agenda schedules and the governance handbook.

The reviews established that, despite being relatively newly established as a MAT, governance and governance structures are effective.

The next independent governance review is due to take place in Summer 2023 as part of the Trust's internal scrutiny programme.

The Academies Financial Handbook sets out that the Board and its Committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. In 2021/22 the Trust Board met four times and received reports from Committee meetings held as follows: Resources (four times); Audit (four times); Standards (three times); and Remuneration (two times).

The Trust's Resources Committee is a committee of the main Board. Its purpose is to scrutinise and provide assurance to the Trust Board on finances and resources including;

- ◆ budget setting and monitoring performance against the budget,
- ◆ financial accounting and reporting systems,
- ◆ examining the long term financial sustainability of the Trust and its schools
- ◆ ensure an appropriate set of policies and procedures are in place to provide assurance that public funds are being used correctly and good value for money is being achieved.
- ◆ maintain oversight of the Trust's central support services and the accounting and reporting systems and policies.

Attendance at meetings in the year was as follows (Mr W Carroll was Chair of this Committee, for the initial meeting then succeeded by Baron C van Randwyck on 20 October 2021):

Governance statement 31 August 2022

Governance (continued)

Trustees	Meetings attended	Out of possible
Mr A Bhattacharjee (Appointed 3 December 2021)	0	2
Mr W Carroll (Resigned 19 October 2021)	1	1
Prof P Heathcote (Chair)	4	4
Prof I McFadzean	4	4
Baron C van Randwyck (Appointed 1 September 2021)	4	4

The Trusts' Audit and Risk Committee is a committee of the main Board. Its purpose is to:

- ◆ scrutinise and provide assurance to the Trust Board on financial systems and operational controls, compliance, risk management and the Trust's governance.
- ◆ review areas of the Trust's operation and oversee due diligence for any proposed new schools that are being considered to join the Trust.
- ◆ verify the 'self-determination' assessments of the Trust's schools according to their academic performance, Ofsted readiness, financial probity and policy compliance.

Attendance at meetings in the year was as follows (Mrs E Marshall MBE is the Chair of this Committee):

Trustees	Meetings attended	Out of possible
Miss S Cowls (Resigned 14 April 2022)	3	3
Mr S Hall*	2	4
Mrs E Marshall MBE	4	4

*Mr S Hall attendance this year was severely impacted due to his work on managing the pandemic response.

In addition to the above Trustees the Audit and Risk Committee includes a co-opted external individual, Mr D Curtis, for his expertise in this field who attended 4 out of 4 meetings.

Governance statement 31 August 2022

Governance (continued)

Conflicts of interest

The Trust requires all individuals identified as needing to complete a register of business interests to confirm the details held are accurate on an annual basis. All individuals are notified of the requirement to inform the Trust of any changes to their register at the earliest possible time and this is contained within the governance documents of the Trust.

All committee and board meeting agendas have, as standing items, the requirement to confirm the presence of any conflicts and also that the registers are up to date.

Spot checks are performed by the Executive Team via Companies House to check the accuracy of details held.

Review of value for money

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

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

- ◆ Reviewing the curriculum offer and required staffing levels.
- ◆ Reducing the dependency on agency staff.
- ◆ Reviewing the insurance.
- ◆ Developing curriculum support staff to support teaching and learning.
- ◆ Supporting School's cooperation on procurement and utilising economies of scale.

The effects of COVID-19 impacted the Trust's financial position for the year in several areas. There was additional premises expenditure incurred to maintain safe working and meet additional protective measures (which included capital spend where room reallocation was required). Unbudgeted IT hardware investment was also made to support working from home, and there were increased net catering costs. Lettings income was also impacted.

Governance statement 31 August 2022

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Board has considered the need for a specific internal scrutiny / audit function and appointed McCabe Ford Williams as internal auditor on 20 October 2020. McCabe Ford Williams work includes a range of checks on both the Trust's financial systems and non-financial systems. During the past year these checks have included:

- ◆ Due diligence procedures in new schools joining the Trust
- ◆ Review of Trust's fraud risk management including cyber essentials
- ◆ Review of Trust's payroll controls

Governance statement 31 August 2022

The risk and control framework (continued)

- ◆ Follow up on the external auditors management letter for the previous year

On a termly basis, McCabe Ford Williams reports to the Trust Board, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities and annually prepare 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.

Review of effectiveness

As Accounting Officer the Trust Leader has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the Board on 13/12/2022 and signed on its behalf by:

Peter Heathcote

Gill Kemp

Chair

Trust Leader and Accounting Officer

Statement of regularity, propriety and compliance 31 August 2022

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

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

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

Gill Kemp

Accounting Officer

Date: 13/12/2022

Statement of Trustees' responsibilities 31 August 2022

The trustees (who are also the directors of The Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the ESFA, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2021 to 2022;
- ◆ 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 accounts; and
- ◆ prepare the accounts 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 accounts 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 that grants received from the Department for Education (DfE) or ESFA 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board on 13/12/2022 and signed on its behalf by:

Peter Heathcote - Chair

Independent auditor's report 31 August 2022

Independent auditor's report on the financial statements to the trustees of University Schools Trust, East London

Opinion

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

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company'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.

Conclusions relating to going concern (continued)

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- ◆ the Trustees' Report including the incorporated 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 the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the accounts 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP (FRS 102), the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the Academy's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustee' meetings and papers provided to the trustees.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustee' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16/12/2022

Independent reporting accountant's report on regularity Year to 31 August 2022

Independent reporting accountant's assurance report on regularity to University Schools Trust, East London and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University Schools Trust, East London during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of University Schools Trust, East London's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of University Schools Trust, East London's funding agreement with the Secretary of State for Education dated 31 August 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 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.

Independent reporting accountant's report on regularity Year to 31 August 2022

Approach (continued)

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 Trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 16/12/2022

Statement of financial activities (including income and expenditure account)

Year to 31 August 2022

	Notes	Unrestricted funds £'000	Restricted funds		2022 Total funds £'000	2021 Total funds £'000
			General £'000	Fixed asset £'000		
Income from:						
Donations and capital grants	1	28	4	57	89	7,192
Transfer on conversion	1, 20	281	(840)	15,810	15,251	–
Charitable activities						
. Funding for Trust's educational operations	2	398	29,069	–	29,467	23,615
Other trading activities	3	105	–	–	105	8
Total income		812	28,233	15,867	44,912	30,815
Expenditure on:						
Charitable activities						
. Trust's educational operations	5	101	29,809	2,158	32,068	25,800
Total expenditure	4	101	29,809	2,158	32,068	25,800
Net income		711	(1,576)	13,709	12,844	5,015
Transfers between funds	13	–	(251)	251	–	–
Other recognised gains (losses)						
Actuarial gains/(losses) on defined benefit pension schemes	14	–	6,701	–	6,701	(1,294)
Net movement in funds		711	4,874	13,960	19,545	3,721
Reconciliation of funds:						
Total fund balances brought forward at 31 August 2021		1,257	(4,589)	105,226	101,894	98,173
Total fund balances carried forward at 31 August 2022		1,968	285	119,186	121,439	101,894

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	10		119,186		105,226
Current assets					
Debtors	11	885		498	
Cash at bank and in hand		5,846		4,859	
		<u>6,731</u>		<u>5,357</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(4,203)</u>		<u>(4,017)</u>	
Net current assets			<u>2,528</u>		<u>1,340</u>
Total assets less current liabilities			<u>121,714</u>		<u>106,566</u>
Defined benefit pension scheme	14		<u>(275)</u>		<u>(4,672)</u>
Total net assets			<u>121,439</u>		<u>101,894</u>
Funds of the Trust:					
Restricted income funds	13				
. Fixed asset funds			119,186		105,226
. Restricted income funds			560		83
. Pension reserve			<u>(275)</u>		<u>(4,672)</u>
Total restricted funds			<u>119,471</u>		<u>100,637</u>
Unrestricted funds					
. General fund	13		<u>1,968</u>		<u>1,257</u>
Total funds			<u>121,439</u>		<u>101,894</u>

The accounts on pages 39 to 69 were approved by the trustees and authorised for issue on 13/12/2022 and are signed on their behalf by:

Peter Heathcote

Chair of Trust Board

University Schools Trust, East London
Company Registration Number 07742547 (England and Wales)

Statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash (used in) provided by operating activities	A	1,238	1,266
Net cash used in investing activities	B	(251)	(169)
Change in cash and cash equivalents in the year		<u>987</u>	<u>1,097</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2021		4,859	3,762
Cash and cash equivalents at 31 August 2022	C	<u>5,846</u>	<u>4,859</u>
A Reconciliation of net income to net cash flows from operating activities			
		2022 £'000	2021 £'000
Net income for the year (as per the statement of financial activities)		12,844	5,015
Adjusted for:			
Depreciation charges (note 10)		2,158	2,211
Inherited tangible assets		(15,810)	–
Capital grants from DfE and other capital income		(57)	(31)
Donated fixed assets		–	(214)
Revaluation of tangible fixed assets		–	(6,927)
Defined benefit scheme obligation inherited (note 20)		840	–
Defined benefit pension scheme cost less contributions payable (note 14)		1,362	752
Defined benefit pension scheme finance cost net of administration expense (note 14)		102	48
(Increase) in debtors		(387)	(55)
Increase in creditors		186	467
Net cash provided by operating activities		<u>1,238</u>	<u>1,266</u>
B Cash flows from investing activities			
		2022 £'000	2021 £'000
Purchase of tangible fixed assets		(308)	(200)
Dividends, interest and rents from investments		–	–
Capital funding received from sponsors and others		–	–
Capital grants from DfE/ESFA		57	31
Net cash used in investing activities		<u>(251)</u>	<u>(169)</u>
C Analysis of cash and cash equivalents			
		2022 £'000	2021 £'000
Cash at bank and in hand		5,846	4,859
Total cash and cash equivalents		<u>5,846</u>	<u>4,859</u>

Statement of cash flows 31 August 2022

D Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Total: cash	4,859	987	5,846

Accounting policies

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

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.

Basis of preparation

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

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

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 charitable company 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Income (continued)

Grants (continued)

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.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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 receipt, it is recognised in stock 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 transfer on conversion within donations and capital grant income to the net assets received.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

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 such assets is charged 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.

The property used by Royal Greenwich Trust School is included in the financial statements at cost and has a 125-year lease with the Local Authority.

The properties used by St Paul's Way Trust School have been included at a desktop valuation provided by the Local Authority. The secondary school building is freehold and the primary school building is held on lease with Poplar HARCA, a local housing association.

Tangible fixed assets and depreciation (continued)

The property used by Cyril Jackson Primary School is currently occupied under a tenancy at will which has been agreed for a period of 15 months. This arrangement has not changed at the date of approval of these financial statements. Despite this, the Local Authority are obliged to transfer the lease in as part of the agreement for the Conversion of Cyril Jackson Primary School, and the Trust has also obtained confirmation from the Local Authority of this fact. As a result, the value of the property is accounted for at depreciated replacement cost using a valuation provided by the Local Authority. This amount is also shown as a Transfer in within income for the 2021/22 financial year.

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

◆ Freehold Land and Buildings	2% (land is not depreciated)
◆ Leasehold Land and Buildings	2% (land is not depreciated)
◆ Assets Under Construction	not depreciated
◆ Plant and Machinery	20%
◆ Computer Equipment	33.3%
◆ Fixtures and Fittings	20%

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

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

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Financial instruments (continued)

Financial liabilities (continued)

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions benefits

Retirement benefits to employees of the 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 to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 are recognised in the period to which they relate.

Pensions benefits (continued)

The LGPS is a funded multi-employer scheme, and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / (expenditure) 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 DfE Group.

Agency Arrangements

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

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 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 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

- ◆ Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.
- ◆ Bad debts
Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.
- ◆ Donated fixed assets
Donated fixed assets are initially recognised at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The donation is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements 31 August 2022

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	–	–	57	57	6,958
Donated fixed assets	–	–	–	–	214
Transfer on conversion	281	(840)	15,810	15,251	–
Other donations	28	4	–	32	20
	309	(836)	15,867	15,340	7,192

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000
Capital grants	–	–	6,958	6,958
Donated fixed assets	–	–	214	214
Other donations	–	20	–	20
	–	20	7,172	7,192

2 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
DfE/ESFA grants				
General annual grant (GAG)	–	24,573	24,573	19,576
Universal infant free school meals	–	45	45	54
Pupil premium	–	1,402	1,402	1,087
Other DfE group grants	–	506	506	876
	–	26,526	26,526	21,593
Other government grants				
Local authority grants	–	2,083	2,083	1,470
Other income from the academy trust's educational operations	398	9	407	268
Coronavirus additional funding (DfE/ESFA)				
Recovery and catch-up premium	–	190	190	215
Exceptional government funding				
Coronavirus exceptional support	–	261	261	69
Total funding	398	29,069	29,467	23,615

The Trust had £68,000 of brought forward catch-up premium funding at 1 September 2021. This had been fully spent in 2021/22. The Trust received £190,000 of Recovery premium in the year, and incurred costs of £190,000.

2 Funding for the Trust's educational operations (continued)

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2021 Total funds £'000</i>
<i>DfE/ESFA grants</i>			
<i>General annual grant (GAG)</i>	–	19,576	19,576
<i>Universal infant free school meals</i>	–	54	54
<i>Pupil premium</i>	–	1,087	1,087
<i>Other DfE group grants</i>	–	876	876
	–	21,593	21,593
<i>Other government grants</i>			
<i>Local authority grants</i>	–	1,470	1,470
<i>Other income from the academy trust's educational operations</i>	268	–	268
<i>Coronavirus additional funding (DfE/ESFA)</i>			
<i>Catch-up premium</i>	–	215	215
<i>Exceptional government funding</i>			
<i>Coronavirus exceptional support</i>	–	69	69
<i>Total funding</i>	268	23,347	23,615

3 Other trading activities

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2022 Total funds £'000</i>	<i>2021 Total funds £'000</i>
Trip income	14	–	14	8
Income from ancillary trading activities	91	–	91	–
	105	–	105	8

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2021 Total funds £'000</i>
<i>Trip income</i>	8	–	8
<i>Income from ancillary trading activities</i>	–	–	–
	8	–	8

4 Expenditure

	Staff costs £'000	Non-pay expenditure		2022 Total £'000	2021 Total £'000
		Premises £'000	Other £'000		
Charitable activities					
Academy's educational operations					
. Direct costs	15,270	1,940	1,729	18,939	16,072
. Allocated support costs	7,563	2,944	2,622	13,129	9,728
	22,833	4,884	4,351	32,068	25,800

	Staff costs £'000	Non-pay expenditure		2021 Total £'000
		Premises £'000	Other £'000	
Charitable activities				
Academy's educational operations				
. Direct costs	12,734	1,990	1,348	16,072
. Allocated support costs	5,670	2,327	1,731	9,728
	18,404	4,317	3,079	25,800

Net expenditure for the year includes:

	2022 £'000	2021 £'000
Operating lease rentals	82	82
Depreciation	2,158	2,211
Fees payable to auditor for:		
. Audit	18	14
. Other services	4	5

5 Charitable activities - academy's educational operations

	2022 Total funds £'000	2021 Total funds £'000
Direct costs	18,939	16,072
Support costs	13,129	9,728
	32,068	25,800
	2022 Total funds £'000	2021 Total funds £'000
Analysis of support costs		
Support staff costs	7,563	5,670
Depreciation	216	221
Technology costs	521	258
Premises costs	2,728	2,106
Legal costs	–	13
Other support costs	2,080	1,433
Governance costs	21	27
Total support costs	13,129	9,728

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

	Notes	Restricted funds		2021 Total funds £'000	
		Unrestricted funds £'000	General £'000		Fixed asset £'000
<i>Income from:</i>					
Donations and capital grants	1	–	20	7,172	7,192
<i>Charitable activities</i>					
. Funding for Trust's educational operations	2	268	23,347	–	23,615
Other trading activities	3	8	–	–	8
Total income		276	23,367	7,172	30,815
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
. Trust's educational operations	5	276	23,313	2,211	25,800
Total expenditure	4	276	23,313	2,211	25,800
Net income		–	54	4,961	5,015
Transfers between funds	13	610	(779)	169	–
<i>Other recognised losses:</i>					
Actuarial losses on defined benefit pension schemes	14	–	(1,294)	–	(1,294)
Net movement in funds		610	(2,019)	5,130	3,721
<i>Reconciliation of funds:</i>					
Total fund balances brought forward at 31 August 2020		647	(2,570)	100,096	98,173
Total fund balances carried forward at 31 August 2021		1,257	(4,589)	105,226	101,894

7 Staff

(a) Staff costs

Staff costs during the period were:

	2022 Total funds £'000	2021 Total funds £'000
Wages and salaries	15,681	12,975
Social security costs	1,725	1,429
Pension costs (including LGPS notional pension charge £1,362,000 (2021 - £752,000))	3,848	2,803
	<u>21,254</u>	<u>17,207</u>
Supply staff costs	1,519	1,053
Staff restructuring costs:		
Redundancy payments	—	93
Severance payments	60	51
	<u>22,833</u>	<u>18,404</u>

(b) Severance payments

The academy trust paid 6 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	<u>6</u>

(c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £13,829 (2021: £97,703). Individually, the payments were: £1,639, £3,690 and £8,500 (2021: £5,126; £20,613; £1,199; £40,765; and £30,000).

(d) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 expressed as average headcount and as full-time equivalents was as follows:

Charitable activities	2022 No.	2021 No.
Teachers	195	171
Administration and support	199	146
Management	28	21
	<u>422</u>	<u>338</u>

7 Staff (continued)

(e) Staff numbers (continued)

Charitable activities	2022 FTE	2021 FTE
Teachers	186	163
Administration and support	157	125
Management	27	20
	370	308

(f) Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	30	29
£70,001 - £80,000	9	7
£80,001 - £90,000	1	2
£90,001 - £100,000	3	2
£100,001 - £110,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
	1	1

(g) Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £522,973 (2021: £540,442).

(h) Trustees' remuneration and expenses

The Trust Leader only received remuneration in respect of services provided undertaking the role of Trust Leader and not in respect of services as a trustee. Other trustees did not receive any payments from the Trust in respect of their role as trustees. Her remuneration, including pension is:

	2022 £'000	2021 £'000
G Kemp		
. Remuneration	135-140	130 - 135
. Employer's pension contributions	30-35	30 - 35

During the year ended 31 August 2022, no travel and subsistence expenses were reimbursed or paid directly to trustees (2021: none).

8 Insurance for trustees and officers

The Trust has opted into the DfE'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 Trust 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.

9 Central services

The Trust provided elements of the following services to its academies during the year:

- ◆ educational support
- ◆ finance
- ◆ human resources
- ◆ estates and facilities management
- ◆ health and safety
- ◆ IT
- ◆ procurement
- ◆ marketing and communications
- ◆ governance and compliance
- ◆ information governance

The Trust charges for these services at 5% of GAG.

The amounts charged during the year were as follows:

	2022 £'000	2021 £'000
St Paul's Way Trust School	794	691
Royal Greenwich Trust School	333	278
Cyril Jackson Primary School	138	–
	1,265	969

10 Tangible fixed assets

	Freehold land and building £'000	Lease- hold land and building £'000	Fixture and fitting £'000	Plant and machinery £'000	Computer equipment £'000	Total £'000
Cost						
At 1 September 2021	77,059	35,425	940	827	1,410	115,661
Donated assets on acquisition	–	15,810	–	–	–	15,810
Additions	–	50	32	8	218	308
At 31 August 2022	77,059	51,285	972	835	1,628	131,779
Depreciation						
At 1 September 2021	5,197	2,540	845	821	1,032	10,435
Charge for the year	1,751	196	37	5	169	2,158
At 31 August 2022	6,948	2,736	882	826	1,201	12,593
Net book values						
At 31 August 2022	70,111	48,549	90	9	427	119,186
At 31 August 2021	71,862	32,885	95	6	378	105,226

Included in the cost of land and buildings is land valued at £33,944,000 (2021: £25,030,000) which is not depreciated.

Transfers represent corrections made to the allocation of depreciation between freehold land and buildings and long leasehold land and buildings.

11 Debtors

	2022 £'000	2021 £'000
Trade debtors	94	62
VAT recoverable	261	67
Prepayments and accrued income	530	369
	885	498

12 Creditor: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	1,106	25
Other taxation and social security	475	175
ESFA creditor: abatement of GAG	327	766
Other creditors	327	1,100
Accruals and deferred income	1,968	1,951
	4,203	4,017

	2022 £'000	2021 £'000
Deferred income		
Deferred income at 1 September 2021	145	118
Released during the year	(145)	(118)
Resources deferred in the year	84	145
Deferred income at 31 August 2022	84	145

Deferred income relates to universal infant free school meals, and devolved formula capital funding for 2022/23.

13 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general fund					
General Annual Grant (GAG)	15	24,573	(23,777)	(251)	560
Universal infant free school meals	–	45	(45)	–	–
Pupil premium	–	1,402	(1,402)	–	–
Recovery and Catch up premium	68	190	(258)	–	–
Other coronavirus funding	–	261	(261)	–	–
Other grants	–	506	(506)	–	–
Local authority grants	–	2,083	(2,083)	–	–
Other restricted funds	–	13	(13)	–	–
Pension reserve	(4,672)	(840)	(1,464)	6,701	(275)
	<u>(4,589)</u>	<u>28,233</u>	<u>(29,809)</u>	<u>6,450</u>	<u>285</u>
Fixed assets fund					
Transfer on conversion	–	15,810	–	(15,810)	–
DfE/ESFA capital grants	–	57	–	(57)	–
General fixed assets	105,226	–	(2,158)	16,118	119,186
	<u>105,226</u>	<u>15,867</u>	<u>(2,158)</u>	<u>251</u>	<u>119,186</u>
Total restricted funds	<u>100,637</u>	<u>44,100</u>	<u>(31,967)</u>	<u>6,701</u>	<u>119,471</u>
Unrestricted funds					
General funds	1,257	812	(101)	–	1,968
Total unrestricted funds	<u>1,257</u>	<u>812</u>	<u>(101)</u>	<u>–</u>	<u>1,968</u>
Total funds	<u>101,894</u>	<u>44,912</u>	<u>(32,068)</u>	<u>6,701</u>	<u>121,439</u>

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

ESFA revenue grant funds and other restricted funds

ESFA revenue grant funds

The General Annual Grant (GAG) has been provided by the ESFA in order to fund the normal running costs of the Academy Trust. Other funding received from the ESFA included the pupil premium, and a catch up premium and other coronavirus funding. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

13 Funds (continued)

ESFA revenue grant funds and other restricted funds (continued)

Fixed asset fund

Restricted fixed assets funds were largely funded by government grants, along with other sources of funding, including donations from sponsors. When capital expenditure is incurred, a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Other restricted funds

Other restricted funds comprise restricted donations or voluntary funds received for specific purposes.

Comparative information

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<i>Restricted general fund</i>					
General Annual Grant (GAG)	–	19,576	(18,782)	(779)	15
Universal infant free school meals	–	54	(54)	–	–
Pupil premium	–	1,087	(1,087)	–	–
Catch up premium	–	215	(147)	–	68
Other coronavirus funding	–	69	(69)	–	–
Other DfE group grants	8	876	(884)	–	–
Local authority grants	–	1,470	(1,470)	–	–
Other restricted funds	–	20	(20)	–	–
Pension reserve	(2,578)	–	(800)	(1,294)	(4,672)
	<u>(2,570)</u>	<u>23,367</u>	<u>(23,313)</u>	<u>(2,073)</u>	<u>(4,589)</u>
<i>Fixed assets fund</i>					
DfE/ESFA capital grants	–	235	–	(235)	–
General fixed assets	100,096	6,937	(2,211)	404	105,226
	<u>100,096</u>	<u>7,172</u>	<u>(2,211)</u>	<u>169</u>	<u>105,226</u>
<i>Total restricted funds</i>	<u>97,526</u>	<u>30,539</u>	<u>(25,524)</u>	<u>(1,904)</u>	<u>100,637</u>
<i>Unrestricted funds</i>					
General funds	647	276	(276)	610	1,257
<i>Total unrestricted funds</i>	<u>647</u>	<u>276</u>	<u>(276)</u>	<u>610</u>	<u>1,257</u>
<i>Total funds</i>	<u>98,173</u>	<u>30,815</u>	<u>(25,800)</u>	<u>(1,294)</u>	<u>101,894</u>

13 Funds (continued)

Analysis of fund balance by academy

Fund balances at 31 August 2022 were allocated as follows:

	Total 2022 £'000	Total 2021 £'000
Central Trust	177	145
St Paul's Way Trust School	1,358	1,097
Cyril Jackson Primary School	209	–
Royal Greenwich Trust School	784	98
Total before fixed assets and pension reserve	2,528	1,340
Restricted fixed assets fund	119,186	105,226
Pension liability	(275)	(4,672)
Total	121,439	101,894

Analysis of cost by academy

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

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2022 Total £'000	2021 Total £'000
Central Trust	381	484	5	312	1,182	944
Cyril Jackson Primary School	1,715	1,199	14	902	3,830	–
St Paul's Way Trust School	8,193	4,933	57	4,050	17,233	16,686
Royal Greenwich Trust School	3,470	1,097	8	1,627	6,202	5,959
Academy Trust	13,759	7,713	84	6,891	28,447	23,589

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	2021 Total £'000
Central Trust	349	316	–	279	944
St Paul's Way Trust School	8,961	4,192	31	3,502	16,686
Royal Greenwich Trust School	3,424	1,162	12	1,361	5,959
Academy Trust	12,734	5,670	43	5,142	23,589

13 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds		Total 2022 £'000
		General £'000	Fixed assets £'000	
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	–	–	119,186	119,186
Current assets	1,968	4,763	–	6,731
Creditors falling due within one year	–	(4,203)	–	(4,203)
Pension scheme liability	–	(275)	–	(275)
Total net assets	1,968	285	119,186	121,439

	Unrestricted funds £'000	Restricted funds		Total 2021 £'000
		General £'000	Fixed assets £'000	
<i>Fund balances at 31 August 2021 are represented by:</i>				
<i>Tangible fixed assets</i>	–	–	105,226	<i>105,226</i>
<i>Current assets</i>	1,257	4,100	–	<i>5,357</i>
<i>Creditors falling due within one year</i>	–	(4,017)	–	<i>(4,017)</i>
<i>Pension scheme liability</i>	–	(4,672)	–	<i>(4,672)</i>
<i>Total net assets</i>	<i>1,257</i>	<i>(4,589)</i>	<i>105,226</i>	<i>101,894</i>

14 Pension and similar obligations

The 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 the London Borough of Tower Hamlets and the Royal Borough of Greenwich. 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 to the period ended 31 March 2019.

Contributions amounting to £286,000 (2021: £190,000) were payable to the schemes as at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the

14 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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; and
- ◆ 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. The 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,935,000 (2021: £1,611,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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.

14 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £799,000 (2021: £608,000), of which employer's contributions totalled £590,000 (2021: £440,000) and employees' contributions totalled £209,000 (2021: £168,000).

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

Principal Actuarial Assumptions	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	3.52%	3.48%
Rate of increase for pensions in payment / inflation*	3.05%	2.88%
Discount rate for scheme liabilities	4.23%	1.68%

*Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. For Cyril Jackson Primary School and St Pauls Way Trust School, the impact has been directly reflected within the assumptions listed above. For Royal Greenwich Trust School, the estimated impact of the defined benefit obligation has been recognised as an experience loss of £83,000. This charge has been made against the actuarial gain for the year as opposed to being reflected directly within the assumption above.

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	20.8	21.3
Females	23.4	23.8
<i>Retiring in 20 years</i>		
Males	22.1	22.7
Females	25.2	25.5

14 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2022 £'000	At 31 August 2021 £'000
Discount rate +0.1%	295	358
Discount rate -0.1%	(305)	(555)
Mortality assumption - 1 year increase	415	745
Mortality assumption - 1 year decrease	(406)	(390)
Salary rate +0.1%	118	387
Salary rate -0.1%	(118)	(372)
CPI rate +0.1%	296	636
CPI rate -0.1%	(286)	(358)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	7,374	5,629
Other bonds	473	839
Property	911	586
Cash and other liquid assets	124	70
Other	108	99
Total market value of assets	8,990	7,223
Present value of scheme liabilities		
Funded	8,729	(11,895)
Surplus deficit in the scheme as determined by the actuary	261	(4,672)
Adjustment recognised in actuarial losses to cap the scheme surplus*	(536)	–
Deficit in the scheme	(275)	(4,672)

*For the year-ended 31 August 2022, St Paul's Way Trust School was calculated to have a pension scheme asset of £690,000. Given the School is within the same Local Authority as Cyril Jackson Primary School, who was calculated to have a pension scheme liability of £154,000 at 31 August 2022, each of the valuations have been offset against each other to recognise an overall pension scheme asset of £536,000. As there is uncertainty regarding the recoverability of the LGPS surplus, recognition of the surplus on the balance sheet has been restricted to £nil. The adjustment of £536,000 has been offset against the overall actuarial gain for the year.

14 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)(continued)

Amounts recognised in statement of financial activities	2022 £'000	2021 £'000
Current service cost (net of employer contributions)	1,362	752
Net interest cost (net of administration expense)	102	48
Total amount recognised in the SOFA	1,464	800

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

	Total 2022 £'000	Total 2021 £'000
Brought forward	11,895	8,298
Conversion of academy trust	2,242	–
Current service cost	1,952	1,192
Interest cost	255	149
Employee contributions	209	168
Actuarial (gain)/loss	(7,743)	2,134
Benefits paid	(81)	(46)
At 31 August 2022	8,729	11,895

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

	Total 2022 £'000	Total 2021 £'000
Brought forward	7,223	5,720
Conversion of academy trust	1,402	–
Interest income	152	101
Actuarial (loss)/gain	(506)	840
Benefits paid	(79)	(46)
Employer contributions	590	440
Employee contributions	209	168
Administration expenses	(1)	–
At 31 August 2022	8,990	7,223

15 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the ESFA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- ◆ the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- ◆ the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement,

16 Commitments under operating leases

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

	2022 £'000	2021 £'000
Amounts due within one year	37	82
Amounts due in two and five years	–	37
	37	119

17 Related party transactions

Owing to the nature of the Trust and the composition of the Board being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook and in accordance with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 7.

18 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

19 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Trust received £42k (2021: £57k) and disbursed £39k (2021: £39k) from the fund. The balance of £29k (2021: £26k) is included in other creditors.

20 Transfer of schools from Local Authorities on conversion

On 1 September 2021, Cyril Jackson Primary School converted to Academy status and joined the Trust. 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 headings with a corresponding net amount recognised as a gain in the statement of financial activities (SOFA) as donations and a transfer from the local authority on conversion. There were no transfers of schools from Local Authorities on conversion during the year ended 31 August 2021.

Group and Trust	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
Tangible fixed assets				
. Leasehold land and buildings	–	–	15,810	15,810
Budget surplus on trust funds	281	–	–	281
LGPS pension deficit	–	(840)	–	(840)
Net assets (liabilities)	281	(840)	15,810	15,251