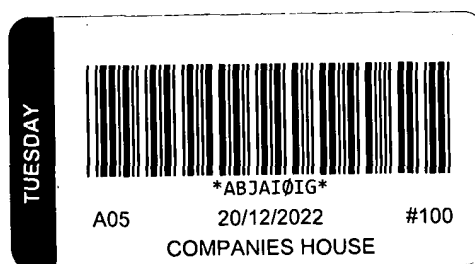


Company Registration Number: 07652306 (England & Wales)

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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



THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Susan Fowler (resigned 18 October 2021)
Lucille Glencairn-Campbell
Andrew Hall (resigned 22 November 2021)
David Slater
Jacqui Smith (resigned 18 July 2022)
Alan Neal (appointed 22 November 2021)
Jeff Bale (appointed 15 August 2022)

Trustees

Susan Fowler, Chair (resigned 18 October 2021)
Susan Muggeridge, Vice Chair (from 1 November 2021 to 2 March 2022), Chair
(from 2 March 2022)
Alan Neal, Vice Chair (to 31 October 2021), Chair (from 1 November 2021 to 2
March 2022), Vice Chair (from 17 October 2022)
Neil Pearson
Amjid Raza
Ben Roman, Vice Chair (from 2 March 2022 to 17 October 2022)
Catriona Robinson (appointed 10 October 2021)

Finance, Audit and Risk Committee

Susan Muggeridge
Alan Neal
Neil Pearson, Vice Chair (to 17 October 2021), Chair (from 18 October 2021)
Amjid Raza, Vice Chair (from 24 November 2021)

Standards and Curriculum Committee

Susan Muggeridge - Vice Chair (from 6 December 2021)
Neil Pearson (from 6 December 2021)
Catriona Robinson - Chair (from 6 December 2021)

Company registered number

07652306

Company name

The Four Stones Multi Academy Trust

Principal and registered office

Brake Lane
Hagley
Stourbridge
West Midlands
DY8 2XS

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Company secretary

Philip Andrew Engleheart

Accounting officer

Stephen Brownlow (resigned 31 May 2021)

Mark Pollard, Acting Accounting Officer (from 1 June 2022, appointed Accounting Officer from 18 October 2022)

Senior Leadership Team/Key management personnel

Stephen Brownlow, Chief Executive Officer/Executive Headteacher (resigned 31 May 2021)

Mark Pollard, Deputy Chief Executive Officer (from 1 January 2021), Acting Chief Executive Officer (from 1 June 2022, Executive Officer/Executive Headteacher from 18 October 2022)

Jessica Hathaway, Chief Operating Officer

Ryan Knight, Trust Estates and Facilities Manager (resigned 29 November 2021)

Sam Hunter, Trust Estates and Facilities Manager (appointed 4 January 2022, resigned 1 July 2022)

Simon Morom, Chief Financial Officer

James Powell, Trust IT Manager

Joanne Edrop, Trust HR Manager (appointed 13 June 2022)

Ruth Allen, Headteacher, The De Montfort School (from 1 September 2021)

James Butler, Headteacher, King Charles I School (from 1 September 2021)

Nicola Stanfield, Headteacher, Haybridge High School (from 1 September 2021)

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Solicitors

Worcestershire County Council Legal & Democratic Services

Browne Jacobson
Victoria Square
Birmingham
B2 4BU

Bankers

HSBC
114 High Street
Stourbridge
West Midlands
DY8 1DZ

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report, together with the audited financial statements of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

As at 31 August 2022, The Four Stones Multi Academy Trust (hereinafter referred to as the MAT) operates three schools (Haybridge High School, King Charles I School and The De Montfort School) for students aged 10 to 18 serving three catchment areas in Worcestershire. Overall, it has a student capacity of 3,940 and had a roll of 3,204 in the Spring 2022 census.

Structure, governance and management

a. Constitution

The MAT is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents.

The Trustees of the MAT are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Four Stones Multi Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee of the MAT shall be indemnified out of the assets of the MAT against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the MAT.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Members and Trustees

The company's Articles provide for up to five Trustees to be appointed by the Trust Members and for further Trustees to be co-opted by the Trust Board itself. During the year to 31 August 2022 there was one Trustee appointed by the Members (Catriona Robinson appointed 10 October 2021).

The term of office for any Trustee is four years. Subject to remaining eligible any Trustee may be reappointed. The Trustees who served during the year, and to the date these accounts are approved are listed on page 1.

No employee of the Trust is a Trustee or a Member. Initially there was full separation between the Members and the Trustees, but since February 2020 one individual has held both offices as recommended by the Department for Education (DfE) for purposes of effective communication.

During the year, three Members resigned (Susan Fowler, Andrew Hall and Jacqui Smith) and a decision was taken to replace so that the number of Members would continue to be set at Five. To this end Alan Neal has been appointed as a Member on 22 November 2021 and Jeff Bale appointed as a Member on 15 July 2022. The MAT is currently in the process of searching for and recruiting a fifth Member.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters. All new Trustees will be given the opportunity of a tour of the schools in the MAT.

Trustees have access to a dedicated portal on the MAT's website, where all documentation relating to Trust Board and committee meetings is posted. This portal also holds material they need to undertake their role as Trustees: MAT policies, procedures, accounts, budgets and plans; national governance documents (Governance Handbook and competency framework, Academy Trust Handbook/Academies Financial Handbook, which are guides to their key responsibilities); and links to online training resources. New Trustees are signposted to this as part of their induction into the MAT.

The MAT continues with its membership of the National Governance Association and Confederation of School Trusts (CST) which keep it informed of relevant changes and statutory regulations, in addition to providing a range of training resources.

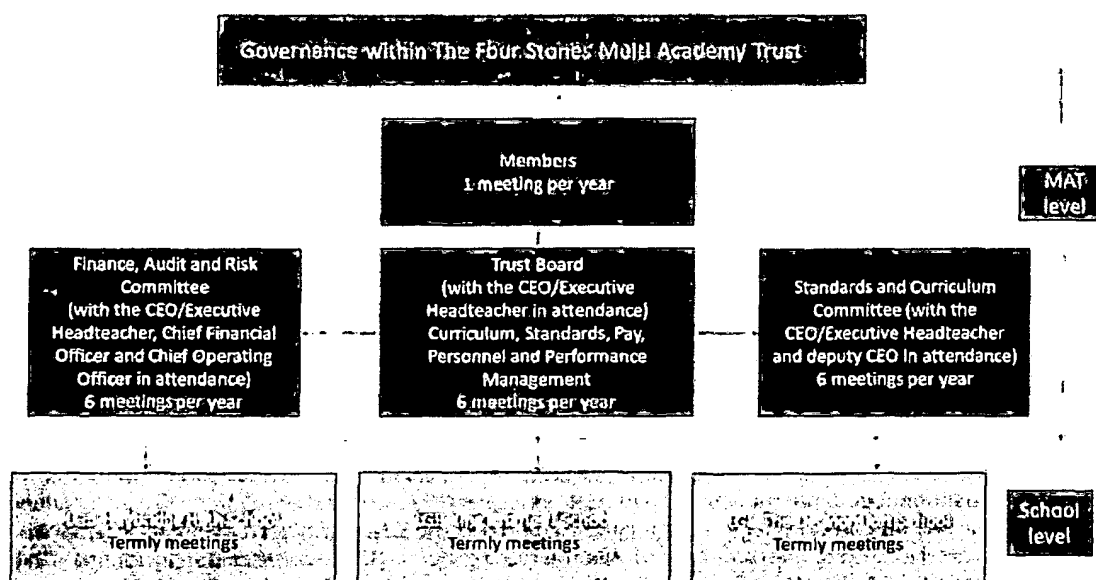
THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

f. Organisational structure

Further details of governance within the MAT are included in the Governance Statement on page 24. During 2020/21, the Trustees reflected on their organisational structure and decided to add a new committee (Standards and Curriculum) to the committee structure from September 2021. Therefore, from September 2021, the basic structure is shown below.



The Key Management Personnel control the MAT and its schools on a daily basis, implement the policies laid down by the Trustees and Governors and report back to them. For the year ended 31 August 2022, the Senior Leadership Team/Key Management Personnel (hereinafter referred to as 'Key Management Personnel') consisted of: the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Trust Estates and Facilities Manager, the Trust IT Manager, the Trust HR Manager (appointed 13 June 2022) and a Headteacher in each school. This team defines the direction of the MAT, quality assures to ensure intelligent accountability and develops and implements plans to meet the MAT's targets and aspirations.

Each school in the MAT has its own Senior Leadership Team which defines the direction of the school, quality assures to ensure intelligent accountability and develops and implements plans to meet the school's targets and aspirations.

At individual school level, there is a Local Governing Body (LGB) which has responsibility for matters affecting its own school. Above the LGBs there is a board of Trustees ("the Trust Board"). These people oversee the strategic development of the MAT and issues affecting all the schools. It is important to note that the Trustees are not representatives or delegates of individual schools as their function is to work at an overarching strategic level. The Trustees have approved a scheme of delegation which clearly sets out the level of authority delegated to the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, LGBs and Headteachers.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Going forward from September 2022 on the appointment of Mark Pollard as from 18 October 2022 as the MAT Chief Executive Officer and Accounting Officer it was decided not to recruit a replacement for the role of MAT Deputy Chief Executive Officer but to recruit a MAT Chief Finance and Operating Officer (CFOO) replacing the two current positions of Chief Finance Officer (CFO) and Chief Operating Officer (COO). A CFOO has been successfully recruited during October 2022 with an expected start date of 1 March 2023. No redundancies have been incurred as the present COO will become the Director of Operations (DOO) and the present CFO is on a Fixed Term contract with us until 28 February 2023.

Accountability lies with the Trustees and Members. These are a small group of people with extensive experience, appropriate skills and commitment. Members have the power to appoint Trustees, amend the Articles of Association and appoint the external auditors and meet once a year during the latter part of the autumn term or early part of the spring term.

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

The Members and Trustees of the MAT give of their time freely.

The arrangements for setting pay and remuneration of the Key Management Personnel are clearly set out in the pay and appraisal policies that are reviewed annually by the Trust Board. The Trust Board will determine the salary of the Key Management Personnel who are teachers in accordance with the benchmarks, parameters and criteria in the Education & Skills Funding Agency (ESFA) guidance on 'Setting Executive Salaries' or the School Teachers' Pay and Conditions Document. The Trust Board will determine the salary of the other Key Management Personnel using information from other Multi Academy Trusts and their HR advisers.

Chief Executive Officer: The Chief Executive Officer is appraised by the Trust Board, supported by a suitably skilled and experienced external advisor. The task of appraising the Chief Executive Officer, including the setting of objectives, will be carried out by a committee comprising the Chair of the Trust Board, one other Trustee and an external advisor. Final decisions about whether to accept a pay recommendation for the Chief Executive Officer will be made by the Trust Board, having regard to the advice from the appraisal committee.

Deputy Chief Executive Officer: The Deputy Chief Executive Officer was appraised by the Trust Board, supported by the Chief Executive Officer. The task of appraising the Deputy Chief Executive Officer, including the setting of objectives, will be carried out by a committee comprising the Chair (or Vice Chair) of the Trust Board, one other Trustee and the Chief Executive Officer. Final decisions about whether to accept a pay recommendation for the Deputy Chief Executive Officer will be made by the Trust Board, having regard to the advice from the appraisal committee. With the decision not to have a Deputy Chief Executive Officer going forwards from September 2022 the above process will be adopted for the appraisal of the Chief Finance and Operating Officer as from March 2023.

Headteachers: The Headteachers are appraised by the Chief Executive Officer and Deputy Chief Executive Officer, but in future will be appraised by the Chief Executive Officer, supported by the chair of the Local Governing Body. Final decisions about whether to accept a pay recommendation will be made by the Trust Board, having regard to the appraisal report and taking into account advice from the relevant committee.

Other Key Management Personnel: The officers are appraised by the Chief Executive Officer or Chief Operating Officer or after March 2023 the Chief Finance and Operating Officer and will be subject to a review of performance against their performance objectives.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Trade union facility time

During 2021/22 the schools in the MAT had service level agreements with Worcestershire County Council for trade union facility time. The MAT had no trade union officials and therefore no other costs for paying employees for trade union facility time.

h. Related parties and other connected charities and organisations

The MAT works in partnership with other organisations to further its aims.

- The MAT has an established School Centred Initial Teacher Training (SCITT) programme which trains new entrants to the profession. During 2021/22 the SCITT continued to expand by continuing to offer both full and part time primary and secondary post graduate programmes, BA Hons primary and early years with Qualified Teacher Status (QTS) three year undergraduate programme; and an 'Assessment only' programme for unqualified teachers to be able to gain QTS. In line with the DfE guidance, the vast majority of the trainees completed the courses and achieved QTS gaining employment across the West Midlands. In September 2022 the SCITT was successfully awarded reaccréditation, alongside 179 ITT providers across the country, allowing it to continue recruiting and training new entrants beyond 2024.
- The MAT had an established Teaching School which provides school to school support across the Midlands. Following a successful 12 month pilot scheme involving six Teaching School Hubs, the DfE made the decision to reorganise the 800+ Teaching Schools into 87 new Teaching School Hubs who will provide the 'Golden Thread' of professional development across the country, ensuring that every teacher, regardless of career stage, has access to high quality professional development. Haybridge High School was successful in its application and in February 2021 was designated as the Teaching School Hub for Sandwell and Dudley from 1 September 2021. The Teaching School Hub has had a very successful first year achieving all of the 'Golden Thread' KPI targets and has set ambitious targets for 2022/23.
- All schools in the MAT have close working relationships with their cluster primary and middle schools;
- All schools in the MAT have close working relationships with the schools in their local areas through the Fair Access Panel.
- Haybridge High School undertakes the administration of The Appeals Trust, a fundraising arm of the school which is registered separately as a charity.
- King Charles I School has close working relationships with three connected charities:
 - 1) King Charles the First's School Foundation (One Trustee of the King Charles the First's Foundation is also a Member of the MAT);
 - 2) The Roy Woodward Educational Foundation ((Of its Trustees, Lucille Glencairn-Campbell is a Member of the MAT, Joel Douglas is a Governor of King Charles I School and Alan Neal is a Member and Trustee of the MAT and a Governor of The De Montfort School). The Foundation donated £60,000 in 2021/22 to King Charles School to match the grant from Sport England for the refurbishment of the swimming pool.
 - 3) King Charles the First's School Appeal Trust (From 24 May 2021 onwards, one Trustee of the King Charles the First's School Appeal Trust is also a Governor of King Charles I School).
 - 4) The Old Carolians Association, (Their Trustees include Joel Douglas a King Charles I Governor, David Slater a MAT Member and Jamie Butler the Head Teacher of King Charles I School).
 - 5) The Harry Train Exhibition Fund, (Their Trustees include David Slater a MAT Member and Alan Neal a MAT Member, Trustee and De Montfort School Governor).
- The De Montfort School has close working relationships with a connected charity: The Deacle and Prince Henry's Educational Foundation awards the school a grant of £5,000 per year (From August 2021 a Trustee of The Deacle and Prince Henry's Educational Foundation is a member of the senior leadership team at The De Montfort School and Alan Neal, a Member and Trustee of the MAT, and also the Chair of Governors of The De Montfort School, is a Trustee of this charity).
- King Charles I School Trading Limited established in 2015 as a wholly owned trading subsidiary for the running of the school's external lettings and hiring's business. On 8 February 2021, the Trustees decided

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

that the trading subsidiary should be wound up and its business henceforward conducted directly by the MAT. The Directors met on 25 February 2021 and passed resolutions to cease trading and approve an agreement to transfer all assets and liabilities to the MAT. The trading subsidiary was dissolved on 19 April 2022.

- The Chief Executive Officer has been providing external support for another school as their School Improvement Partner. The income is received by the MAT and classed as income in the Central Budget.

There are no related parties which either control or significantly influence the decisions and operations of the MAT. Owing to the nature of the MAT's operations and the composition of the Trust Board being drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the MAT's financial regulations and normal procurement procedures. There are no sponsors associated with the MAT.

Objectives and activities

a. Objects and aims

The objects of the MAT are set out in the Articles of Association. The MAT has two main objectives:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of the area in which any Academy maintained by the Academy Trust is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

The Four Stones Multi Academy Trust (MAT) is a 'family' of like minded schools, that collaborate to provide mutual support, share their good practice, and learn from each other. Our students deserve the best and we do this most effectively by working together.

We are dedicated to improving standards and are driven to achieve excellence by living and breathing our core values of Ambition, Commitment and Integrity. We are determined to make a positive difference to the future of our pupils and their families, the careers of our staff, as well as contributing to the wider community.

The core purpose of the MAT is to provide excellence and opportunity for all, enabling lives to be transformed. We want all our students to access university or a high powered alternative.

To achieve this, we do the following:

- Invest in teachers and leaders to carry out their roles effectively in order to attain excellence in all our schools;
- Offer a broad, balanced and academic curriculum at both GCSE and A level. At the same time, we emphasise the importance of educating the whole child with attention to their physical, emotional and social development and so we are proud of our character development of teamwork, leadership, resilience and challenge that comes from teaching an academic curriculum and holding students to our high expectations;
- Complement our academic curriculum with an extensive enrichment programme. From after school clubs

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

to international trips, we give our students access to the cultural literacy to enable them to fully participate in adult educated life;

- Operate with a strict approach to discipline ensuring our students can learn in calm and purposeful classrooms, free from distractions and develop the habits that will be necessary to be successful independent adults;
- Provide engaging and effective teaching based on our core values and the best and most up to date educational practice;
- Be unapologetically ambitious for every student, no matter what their background, prior attainment or needs. We take great pride in developing relationships between students, staff and families, in order that we can ensure that success is desirable, demanded and achievable; and
- Recognise and celebrate effort, achievement and excellence.

Mission/Core Purpose

To provide excellence and opportunity for all, enabling lives to be transformed.

Vision

The following constitute the MAT's vision. It is the responsibility of all those employed and associated with the organisation to work towards the furtherance of these objectives:

- A 'family' of 8-10 like minded schools, that collaborate to provide mutual support, share their good practice, and learn from each other.
- Students experience the best learning opportunities exemplified by exceptional teaching and support, a knowledge based and academic shared curriculum, high quality resources and opportunities beyond the classroom;
- Students make outstanding progress regardless of their starting point and students achieve more highly in the MAT than they would elsewhere;
- Students are responsible, confident and successful members of their community and wider society;
- All staff contribute to an exciting and dynamic learning environment, work as high performing individuals and benefit from quality professional development and supported career progression;
- The fabric of the schools is carefully maintained and developed to be a safe and inspirational learning environment;
- Leadership and governance at all levels is secure and ambitious thus ensuring financial security and excellent outcomes; and
- The work of the MAT is of a quality which ensures the highest regard by others evidenced by schools which are full and oversubscribed and validated by external accreditation.

c. Public benefit

In setting the MAT's objectives and planning its activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Even during the exceptional circumstances caused by the COVID 19 pandemic, the MAT believes that the activities undertaken and achievements reached still allowed its objectives to be met during that period. This has benefited those students within the areas which the schools serve. In addition, the MAT had an established Teaching School which provided school to school support across the Midlands and a SCITT which trained new entrants to the profession during 2021/22. This has been particularly beneficial for all schools in the MAT.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Report on the outcomes for Public Examinations/National Tests for Summer 2022

There was a return to students sitting national tests in 2022 (for the first time in 3 years since COVID), albeit with adjustments in the content and outcome of examinations as mitigation for the continuing impact of the pandemic on learning.

Students in year 6 at TDMS completed KS2 SATs tests for the first time since the school has been part of the MAT. A key priority has been to improve outcomes at KS2 and the school has made good progress with this. There was a significant increase in the percentage of students meeting national expectations compared to 2019. This is now above the national average.

Year	TDMS	National
2019	39.6%	64.9%
2022	66.1%	59%

At KS4, Ofqual enacted their plan for a fair and gradual return to pre-pandemic grading standards by ensuring that outcomes in 2022 were not the same as 2019. Therefore, the attainment in all schools should be reviewed in this context. The following table indicates an overview of attainment at KS4 in all schools:

KS4 2022	HHS	KCM	TDMS	National
% 5+ in English and maths	69%	54.5%	44.1%	50%
% 4+ in English and maths	85%	69%	65%	71%
Attainment 8	57.47	49.2	44.61	48.7

Progress 8 scores show how much progress students at each school made across 8 qualifications between the end of key stage 2 and the end of key stage 4, compared to other similar pupils nationally:

KS4 2022	HHS	KCM	TDMS	National
Progress 8	+0.49	+0.13	+0.34	0

It is pleasing that all schools have a positive value-added score for KS4 progress in 2022. It is likely that both Haybridge's and The De Montfort School's scores are considered to be above average and King Charles' score as average. Haybridge was ranked at the 3rd best school and TDMS 5th best school across Worcestershire LA for progress.

At KS5, given that students were awarded previous GCSE grades by teacher assessment in 2020, there will be no published value-added measures comparing school performance nationally in 2022. However, the following table provides a summary of attainment:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

KS5/2022	EHS	KC1	TDMS	National
% of grades A+B	67%	66.3%	28.6%	62.8%
% of grades A+E	100%	100%	95.8%	98.4%
Average points per entry	40.7 (B)	39.1 (B)	27.3 (C-)	38.7*

*estimate based on FFT data August 2022

These results enabled the vast majority of our students to progress to the destinations of their choice (higher education, apprenticeships etc).

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

Educational KPIs 2021/22

KPI	Success Criteria	When will it be monitored?
1. Numbers of students in Years 6-11 and the sixth form	<ul style="list-style-type: none"> Numbers of students in Years 7-11 and the sixth form in all schools within the MAT are improving Numbers of students in Years 7-11 and the sixth form across the MAT is improving 	Half-termly
2. Attainment and progress of the disadvantaged students and SEND students at key stages 2, 4 and 5	<ul style="list-style-type: none"> All schools within the MAT are exceeding previous performance All schools within the MAT are exceeding national averages 	<p>Key Stage 2</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 6 Final result: July after Key Stage 2 results issued <p>Key Stage 4</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 11 Final result: September after GCSE results issued <p>Key Stage 5</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 13 Final result: September after A Level results issued
3. Attainment and progress at key stages 2, 4 and 5	<ul style="list-style-type: none"> All schools within the MAT are exceeding previous performance All schools within the MAT are exceeding national averages 	<p>Key Stage 2</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 6 Final result: July after Key Stage 2 results issued <p>Key Stage 4</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 11 Final result: September after GCSE results issued <p>Key Stage 5</p> <ul style="list-style-type: none"> Termly: issues to address Predictions: February of Year 13 Final result: September after A Level results issued

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

KPI	Success Criteria	When will it be monitored?
4. Attendance and punctuality of the disadvantaged students	<ul style="list-style-type: none">▪ All schools within the MAT are exceeding previous performance▪ All schools within the MAT are exceeding national averages	Half-termly
5. Attendance and punctuality	<ul style="list-style-type: none">▪ All schools within the MAT are exceeding previous performance▪ All schools within the MAT are exceeding national averages	Half-termly
6. Behaviour for learning	<ul style="list-style-type: none">▪ No low-level disruption▪ All schools within the MAT are exceeding national averages-eg use of isolation and exclusions	Half-termly
7. Staff recruitment and retention	<ul style="list-style-type: none">▪ All schools within the MAT are fully staffed with teachers at the start of each term▪ All schools within the MAT are exceeding national averages for retention of teaching staff▪ All schools within the MAT are exceeding national averages for retention of NQT/ECTs▪ All schools within the MAT are exceeding national averages for the attendance of staff	Annually in September

c. Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

d. Promoting the success of the company

In accordance with s.172 of the Companies Act 2006 the duty to promote the success of the MAT was complied with by our Trust Board through developing the MAT Strategic Plan and in the following ways:

- Regularly monitoring its progress towards achieving its objectives through the Chief Executive Officer's half termly reports which highlight progress against the MAT's development plan and using the ESFA document 'Understanding your data: a guide for school Governors and Academy Trustees' to highlight issues to address.
- Please refer to 'Achievements and Performance' to see the impact of the MAT's work on Ofsted judgements, number of students on roll and destinations data;
- The Trustees have asked the Chief Executive Officer to develop and grow the MAT to continue to improve the education and life chances of a larger group of students. It is anticipated that the MAT will grow in a planned, gradual and carefully considered way and there are certainly no plans to develop at speed. The priority is to ensure that the MAT grows at a rate which can be best managed so as to support all its schools to maintain and improve performance.
- Following a successful 12 month pilot scheme involving six Teaching School Hubs, the DfE made the decision to reorganise the 800+ Teaching Schools into 87 new Teaching School Hubs who will provide the 'Golden Thread' of professional development across the country, ensuring that every teacher, regardless of career stage, has access to high quality professional development. Haybridge High School was successful in its application and in February 2021 was designated as the Teaching School Hub for Sandwell and Dudley from 1st September 2021. Teaching School Hubs have been given the remit to provide a 'Golden Thread' of professional development across the country, ensuring that every teacher, regardless of career stage, has access to high quality professional development.

e. Engagement with employees (including disabled persons)

Employees are regularly consulted on issues of concern to them by means of regular staff forums and other meetings and are kept informed on specific matters directly by the Key Management Personnel and the Senior Leadership Teams in the individual schools.

In accordance with the relevant policies (e.g. accessibility plans, equal opportunities, health and safety and recruitment and selection) the schools in the MAT have long established fair employment practices in the recruitment, selection, retention and training of disabled staff. For example -

- Under the 'Two Ticks scheme' the MAT undertakes to interview disabled people who meet the minimum essential criteria detailed in the person specification and asks candidates if they require any special aids, adaptations or conditions for the interview; and
- The MAT monitors the physical features of its premises to consider whether they might not place anyone with a disability at a substantial disadvantage and, where necessary, takes reasonable steps to improve access.

In addition, the MAT has an Employee Assistance Programme for all its employees and is working hard to reduce workload and improve well being.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

f. Engagement with suppliers, customers and others in a business relationship with the trust

The MAT is keen to foster its relationship with students, parents/carers, suppliers and the wider community.

- Local schools: Please refer to 'Related Parties and other Connected Charities and Organisations';
- Parents/carers and students: The schools in the MAT have good relationships with the students and their parents/carers.
- Suppliers:
 - The MAT supports the principles set out within the Prompt Payment Code (PPC): to pay suppliers on time; give clear guidance to suppliers; and encourage good practice. The PPC encourages payment within a maximum of 60 days (in line with late payment legislation requirements) and works towards adopting 30 days as the norm. It is the MAT's aim to move towards 30 days but consider the on going need to manage cash flow.

Financial Review

The majority of the MAT's income is obtained from the ESFA in the form of annual grants. The grants received from the ESFA during the year ending 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The MAT also received grants for tangible fixed assets and fixed asset donations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants or donations are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2022, total expenditure of £23.5 million (2021: £20.7 million) was covered by recurrent grant funding from the ESFA together with other incoming resources resulting in total incoming resources of £22.5 million (2021: £43.3 million). Excluding transactions involving fixed assets and pension liabilities the excess of expenditure over income for the year was £0.03 million (2021: £0.1 million). At 31 August 2022 the net book value of tangible fixed assets was £59.5 million (2021: £60.1 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the students of the MAT and for the provision of leisure facilities to the community in accordance with the Articles of Association.

At 31 August 2022 the LGPS pension liability deficit was £3.8 million (2021: £10.5 million), this reduction being due to an £7m gain on financial assumptions made by the Actuaries. The Trust Board recognises that the defined benefit scheme deficit represents a significant potential liability. However, as the Trustees consider the MAT is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised. During 2021/22, the MAT continued to pay extra contributions into the Scheme to cover the potential impact of the McCloud judgement.

At the year end, the MAT had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

Despite the MAT receiving its main funding directly from the ESFA, the formula used to distribute this funding is driven by the local authority. The three year settlement for schools (announced in the September 2019 spending round) has had a significantly positive impact on the MAT's budget plans.

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Strategic report (continued)

The MAT also received the following income:

- £2,561.40 (2021 £928.80) from the John Masefield High School for school improvement services.

Key financial policies adopted or reviewed during the year include the MAT's Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Trust Board, Finance, Audit and Risk Committee, Chief Executive Officer, Chief Financial Officer, Headteachers, budget holders and other staff, as well as delegated authority for spending.

a. Reserves policy

The MAT will maintain a level of reserves to:

- provide a working balance to cushion the impact of uneven cash flows and avoid necessary short term borrowing;
- provide a contingency to cushion the impact of unexpected events e.g. urgent maintenance, emergencies and large shortfalls in budgets;
- enable it to continue to work towards the furtherance of its strategic objectives; and
- plan for potential major items of expenditure.

The appropriate level of reserves for this purpose will be determined by the Finance, Audit and Risk (FAR) Committee as a part of its budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be reviewed and projections on future balances will be made as part of the budget setting process and update of the budget plans and determined by assessing the financial risks associated with meeting continuing obligations to provide services.

The MAT will not maintain levels of reserves that are excessive compared with total income levels.

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TRUSTEES' REPORT (CONTINUED)
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Factors which should be taken into account in determining the level of reserves are:

- assumptions regarding inflation;
- estimates of the level and timing of capital receipts;
- treatment of demand led pressures;
- treatment of savings;
- the MAT's capacity and track record to manage in year budget pressures and cash flow;
- the MAT's ability to cover at least one month's net salary bill;
- the adequacy of insurance arrangements;
- impact of major unforeseen events e.g. fluctuations in income caused by changes to the funding formula;
- the likely level of Government support following major unforeseen events;
- support new schools joining the MAT;
- the need for school improvement activities; and
- the need to improve the facilities at all schools in the MAT and ensure they are fit for purpose.

The Trust Board has determined that an appropriate minimum level of free reserves should be equal to one month's average payroll costs (approximately £1,400,000). During 2021/22 the Trustees planned to establish a relatively high level of reserves at the year end to ensure they had enough reserves for the purposes below and at least 6% of total income as uncommitted reserves:

- Support new schools joining the MAT;
- School improvement activities;
- Manage unforeseen emergencies;
- Continue to improve the facilities on all the sites in the MAT and ensure they are fit for purpose; and
- Review of the curriculum so that nearly all the students are entered for the ebacc.

As at 31 August 2022 the MAT held total restricted general funds (excluding pension reserves) of £135k (2021: £214k). Unrestricted funds show an acceptable surplus of £1,299k (2021: £735k surplus). This is in line with the MAT budget and objectives.

Under charity accounting it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non teaching staff to a specific restricted reserve. As at 31 August 2022 the deficit on this reserve amounted to £3.8 million (2021: £10.5 million). It should be noted however that this does not present the MAT with a current liquidity problem. Contributions to the pension scheme are being budgeted over the next few years in order to reduce the deficit.

b. Investment policy

The MAT has a positive cash flow balance to cover eventualities and unforeseen expenses.

The MAT has continued to invest £200k (£100k in Teachers Building Society 90 day and £100k in Nationwide 95 day). There is a further £500k - £1,000k that the MAT may look to invest during 2022/23 but this will depend on the available interest rates. The interest received on these investments was £2,459.40 (2021: £820.72). The investments were made with a view to managing public funds better by ensuring a return on cash not immediately required to meet liabilities.

In balancing risk against return the investment policy is clearly geared towards avoiding risk rather than to maximising return, but the Trustees are aware of their wider financial responsibilities and will review this regularly. The Trustees have agreed the following policy:

To manage the risk of default, investments will only be deposited in banking institutions regulated and supervised by the Prudential Regulation Authority (PRA). Investments will be subject to a maximum exposure of £500,000 with any one institution.

Decisions on how much to invest and for how long will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Financial Officer. The cash flow forecasts will take account of the

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annual budget and spending plans approved by the Trust Board and updated on a monthly basis.

A sufficient balance must be held in the current account so that the MAT's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the MAT.

Two of the authorised signatories are required to sign instructions to the deposit being placed and the Chief Financial Officer will monitor the cash position and cash flow forecast and report investments held to the Finance, Audit and Risk Committee at appropriate intervals.

c. Principal risks and uncertainties

The MAT's strategic risk register details the strategic risks associated with the Trust Board's main four obligations, namely:

1. To ensure the clarity of vision, ethos and strategic direction of The Four Stones Multi Academy Trust (MAT);
2. For the educational performance of the schools in the MAT and their students;
3. To oversee the financial performance of the schools in the MAT and make sure money is well spent and value for money is achieved; and
4. Ensure compliance with charity and company law and the MAT's master and supplemental funding agreements.

The key risks are:

- The increase in breadth of the MAT (i.e. number of schools) is uneven leading to periods of under capacity (i.e. where growth has outstripped resource provision) or overcapacity (i.e. where there is a surplus of resource provision relative to the size of the MAT) and consequent performance risks (the former) or financial risks (the latter).
- Risk that the increase in depth of the MAT (i.e. the SCITT and Teaching School Hub) will cause capacity issues and consequently performance and financial risks.
- Risk of the impact an uncontrollable event will have on the functions of the MAT and schools e.g. theft, flood, fire, terror threat, cyber security incident etc.
- Falling educational standards in the schools in the MAT.
- Risk that Haybridge High School will not continue to be judged as 'Outstanding' by Ofsted – Haybridge had an Ofsted Inspection at the end of September 2022 with an outcome judged as 'Good'. This will have no bearing on the running of either the Haybridge SCITT or Teaching Hub and there is no sign that the school has suffered a negative impact on student numbers or anything else since the Ofsted inspection results were made public.
- Rival providers drawing from the MAT schools' traditional catchment, leading to turbulence in performance through variance of intake ability and attitude.
- Capacity risk, and possible reputational risk, following the incorporation of a 'sponsored' school and the MAT not being able to move it forward with the rapidity and resources it anticipated
- Failure to update and incorporate IT and new technologies leads to a learning deficit and associated risk of loss of data/data storage and compliance issues.
- Significant incurrence of costs through acquisition of MAT incorporated school or failure to manage their finances subsequently.

In addition to the strategic risk register, each school has an operational risk register that is reviewed on a termly basis by the executive team, headteachers and the local governing bodies.

The Finance, Audit and Risk Committee reviews the MAT's three year budget planning, plans for the use of the reserves and risk register on a termly basis to ensure that all the key risks are managed and appropriately

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mitigated. For example, during 2020/21, the Trustees agreed to using the reserves for the following purposes:

- Increasing the capacity of the executive and central teams;
- Rebranding across the MAT;
- Curriculum development across the MAT;
- Character development across the MAT; and
- Estates, facilities and IT development across the MAT.

During the period to 31 August 2022 the Trustees are satisfied that the major risks to which the MAT has been exposed have been reviewed and that systems or procedures have been established to manage those risks.

Streamlined energy and carbon reporting

As a large organisation, the MAT is required to report its energy usage and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 because it meets the thresholds for reporting.

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. We have used AMR data for both electricity and gas meters and cross referenced this against the utility bills. We have taken the claimed mileage from the payroll in whole pounds and divided this by 0.40p as this is the amount per mile that is paid to staff for personal mileage. The mini bus mileage is taken directly from the mini bus odometers.

The recommended ratio measurement for the education sector is: total gross emissions in metric tonnes divided by the number of students.

The data contained within this table for 2020/21 covers all schools (and sites) within the MAT (including The De Montfort School from 1 January 2021). The 2019/20 data only includes Haybridge High School and King Charles I School.

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TRUSTEES' REPORT (CONTINUED)
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Streamlined energy and carbon reporting (continued)

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

	2022	2021
Energy consumption used to calculate emissions (kWh)	5,077,114	4,282,781
Energy consumption breakdown (kWh):		
Gas	3,407,946	2,689,383
Electricity	1,641,596	1,574,921
Transport fuel	27,572	15,522
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	628.93	496.32
Owned transport	4.08	3.02
Total scope 1	633.01	499.34
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	382.72	367.11
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned vehicles	2.65	1.53
Total gross emissions (in tonnes of CO2 equivalent):	1,018.38	867.98
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.31	0.26

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

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

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

Measures taken to improve energy efficiency

The MAT have monitored the AMR data and the school occupancy and adjusted the BEMS system via Place Partnership to control unnecessary energy consumption. All anomalies are queried and investigated. Energy cost (and ultimately consumption) are one of the key financial performance indicators for the MAT are regularly monitored and reported on during the year.

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TRUSTEES' REPORT (CONTINUED)
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Streamlined energy and carbon reporting (continued)

Future plans

- The energy consumption was noted in the Sept 2020 SRMA report with potential savings identified and this is being investigated by instructing an outside company to carry out an energy saving report across all schools within the MAT.
- Capital bids carried out on the upgrade of electrical switchboards in two of the schools will further improve efficiencies and the installation of more energy efficient lighting across the MAT will also assist in lowering the energy consumption.
- The MAT is also investigating applying for grants to replace the boilers on each site.

Plans for future periods

The MAT's aims for 2022/23:

1. To ensure that leadership and governance at all levels is secure and ambitious thus ensuring financial security and excellent outcomes.
2. To further develop the structures of the Trust to support the growth and success of the MAT, support and develop our schools, reduce workload and centralise services.
3. To continue to promote and develop the breadth and depth of the MAT.

The success criteria for 2022/23 are:

1. Leadership and governance at all levels is secure and ambitious thus ensuring financial security and excellent outcomes.
2. Significantly improved KS2, GCSE and A Level outcomes in all schools.
3. A knowledge based shared curriculum is established in one or two year groups supported by a rich framework of professional learning.
4. Cost/time efficiencies, economies of scale and comprehensive compliance of all statutory duties are achieved while facilitating the development of an effective MAT centralised structure.
5. Recruit, train and retain the highest calibre of staff keeping turnover healthy, staff absence low and morale high.
6. Haybridge High School will strive to be judged as 'Outstanding' again after the September 2022 Ofsted Inspection judged the School as "Good"; King Charles I School continues to be judged as 'Good'; and TDMS is on a trajectory to be judged as 'Good'.
7. Growth strategy that maintains our brand and ensures we have at least two new schools confirmed in the next two years.

Funds held as custodian on behalf of others

The MAT does not hold any funds as custodian trustee on behalf of others.

Fundraising

The MAT carries out a limited amount of fundraising at a local level, mindful of the communities within which it operates. However, this was significantly impacted by the COVID 19 pandemic. Where fundraising has been undertaken, systems and controls are in place to separate and protect funds. The MAT is mindful of responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in each school in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the MAT's complaints procedure.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *14 December 2022* and signed on its behalf by:



Susan Muggeridge
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Trust Board has delegated the day-to-day responsibility to the Accounting Officer for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements assigned to it in the Funding Agreement between the MAT and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Trust 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 of Trustees has formally met 7 times during the year.

The Trust Board has established a committee structure consisting of the following:

- Finance, Audit and Risk Committee (consisting only of Trustees);
- Standards and Curriculum Committee (consisting only of Trustees); and
- Local Governing Bodies for its constituent schools.

The Trust Board has also appointed a committee for the purposes of appraisal and pay determination for the relevant members of the MAT's Executive and Central Teams.

All committees have approved terms of reference and delegated powers set out in the MAT's scheme of delegation. The LGBs are also authorised to form subcommittees for purposes of performance related pay determinations, for admissions, for student discipline, for staff discipline and grievance matters and appeals, and for complaints.

The allocation of areas of responsibility between the Trust Board and its committees during the reporting period is shown in the organisational chart on page 5. Details of membership and attendance are shown on page 28.

During 2021/22, the Trust Board, Finance, Audit and Risk Committee, Standards and Curriculum Committee and LGBs have maintained their normal schedule of meetings (which have been conducted by teleconference as allowed by the Articles) and the full range of usual business has been covered.

Governance Reviews

The MAT is looking to recruit further Trustees (and particularly with expertise in: finances (e.g. auditing and accounting), the secondary and higher education sectors; marketing; and HR) to build and strengthen the Trust Board and provide less of an overlap between the Trust Board and its committees.

Trust Board

Functions: Corporate and strategic governance; MAT vision and ethos; curriculum and standards; trust self evaluation; MAT development planning; approval of MAT budget; strategic risk management and approval of areas for internal scrutiny; Trustees' annual report and accounts; core MAT policies; determining and reviewing the MAT's senior level staffing needs and structure; determining and reviewing the MAT's committee structure and scheme of delegation; safeguarding; special needs and disabilities.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Membership and attendance at meetings during the period were as follows:

Trustee	Meetings attended	Out of a possible
Susan Fowler, Chair (resigned 18 October 2021)	1	1
Susan Muggeridge, Vice Chair (from 1 November 2021 to 2 March 2022), Chair (from 2 March 2022)	7	7
Alan Neal, Vice Chair (to 31 October 2021), Chair (from 1 November 2021 to 2 March 2022), Vice Chair (from 17 October 2022)	7	7
Neil Pearson	7	7
Amjid Raza	6	7
Ben Roman, Vice Chair (from 2 March 2022 to 17 October 2022)	6	7
Catrina Robinson (appointed 10 October 2021)	6	7

The composition of the board of Trustees hasn't changed but the board continue to search for new members to build and strengthen the Trust Board and provide less of an overlap between the Trust Board and its subsidiary committees.

The Trustees engage both external and internal auditors to ensure that the financial information they receive is accurate and reliable and further independent audits regarding non-financial areas such as Safeguarding, Single Central Records, Quality of Provision for Students and attendance.

Two days of NGA governance consultancy was undertaken in November 2022. This was with a view to seeking feedback on our current arrangements in terms of best practice and compliance and in beginning the work to create a trustee/governance agenda calendar that drives the programme of trustee meetings/LGBs. We await the results from this review.

We also want to consider the following ideas regarding governance development:

- a.) A MAT governance conference
- b.) Trustee strategy conference
- c.) Further training for trustees and governors
- d.) Governor/Trustee induction
- e.) Further ideas for recruitment
- f.) Structure of governance across the MAT

The MAT maintains an up-to-date Register of Interests for its Members, Trustees and Senior Leaders. This is checked annually by the auditors and kept by the Clerk who can ensure that all relevant interests are declared if appropriate at Trust board meetings and subsidiary Committee meetings.

For 2021/22 and at the current time the Trust has no subsidiaries, joint ventures or associates that might lead to a conflict of interests.

Finance, Audit and Risk Committee

Functions: Preparation of the annual budget (revenue and capital) for approval by the Trust Board; monitoring income and expenditure on a twice-termly basis; medium- and longer-term financial planning; setting annually, and monitoring termly, the MAT's financial key performance indicators; review and adoption of HR-related policies; development of, and works on, the school sites and buildings; health and safety, security and accessibility on the school sites; implementation of external audit recommendations; ensuring compliance with the Academies Financial Handbook as currently in force; acting as the internal 'Audit Committee' (as defined in the Academies Financial Handbook); termly monitoring and reporting on the strategic risk register; direction of,

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

and reporting on, the MAT's internal audit/scrutiny programme; annual review of the trust's finance policy for Trust Board approval, and monitoring compliance therewith; other relevant MAT policies.

Membership and attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of a possible
Susan Muggeridge	6	6
Alan Neal	5	6
Neil Pearson, Vice Chair (to 17 October 2021) Chair (from 18 October 2021)	6	6
Amjid Raza, Vice Chair (from 24 November 2021)	3	5

Standards Committee

Functions: The powers and functions delegated by the Board to the Standards and Curriculum Committee are as set out below.

Education

To consider all education matters relating to the performance of each academy within The Four Stones Multi Academy Trust ('the MAT') and specifically, to annually review the academy targets, to receive and review data available for each academy, to monitor, evaluate and challenge any variability of student performance outcomes between academies within the MAT, to monitor and review progress against the strategic educational targets in the MAT development plan, to set priorities for improvement, and monitor and evaluate the impact of improvement plans, to receive and consider any external reports on the work of the academies within the MAT (e.g. Ofsted, SEND audit, and education-related reports within the MAT's internal scrutiny programme), to monitor and challenge the impact of pupil premium and any other related funding on student performance and outcomes, to monitor and challenge student performance and outcomes for disadvantaged groups, to review the curriculum provision across the MAT, ensuring it remains broad, balanced and academic, to evaluate any changes in legislation that may affect delivery of the curriculum, and advise the Trust Board accordingly, to liaise with the Finance, Audit and Risk committee on the relative funding priorities necessary to deliver the curriculum, to monitor and challenge in the following areas of activity across the MAT: Admissions, Attendance, Behaviour and exclusions, Teaching and learning, Extended provision, and to monitor and evaluate the impact of CPD on improving performance.

Policies

To review and approve under delegated powers those policies indicated in the MAT's policy schedule as determined from time to time by the Trust Board.

Membership and attendance at meetings during the year were as follows:

Trustee	Meetings attended	Out of a possible
Susan Muggeridge	6	6
Catrina Robinson	5	6
Neil Pearson, Chair (from 18 October 2021)	5	6

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the MAT 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 Trust Board where value for money can be improved, including the use of benchmarking data where available.

During the 2021/22 academic year the MAT's financial position continued to be strong. A balanced budget was set in the summer of 2021 for 2021/22 and in the summer of 2022 for 2022/23. The Accounting Officer for the MAT has delivered improved value for money during the year in the following ways:

1. Sharing of subject specific staff in music and PE across Haybridge High School and King Charles I School rather than having to recruit additional ones.
2. Further sharing of sixth form courses across Haybridge High School and King Charles I School so that we can maintain the breadth of choice but also provide improve the sustainability of the post 16 provision.
3. The MAT works to achieve the best outcomes possible for all students thereby ensuring the best life chances for everybody in its care. This is achieved by having a regular focus on improving the quality of leadership at middle and senior leadership and the quality of teaching across all key stages. The progress of the students was regularly reviewed and evaluated so that strategies could be adapted to improve the outcomes.
4. Benchmarking: The MAT monitors its financial information against similar organisations using the DfE's school's financial benchmarking service and 'School resource management self assessment dashboard'.

During 2021/22 the Trustees set the following key financial performance indicators:

- All schools within the MAT will reduce the expenditure on bought in professional services and contracts compared to the 2020/21 expenditure.
- All schools within the MAT will work to try and reduce the average teacher cost and achieve a rating of 'green' against the thresholds on the 'School resource management self assessment dashboard'.
- Where possible, all schools within the MAT should continue to work towards increasing the 'teacher contact ratio' to 0.78 and continue to work towards a rating of 'green' against the thresholds on the 'School resource management self assessment dashboard'.

Progress was made against all these financial KPIs.

- Better purchasing
- Fitness for purpose: The MAT takes a prudent approach to expenditure. A significant proportion of the MAT's budget is spent on staffing. The staffing structure is therefore reviewed annually to ensure it is fit for purpose and can adapt and respond to support the school in meeting its objectives;
- Membership of professional bodies for example the National Association of School Business Managers and Worcestershire Association of School Business Managers enables the sharing of information ensure better purchasing decisions can be made; and
- Options appraisal: The Trustees and Key Management Personnel have continued to apply the principles of best value before purchasing goods and services.
 - Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to help ensure the terms achieved are competitive. For example:
 - Identifying 'best value' quotes which are not necessarily the cheapest; and
 - The use of reliable suppliers.
- Income generation:
- A proactive approach is taken towards preparing funding bids and generating revenue streams in order to

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

maximise income generation. For example, the local communities have benefitted by being able to hire the swimming pool, sports halls, astro turf and other facilities.

- The MAT has invested a small amount of its cash surpluses in low risk, fixed term accounts to maximise earning potential.
- All budget holders, Key Management Personnel and the Finance, Audit and Risk Committee receive regular management reports which are scrutinised to ensure the most effective use of resources to meet the MAT's objectives.
- Please refer to 'Engagement with suppliers, customers and others in a business relationship with the trust' regarding details of how the Procurement Policy Notes have been applied.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the MAT's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the MAT 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 Trust Board regularly reviews the key risks to which the MAT is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on going process for identifying, evaluating and managing the MAT'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 financial statements. This process is regularly reviewed by the Trust Board.

The risk and control framework

The Academy 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 as appropriate, by the Trust Board;
- Regular reviews of reports which indicate financial performance against budgets and of major purchase plans, capital works and expenditure programmes;
- Regular review of medium term financial projections and the development of budget plans;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing guidelines;
- A scheme of financial delegations which includes the need for major spending decisions to be considered and approved by the Finance, Audit & Risk Committee or the Trust Board before commitments are made;
- Internal staff delegations of authority and separation of duties; and
- Identification and management of risks.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The MAT is committed to ongoing review and development of its control framework through an action plan agreed by the Trust Board and monitored by the Finance, Audit and Risk Committee. The Committee consists only of Trustees with the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer and the clerk in attendance. The minutes of the Trust Board and Finance, Audit and Risk Committee meetings evidence robust scrutiny of financial and non financial matters. Internal controls are in place at the MAT and are achieved by:

- Detailed budgeting and monitoring systems which are reviewed and agreed by the Trust Board;
- Formalised policies regarding financial control (including procurement, financial systems and practices). The MAT has a thorough set of financial procedures which are regularly reviewed. These detail the MAT's financial powers of delegation, expenditure limits for attracting written quotations/tenders and procedures to ensure a full and clear division of duty and audit trails for all expenditure.
- A clear and detailed scheme of delegation and segregation of duties;
- Assessment of risk by the review of the risk register on a termly basis.
- Ensuring that all Members, Trustees, Governors, Officers and members of the MAT's Executive and Central Teams complete a register of pecuniary interests form annually. These are published on the relevant school's website and the MAT's website. Declarations are also invited (as a standing item) at the start of each meeting of the Trust Board and all its committees in relation to any specific item(s) on the agenda, and in the event of a personal or pecuniary interest being disclosed which may influence discussion or impact on a decision, the Member, Trustee or Governor concerned will be expected to withdraw from the meeting whilst the discussion and decision takes place; and
- Independent checking of financial and non financial risks. During 2021/22, the MAT continued using a bought in internal audit service from Cooper Parry. Consequently, the MAT's internal scrutiny arrangements are not affected by the requirements of the newly revised FRC Ethical Standard for auditors. Informed by an analysis of the risk register, the Finance, Audit and Risk committee identified the following list of controls within financial and non financial systems to support the Trust Board when drafting out the programme of internal scrutiny for 2021/22.

The reports on the operation of the systems of control and on the discharge of the Trust Board's financial and non-financial responsibilities and subsequent action plans were submitted to the Finance, Audit and Risk Committee which performs the internal audit committee function.

There were three reviews of the financial issues by Cooper Parry and their opinion for each was:

- Early Spring term – January 2022: SRMA Recommendation Update Overall Assurance: High Assurance.
- Spring term – April 2022: Payroll Process. Overall Assurance: High Assurance.
- Summer term – May 2022: Month End and Management accounts Review. Overall Assurance: High Assurance.

Based on the entirety of the internal scrutiny programme, the Trustees have confidence in the effectiveness of the MAT's system of internal control.

THE FOUR STONES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the MAT's internal auditors;
- the financial management and governance self-assessment process;
- the work of the executive officers and finance team who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

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

Approved by order of the members of the Board of Trustees on *14 December 2022* and signed on their behalf by:



Susan Muggeridge
Chair of Trustees



Mark Pollard
Accounting Officer

THE FOUR STONES MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Four Stones Multi Academy Trust I have considered my responsibility to notify the Academy 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 Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

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



Mark Pollard
Accounting Officer

Date: 14 December 2022

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:


Susan Muggeridge
Chair of Trustees

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE FOUR STONES MULTI ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

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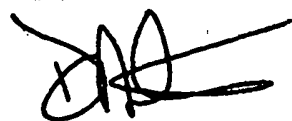
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
FOUR STONES MULTI ACADEMY TRUST (CONTINUED)**

regulations (irregularities) is from the events and transactions reflected in the financial statements; the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

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



Dave Darlaston (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 14 December 2022

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FOUR STONES MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 May 2021 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 The Four Stones Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Four Stones Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Four Stones Multi Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011 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 year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

THE FOUR STONES MULTI ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE FOUR STONES MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Crowe U.K. LLP

Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

14 December 2022

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	147,024	901,761	1,048,785	24,997,875
Other trading activities		548,715	-	-	548,715	171,868
Investments		2,459	-	-	2,459	2,200
Charitable activities:						
Academy Trust educational operations		186,435	19,617,086	-	19,803,521	17,088,298
Teaching school hub		-	189,120	-	189,120	80,000
SCITT		-	879,088	-	879,088	938,417
Total income		737,609	20,832,318	901,761	22,471,688	43,278,658
Expenditure on:						
Charitable activities:						
Academy Trust educational operations		173,310	20,448,713	1,915,185	22,537,208	19,777,285
Teaching school hub		-	272,629	-	272,629	-
SCITT		-	706,626	-	706,626	949,416
Total expenditure		173,310	21,427,968	1,915,185	23,516,463	20,726,701
Net income/(expenditure)		564,299	(595,650)	(1,013,424)	(1,044,775)	22,551,957
Transfers between funds	17	-	(96,776)	96,776	-	-
Net movement in funds before other recognised gains		564,299	(692,426)	(916,648)	(1,044,775)	22,551,957
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	7,319,000	-	7,319,000	48,000
Net movement in funds		564,299	6,626,574	(916,648)	6,274,225	22,599,957
Reconciliation of funds:						

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Total funds brought forward	734,687	(10,326,849)	61,470,119	51,877,957	29,278,000
Net movement in funds	564,299	6,626,574	(916,648)	6,274,225	22,599,957
Total funds carried forward	1,298,986	(3,700,275)	60,553,471	58,152,182	51,877,957

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

The notes on pages 42 to 72 form part of these financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07652306

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	59,478,325	60,177,090
		<u>59,478,325</u>	<u>60,177,090</u>
Current assets			
Debtors	15	1,667,748	1,777,718
Cash at bank and in hand		2,652,426	2,052,003
		<u>4,320,174</u>	<u>3,829,721</u>
Creditors: amounts falling due within one year	16	(1,811,317)	(1,587,854)
Net current assets		<u>2,508,857</u>	<u>2,241,867</u>
Total assets less current liabilities		<u>61,987,182</u>	<u>62,418,957</u>
Defined benefit pension scheme liability	24	(3,835,000)	(10,541,000)
Total net assets		<u><u>58,152,182</u></u>	<u><u>51,877,957</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	60,553,471	61,470,119
Restricted income funds	17	134,725	214,151
		<u>60,688,196</u>	<u>61,684,270</u>
Restricted funds excluding pension asset	17	60,688,196	61,684,270
Pension reserve	17	(3,835,000)	(10,541,000)
Total restricted funds	17	<u>56,853,196</u>	<u>51,143,270</u>
Unrestricted income funds	17	1,298,986	734,687
Total funds		<u><u>58,152,182</u></u>	<u><u>51,877,957</u></u>

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:


Susan Muggeridge
Chair of Trustees

The notes on pages 42 to 72 form part of these financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	892,623	375,629
Cash flows from investing activities	21	(312,200)	130,729
Cash flows from financing activities	20	20,000	120,269
Change in cash and cash equivalents in the year		<u>600,423</u>	<u>626,627</u>
Cash and cash equivalents at the beginning of the year		2,052,003	1,425,376
Cash and cash equivalents at the end of the year	22, 23	<u><u>2,652,426</u></u>	<u><u>2,052,003</u></u>

The notes on pages 42 to 72 form part of these financial statements

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Four Stones Multi Academy Trust wholly owned a subsidiary, King Charles I School Trading Limited, which is immaterial to the Academy Trust and therefore was not previously consolidated into the financial statements. The Company was dissolved on 19 April 2022.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

THE FOUR STONES MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 50 Years
Long-term leasehold property	- 50 Years
Furniture and equipment	- 3-12 Years
Motor vehicles	- 5 Years

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.7 Financial instruments

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

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

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

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

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.9 Pensions

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

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

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

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual

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

1. Accounting policies (continued)

1.9 Pensions (continued)

reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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

1.10 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the 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 28.

1.11 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	-	147,024	-	147,024
Capital Grants	-	-	901,761	901,761
		147,024	901,761	1,048,785

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	-	138,278	221,822	360,100
Capital Grants	-	-	1,385,453	1,385,453
Transfer on conversion	97,840	(1,938,571)	25,093,053	23,252,322
	<u>97,840</u>	<u>(1,800,293)</u>	<u>26,700,328</u>	<u>24,997,875</u>

4. Funding for the Academy Trust's charitable activities

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	18,085,617	18,085,617
Other DfE/ESFA grants			
Pupil Premium	-	581,402	581,402
Others	-	566,983	566,983
	-	<u>19,234,002</u>	<u>19,234,002</u>
Other Government grants			
Local authority grants	-	301,544	301,544
	-	<u>301,544</u>	<u>301,544</u>
Other income from the Academy Trust's educational operations	186,435	-	186,435
COVID-19 additional funding (DfE/ESFA)			
COVID-19 recovery premium	-	81,540	81,540
	<u>186,435</u>	<u>19,617,086</u>	<u>19,803,521</u>

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

4. Funding for the Academy Trust's charitable activities (continued)

Teaching school hub

DfE/ESFA grants	-	189,120	189,120
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	-	189,120	189,120
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SCITT

Other income	-	879,088	879,088
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	-	879,088	879,088
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	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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Educational operations

DfE/ESFA grants

General Annual Grant	-	14,978,336	14,978,336
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Other DfE/ESFA grants

Pupil Premium	-	544,214	544,214
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Teachers' Pension and Pay grant	-	444,373	444,373
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Others	-	451,407	451,407
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	-	16,418,330	16,418,330
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Other Government grants

Local authority grants	-	217,912	217,912
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	-	217,912	217,912
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Other income from the Academy Trust's educational operations

	45,883	-	45,883
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COVID-19 additional funding (DfE/ESFA)

Catch-up Premium	-	221,070	221,070
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Other COVID-19 funding	-	72,263	72,263
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COVID-19 additional funding (non-DfE/ESFA)

Mass testing grant	-	112,840	112,840
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	45,883	17,042,415	17,088,298
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's charitable activities (continued)

Teaching school hub

DfE/ESFA grants	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

SCITT

DfE/ESFA grants	-	40,000	40,000
Other income	-	898,417	898,417
	<u>-</u>	<u>938,417</u>	<u>938,417</u>

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	389,787	389,787
Other income	46,411	46,411
Self generated income	112,517	112,517
	<u>548,715</u>	<u>548,715</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	111,389	111,389
Other income	17,020	17,020
Self generated income	43,459	43,459
	<u>171,868</u>	<u>171,868</u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Academy Trust's educational operations:				
Direct costs	13,523,361	1,915,185	1,021,305	16,459,851
Allocated support costs	3,195,169	1,546,488	1,335,700	6,077,357
Teaching school hub:				
Direct costs	119,475	-	-	119,475
Allocated support costs	47,618	-	105,536	153,154
SCITT:				
Direct costs	251,792	-	4,170	255,962
Allocated support costs	61,257	29,082	360,325	450,664
	<u>17,198,672</u>	<u>3,490,755</u>	<u>2,827,036</u>	<u>23,516,463</u>

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

6. Expenditure (continued)

	<i>Staff Costs</i> 2021 £	<i>Premises</i> 2021 £	<i>Other</i> 2021 £	<i>Total</i> 2021 £
Academy Trust's educational operations:				
Direct costs	12,093,606	1,549,484	841,177	14,484,267
Allocated support costs	2,954,956	1,171,319	1,166,743	5,293,018
SCITT:				
Direct costs	234,472	-	570,929	805,401
Allocated support costs	88,806	-	55,209	144,015
	<u>15,371,840</u>	<u>2,720,803</u>	<u>2,634,058</u>	<u>20,726,701</u>

7. Analysis of support costs

	Teaching school hub 2022 £	Educational operations 2022 £	SCITT 2022 £	Total 2022 £
Staff costs	47,618	3,195,169	61,257	3,304,044
IT Support Services	3,415	115,001	808	119,224
Premises costs	-	1,546,488	29,082	1,575,570
Other support costs	102,121	1,183,504	359,517	1,645,142
Governance costs	-	37,195	-	37,195
Total 2022	<u>153,154</u>	<u>6,077,357</u>	<u>450,664</u>	<u>6,681,175</u>

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

	<i>Educational operations</i> 2021 £	<i>SCITT</i> 2021 £	Total 2021 £
Staff costs	2,954,956	88,806	3,043,762
IT Support Services	74,274	-	74,274
Premises costs	1,176,384	-	1,176,384
Other support costs	1,054,735	55,209	1,109,944
Governance costs	32,669	-	32,669
	<u>5,293,018</u>	<u>144,015</u>	<u>5,437,033</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	21,417	17,992
Depreciation of tangible fixed assets	1,915,185	1,549,484
Fees paid to auditor for:		
- audit	18,600	17,700
- other services	1,300	1,250

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	11,921,846	11,166,993
Social security costs	1,177,554	1,019,399
Pension costs	3,404,520	3,086,117
	<u>16,503,920</u>	<u>15,272,509</u>
Agency staff costs	607,202	99,331
Staff restructuring costs	87,550	-
	<u>17,198,672</u>	<u>15,371,840</u>

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

9. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	30,281	-
Severance payments	57,269	-
	<u>87,550</u>	<u>-</u>

b. Severance payments

The Academy Trust paid 4 severance payments in the year (2021 - none), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	3	-
£75,001 - £100,000	1	-
	<u>4</u>	<u>-</u>

c. Special staff severance payments

There were three non statutory/non-contractual severance payments during the year amounting to £57,269. The individual payments were £3,096, £19,373 and £34,800 (2021 - none).

d. Staff numbers

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

	2022 No.	2021 No.
Teachers	208	199
Administration and support	169	214
Management	7	30
	<u>384</u>	<u>443</u>

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

9. Staff (continued)

e. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	3	6
In the band £80,001 - £90,000	3	-
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	1	1

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £968,551 (2021 - £819,125).

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

10. Central services

In our MAT, we understand that every school is different and that every school is at a different point in their journey to excellence. Our highly qualified and experienced Executive and Central Teams will work with leaders, Trustees and Governors to assess every aspect of need and form a complete picture of how we can best support the school. The Executive and Central Teams provide the background operations and ensure they benefit and meet the needs of all the schools. By centralising the key services the MAT can not only realise benefits in terms of economies of scale but also free up the headteachers' capacity to focus on school improvement.

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

- School Improvement
- Safeguarding
- Human Resources
- Estates and Facilities
- GDPR/data protection
- IT
- Procurement and organisation of the mandatory services

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

A central contribution will be agreed at school level to pay for any services that are provided by the MAT centrally to make them more cost-effective. Over a period of time we will work towards the central contribution being between 5% and 7% of the total GAG and this would be dependent on the needs of the individual schools within the MAT and the regular internal risk assessment. The central contribution will be reviewed periodically to ensure that it continues to meet the needs of each individual school.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Haybridge High School	452,962	302,832
King Charles I School	811,249	303,252
The De Montfort School	352,043	144,576
Total	1,616,254	750,660

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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

12. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy 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.

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2021	24,250,000	39,486,296	93,123	2,938,210	55,410	66,823,039
Additions	298,898	793,070	-	124,452	-	1,216,420
Transfers between classes	-	93,123	(93,123)	-	-	-
At 31 August 2022	24,548,898	40,372,489	-	3,062,662	55,410	68,039,459
Depreciation						
At 1 September 2021	4,350,000	1,282,725	-	972,466	40,758	6,645,949
Charge for the year	485,000	813,344	-	605,759	11,082	1,915,185
At 31 August 2022	4,835,000	2,096,069	-	1,578,225	51,840	8,561,134
Net book value						
At 31 August 2022	19,713,898	38,276,420	-	1,484,437	3,570	59,478,325
At 31 August 2021	19,900,000	38,203,571	93,123	1,965,744	14,652	60,177,090

The long leasehold property is leased from Worcestershire County Council, relating to the land and buildings at King Charles I School and The De Montfort School is leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2021 - £nil).

14. Investments

The Trust had a wholly owned subsidiary undertaking, King Charles I School Trading Limited (company limited by shares, company registration number 09805186) until it was dissolved on 19 April 2022. The Company did not trade in this financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	57,455	42,157
Other debtors	123,491	89,528
Prepayments and accrued income	1,486,802	1,646,033
	<u>1,667,748</u>	<u>1,777,718</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Salix loans	20,000	-
Trade creditors	316,684	612,265
Other taxation and social security	288,315	286,776
Other creditors	463,896	313,082
Accruals and deferred income	722,422	375,731
	<u>1,811,317</u>	<u>1,587,854</u>

TERMS OF SALIX LOANS

	2022 £	2021 £
Deferred income at 1 September 2021	86,673	-
Resources deferred during the year	9,036	86,673
Amounts released from previous periods	(86,673)	-
	<u>9,036</u>	<u>86,673</u>

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

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	734,687	737,609	(173,310)	-	-	1,298,986
Restricted general funds						
General Annual Grant	(9,825)	18,085,617	(17,853,571)	(96,776)	-	125,445
Pupil premium	79,452	581,402	(651,574)	-	-	9,280
Other DfE/ESFA grants	-	566,983	(566,983)	-	-	-
Local authority grants	-	301,544	(301,544)	-	-	-
COVID-19 recovery premium	17,256	81,540	(98,796)	-	-	-
Restricted donations	-	147,024	(147,024)	-	-	-
Teaching Hub income	-	189,120	(189,120)	-	-	-
SCITT income	127,268	879,088	(1,006,356)	-	-	-
Pension reserve	(10,541,000)	-	(613,000)	-	7,319,000	(3,835,000)
	(10,326,849)	20,832,318	(21,427,968)	(96,776)	7,319,000	(3,700,275)

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

17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Restricted fixed assets	60,177,090	-	(1,915,185)	1,216,420	-	59,478,325
DfE/ESFA capital grants	1,293,029	901,761	-	(1,119,644)	-	1,075,146
	<u>61,470,119</u>	<u>901,761</u>	<u>(1,915,185)</u>	<u>96,776</u>	<u>-</u>	<u>60,553,471</u>
Total Restricted funds	<u>51,143,270</u>	<u>21,734,079</u>	<u>(23,343,153)</u>	<u>-</u>	<u>7,319,000</u>	<u>56,853,196</u>
Total funds	<u>51,877,957</u>	<u>22,471,688</u>	<u>(23,516,463)</u>	<u>-</u>	<u>7,319,000</u>	<u>58,152,182</u>

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

Unrestricted funds

The unrestricted fund represents funds available to the Trustees to apply for the general purposes of the Academy Trust.

Restricted general funds

This fund represents grants received for the Academy Trust's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy Trust at the year end.

Restricted fixed asset funds

This fund represents the net book value of fixed assets that the Academy Trust have purchased out of grants received and have been transferred on conversion.

Transfers represent maintenance expenditure (funded from Devolved Formula Capital) to the General Annual Grant and fixed assets purchased out of the General Annual Grant.

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

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17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	623,000	317,791	(143,304)	(62,800)	-	734,687
Restricted general funds						
General Annual Grant	352,733	14,978,336	(15,420,419)	79,525	-	(9,825)
Pupil premium	-	544,214	(464,762)	-	-	79,452
Teacher pension grant	-	444,373	(444,373)	-	-	-
Other DfE/ESFA grants	43,000	451,407	(494,407)	-	-	-
Local authority grants	-	217,912	(217,912)	-	-	-
COVID-19 recovery premium	-	221,070	(203,814)	-	-	17,256
Other DfE/ESFA COVID-19 funding	-	72,263	(72,263)	-	-	-
Non DfE/ESFA Covid-19 funding	-	112,840	(112,840)	-	-	-
Transfer in on conversion	-	22,429	(22,429)	-	-	-
Teaching school grant	-	40,000	(40,000)	-	-	-
Teaching hub grant	-	80,000	(80,000)	-	-	-
SCITT & TS	58,267	898,417	(829,416)	-	-	127,268
Restricted donations	-	138,278	(138,278)	-	-	-
Pension reserve	(8,135,000)	(1,961,000)	(493,000)	-	48,000	(10,541,000)
	(7,681,000)	16,260,539	(19,033,913)	79,525	48,000	(10,326,849)

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17. Statement of funds (continued)

**Restricted fixed
asset funds**

Restricted fixed assets	34,688,000	-	(1,549,484)	27,038,574	-	60,177,090
DfE/ESFA capital grants	1,648,000	1,385,453	-	(1,740,424)	-	1,293,029
Capital donations	-	221,822	-	(221,822)	-	-
Transfer on conversion	-	25,093,053	-	(25,093,053)	-	-
	<u>36,336,000</u>	<u>26,700,328</u>	<u>(1,549,484)</u>	<u>(16,725)</u>	<u>-</u>	<u>61,470,119</u>
Total Restricted funds	<u>28,655,000</u>	<u>42,960,867</u>	<u>(20,583,397)</u>	<u>62,800</u>	<u>48,000</u>	<u>51,143,270</u>
Total funds	<u>29,278,000</u>	<u>43,278,658</u>	<u>(20,726,701)</u>	<u>-</u>	<u>48,000</u>	<u>51,877,957</u>

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FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Haybridge High School	-	(334,583)
King Charles I School	-	1,245,031
The De Montfort School	-	38,390
The Four Stones Multi Academy Trust	<u>1,433,711</u>	<u>-</u>
Total before fixed asset funds and pension reserve	1,433,711	948,838
Restricted fixed asset fund	60,553,471	61,470,119
Pension reserve	(3,835,000)	(10,541,000)
Total	<u><u>58,152,182</u></u>	<u><u>51,877,957</u></u>

During the year the Trust Board approved a new policy which stated that free reserves carried forward each year would be pooled into the central Trust.

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

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Haybridge High School	4,513,598	725,680	81,665	2,059,233	7,380,176
King Charles I School	4,625,442	803,521	77,401	1,172,028	6,678,392
The De Montfort School	3,776,958	565,741	77,609	845,554	5,265,862
The Four Stones Multi Academy Trust	607,363	1,100,227	130,413	438,845	2,276,848
Academy Trust	13,523,361	3,195,169	367,088	4,515,660	21,601,278

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Haybridge High School	4,475,142	1,083,135	70,519	2,007,212	7,636,008
King Charles I School	4,639,905	863,993	57,943	1,020,591	6,582,432
The De Montfort School	2,572,461	367,894	21,502	590,071	3,551,928
The Four Stones Multi Academy Trust	406,098	728,740	33,007	239,004	1,406,849
Academy Trust	12,093,606	3,043,762	182,971	3,856,878	19,177,217

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	59,478,325	59,478,325
Current assets	1,298,986	1,946,042	1,075,146	4,320,174
Creditors due within one year	-	(1,811,317)	-	(1,811,317)
Provisions for liabilities and charges	-	(3,835,000)	-	(3,835,000)
Total	1,298,986	(3,700,275)	60,553,471	58,152,182

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	60,177,090	60,177,090
Current assets	734,687	1,802,005	1,293,029	3,829,721
Creditors due within one year	-	(1,587,854)	-	(1,587,854)
Provisions for liabilities and charges	-	(10,541,000)	-	(10,541,000)
Total	734,687	(10,326,849)	61,470,119	51,877,957

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,044,775)	22,551,957
Adjustments for:		
Depreciation	1,915,185	1,549,484
Capital grants from DfE and other capital income	(901,761)	(1,607,275)
Interest receivable	(2,459)	(2,200)
Defined benefit pension scheme obligation inherited	-	1,961,000
Defined benefit pension scheme cost less contributions payable	431,000	325,000
Defined benefit pension scheme finance cost	182,000	158,000
Decrease in stocks	-	10,000
Decrease/(increase) in debtors	109,970	(360,094)
Increase in creditors	203,463	1,003,079
Cash on transfer on conversion	-	(120,269)
Donated fixed assets on conversion	-	(25,093,053)
Net cash provided by operating activities	892,623	375,629

20. Cash flows from financing activities

	2022 £	2021 £
Cash received on conversion	-	120,269
New salix loans	20,000	-
Net cash provided by financing activities	20,000	120,269

21. Cash flows from investing activities

	2022 £	2021 £
Interest receivable	2,459	2,200
Purchase of tangible fixed assets	(1,216,420)	(1,478,746)
Capital grants from DfE Group	901,761	1,607,275
Net cash (used in)/provided by investing activities	(312,200)	130,729

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22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>2,652,426</u>	<u>2,052,003</u>

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,052,003	600,423	2,652,426
Debt due within 1 year	-	(20,000)	(20,000)
	<u>2,052,003</u>	<u>580,423</u>	<u>2,632,426</u>

24. Pension commitments

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

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

Contributions amounting to £278,397 were payable to the schemes at 31 August 2022 (2021 - £304,283) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £2,018,803 (2021 - £1,867,551).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £938,000 (2021 - £928,000), of which employer's contributions totalled £774,000 (2021 - £766,000) and employees' contributions totalled £ 164,000 (2021 - £162,000). The agreed contribution rates for future years are 16.9% per cent for employers and between 5.5 - 12.5% per cent for employees.

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

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.4	4.2
Rate of increase for pensions in payment/inflation	3.0	2.8
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.9	2.7

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	22.6	22.7
Females	25.0	25.1
<i>Retiring in 20 years</i>		
Males	24.1	24.4
Females	27.0	27.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(284,000)	(410,000)
Discount rate -0.1%	290,000	418,000
Mortality assumption - 1 year increase	305,000	677,000
Mortality assumption - 1 year decrease	(299,000)	(656,000)
CPI rate +0.1%	291,000	418,000
CPI rate -0.1%	(285,000)	(410,000)

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	7,938,000	8,765,000
Corporate bonds	292,000	11,000
Property	898,000	464,000
Cash and other liquid assets	195,000	263,000
Other	1,492,000	1,032,000
Total market value of assets	10,815,000	10,535,000

The actual return on scheme assets was £(243,000) (2021 - £1,484,000).

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

	2022 £	2021 £
Current service cost	1,205,000	1,091,000
Net interest	171,000	158,000
Total amount recognised in the Statement of Financial Activities	1,376,000	1,249,000

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

	2022 £	2021 £
At 1 September	21,076,000	14,700,000
Current Service Cost	1,205,000	1,091,000
Transferred in on existing academies joining the trust	-	3,652,000
Interest cost	355,000	300,000
Employee contributions	164,000	162,000
Actuarial (gains)/losses	(7,745,000)	1,293,000
Benefits paid	(405,000)	(122,000)
At 31 August	14,650,000	21,076,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	10,535,000	6,565,000
Transferred in on existing academies joining the trust	-	1,691,000
Interest income	184,000	142,000
Actuarial (losses)/gains	(426,000)	1,341,000
Employer contributions	774,000	766,000
Employee contributions	164,000	162,000
Benefits paid	(405,000)	(122,000)
Administrative expenses	(11,000)	(10,000)
At 31 August	10,815,000	10,535,000

25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	21,417	32,267
Later than 1 year and not later than 5 years	14,980	38,154
	36,397	70,421

26. Members' liability

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

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27. Related party transactions

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

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022, the Trust received £36,606 (2021: £24,637) and disbursed £28,861 (2021: £24,803) from the fund. An amount of £7,745 (2021: £166) is included within creditors relating to distributed funds that are due to the ESFA.

The Academy Trust also distributes SCITT bursary funds to student teachers as an agent for the ESFA. In the year ended 31 August 2022, the Trust received £247,100 (2021: £659,675) and disbursed £256,200 (2021: £669,500) from the fund. An amount of £9,100 (2021: £Nil) is included within creditors relating to undistributed funds that are due to the ESFA.