

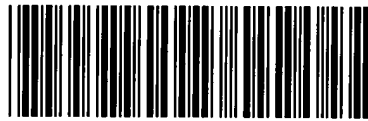
Registered number: 08148546

Central Schools Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2018

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Central Schools Trust
(A company limited by guarantee)

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Central Schools Trust
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Reference and Administrative Details
For the Year Ended 31 August 2018

Members	J S Court T G Miller G P Sawyer (resigned 1 September 2017) C J Shadbolt R A Smith (resigned 1 September 2017) S Brookes (appointed 9 July 2018)
Trustees	R Murray, Chair of Trustees from 9 October 2017, Chair of Local Governing Body for Balsall Common Primary School J C Barnes, Vice Chair of Trustees G T Burgess, Executive Head Teacher C J Shadbolt, Chair of Local Governing Body for Damson Wood Nursery and Infant School (resigned 9 July 2018) L Evans, Appointed Chair of Local Governing Body for Damson Wood Nursery and Infant School July 2018 D Robinson H C Dean S-J Miller J McConaghy (appointed 27 November 2017)
Company registered number	08148546
Company name	Central Schools Trust
Principal and registered office	Balsall Street East Balsall Common Coventry West Midlands CV7 7FS
Senior management team	G T Burgess, Executive Head Teacher and Head of School, Balsall Common Primary School M Brown, Assistant Head Teacher, Balsall Common Primary School N Ireland, Assistant Head Teacher, Balsall Common Primary School E Hughes, Head of School, Damson Wood Nursery and Infant School R Fitter, Deputy Head Teacher, Damson Wood Nursery and Infant School D Chillcott, Director of Finance
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 9-11 Poplar Road Solihull B91 3AN

Central Schools Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company was constituted under a Memorandum and Articles of Association dated 18 July 2012, and amended 20 July 2016.

The Trustees of Central Schools Trust are also the directors of the charitable company for the purpose of company law.

On 1 August 2016, Balsall Common Primary School converted to a Multi Academy Trust. The charitable company is now known as Central Schools Trust. There are two schools within Central Schools Trust; Balsall Common Primary School, and Damson Wood Nursery and Infant School. Details of the Trustees who served during the year 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. Method of recruitment and appointment or election of Trustees

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

In accordance with the Articles of Association, the Trust's Board comprises the following:

- Up to 8 Trustees appointed by the members
- The Executive Head Teacher, who is treated for all purposes as being an ex-officio Trustee
- Up to 3 Co-opted Trustees appointed by the Trustees

Trustees are appointed for a four-year period, except that this time limit does not apply to the Executive Head Teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Central Schools Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2018

c. Method of recruitment and appointment or election of Trustees (continued)

The Trust Board has agreed that each Academy within the Trust will be overseen by a Local Governing Body, the Chair of which will report on progress to the Trust Board. Each Local Governing Body will be made up as follows:

- The Local Governing Body Chair is approved by the Trust Board and is also a Trustee
- The Head of School (or Executive Head Teacher if fulfilling this role), who is treated for all purposes as being an ex-officio Governor
- At least 2 Parent Governors
- At least 2 Governors appointed by the Trust (including the Chair)
- One other staff governor (in addition to the Head of School or Executive Head Teacher)

Governors are appointed for a four year period, except this time limit does not apply to the Head of School/ Executive Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected providing they have signed and complied with the Governors' Code of Conduct.

When appointing Governors, the Trust Board will give consideration to the skills and experience mix of the existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

d. Policies and procedures adopted for the induction and training of Trustees

The Trust Board has devised an informal induction process to ensure that all Trustees/Governors understand their roles and responsibilities. The training and induction provided for new Trustees/Governors will depend on their experience but would always include a tour of the Academy/Academies with the Chair of the Trust/Governors and a chance to meet staff and pupils. All Trustees/Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Trustees/Governors. Trustees/Governors make regular use of the training packages offered by Solihull Governor Services; these activities are coordinated by the Clerk to the Board. All Trustees/Governors are subject to DBS checks.

e. Arrangement for setting pay and remuneration of key management personnel

The Trust Board review, consult upon and adopt a Trust Pay Policy on an annual basis. This document is provided by the Department for Education and is overviewed, after consultation has taken place with all stakeholders, by the Human Resources Department at Solihull Metropolitan Borough Council. The Trust takes advice on the wording approved from Solihull Metropolitan prior to undertaking its own internal consultation process and adopting the policy. All pay and remuneration decisions for key management personnel are undertaken in line with the Pay Policy, following completion of the performance management review process. The performance management review is undertaken in line with the Trust Appraisal Policy, which again is issued by the Department for Education, reviewed and consulted upon by Solihull Metropolitan Borough Council and then adopted by the Trust.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

f. Organisational structure

The Trust Board meets at least once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference, and procedures of Committees, Local Governing Bodies and other groups. It receives reports, including policies, from its Committees for ratification. It monitors the activities of the Committees through the minutes of its meetings and may, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees which report to the Trust Board as follows:

Finance and General Purposes Committee

This normally meets every half term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, fundraising and compliance with reporting and regulatory requirements. It also receives reports from an external source in the form of an internal audit and risk review. It also drafts the annual budget for MAT board approval. It is also responsible for monitoring the site and buildings of the Academies of the Trust, determining what routine improvements should be made and planning for the future expansion or enhancement of the current facilities.

Staffing and Performance Committee

This committee normally meets termly and maintains oversight of staffing structures, management systems, pupils' progress and attainment via the schools' pupil data tracking systems and the effect of Pupil Premium. It is also kept informed about curriculum developments and their effect on future resources.

The following decisions are reserved to the Trust Board; to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Executive Head Teacher, Head of School and Clerk to the Trustees and to approve the budgets.

The Trustees are responsible for setting general policy, adopting annual plans and budgets, approving the statutory financial statements, monitoring the Trust by use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Trustees have devolved responsibility for the day to day management of the Academies to the Executive Head Teacher, Head of School and Senior Management teams.

The Executive Head Teacher is the Accounting Officer.

Pay Committee

This committee meets at least once a year and is authorised by the Trust Board to determine all matters relating to pay and related performance of staff to establish a whole trust pay policy. The pay policy is adopted by the Trust Board and is monitored and reviewed as necessary.

Local Governing Bodies

Each Academy is overseen by a Local Governing Body which then reports into the Trust Board and its committees on a minimum termly basis. It is the responsibility of each Local Governing Body to monitor their Academy performance against its' approved School Improvement Plan and Budget. Any major concerns or need to deviate from the approved plans must be brought to the attention of the Trust Board for prior approval.

g. Connected organisations, including related party relationships

McNally Enterprises Limited, a company of which G T Burgess is a shareholder, supplies consultancy services to Balsall Common Primary School. These transactions in turn generate funds for the Academy. Further information has been included within the related party transactions note 27.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Central Schools Trust to provide education for pupils aged 3 - 11, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering broad and balanced curriculums;

The main aims of the Trust during the year ending 31 August 2018 are summarised below;

- To enlarge each child's experience, knowledge, imagination and understanding, thus enabling them to realise their potential for learning and capacity for enjoyment.
- To help pupils develop lively and enquiring minds, the ability to question, argue and develop ideas rationally and to apply themselves to tasks and physical skills.
- To help pupils become increasingly independent and self-motivated, developing learning capacities which will help them to become confident, capable, creative life-long learners.
- To help pupils develop strategies for self-evaluation and to encourage in them a desire to strive for excellence in all areas of school life.
- To encourage children to co-operate with each other, to be sensitive to the needs of others and to develop tolerance and understanding of other races, religions and ways of life.
- To encourage children to be sensitive to the needs of the local environment and to develop links with the community in order that the school becomes an active part of the community.
- To encourage parents to take an active part in their children's education and the daily life of the school

b. Objectives, strategies and activities

The following key areas for development in 2017/18 were prioritised in the Schools' individual Development plans.

Balsall Common

Leadership and Management

1. Collegiate learning
2. English lead/subject lead
3. Middle leaders
4. Ups leads
5. SENCo lead
6. Admissions criteria
7. Greater creativity in lessons

Teaching, Learning and Assessment

1. Next steps marking in English
2. Greater depth activities in maths
3. Most-able pupils
4. Use of worksheets
5. Greater challenge and creativity in lessons
6. Move more quickly to learning in lessons
7. Adapt planning more quickly in lessons
8. Improve OTrack so that the tracking of pupils is more robust

Personal Development, Behaviour and Welfare

1. Improve the attendance figures for:
 - a. Those below 90%
 - b. PP children
 - c. Travellers
2. Whole school attendance figures to reach 97.5% by the end of 2017-2018
3. Fully embed High Five Against Bullying
4. RF/Ni – Add learning from Neglect training (LSCB Module Emotional Abuse (LSCB Module 8) training, Prevent and Child Sexual Exploitation (CSE) to the CST's annual safeguarding training

Outcomes for Pupils

1. The proportions of pupils reaching ARE+ in maths
2. The proportions of pupils in Year 3 reaching ARE+ in writing
3. The proportion of PP children reaching GD in reading, writing and maths
4. The proportion of girls making expected and better than expected progress in mathematics in order to increase the proportion of girls reaching GD
5. Maintain high scores in the phonics screening check

EYFS

1. Development of Forest School area and training of staff

b. Objectives, strategies and activities (continued)

Damson Wood

Leadership and Management

1. Demonstrate sustained impact of leadership on raising standards in school and improving progress of all pupils, particularly in KS1.
2. Continue development of middle leaders, i.e. subject leaders & phase directors, to achieve shared development goals through a planned programme of regular coaching and monitoring activities in place, including maximising opportunities through Collegiate Learning.
3. Provide opportunities for staff at all levels to share expertise and engage in high-quality CPD, including IRIS, to improve teaching and learning across the school.
4. Ensure effective induction of new pupils and their families and improve retention of current pupils to reduce mobility and achieve better outcomes for mobile pupils.

Quality of Teaching and Learning

1. Ensure high-quality teaching across all year groups provides engaging, relevant and ambitious learning opportunities closely matched to learners' needs and curriculum requirements, including greater challenge and creativity.
2. Ensure effective assessment for learning focuses on all pupils, enabling them to consistently make good progress in all lessons, particularly those pupils in our identified vulnerable groups:
 - i. Boys
 - ii. Higher-attaining pupils
 - iii. Disadvantaged pupils
3. Assure high quality of teaching and learning in Maths through lesson observations, learning walks, books and data analysis. Ensure greater reasoning and problem-solving opportunities are provided in Maths activities and across the curriculum.
4. Improve use of OTrack by teachers to track attainment and progress of pupils and identify children not meeting age-related and personal expectations so that gaps in learning can be addressed quickly and more robustly.
5. Achieve effective parental engagement across the curriculum to effectively support pupils' learning both in school and through home learning, focusing especially on parents of pupils who are identified as EAL or SEND.
6. Ensure home learning fully complies with school policies and is consistent and effective in moving children's learning forwards.
7. Effectively implement Growth Mindset / Learning Without Limits approach to positively impact on children's independence, capacity to learn and equip our pupils to take responsibility for their learning.
8. Introduce Forest Schools for all pupils to impact on their happiness, well-being and provide further opportunities for developing wider learning skills outdoors.

Personal Development, Welfare and Behaviour

1. Ensure behaviour policy is effectively and consistently implemented to ensure standards for behaviour remain high at all times, with additional support for children with SEND where needed.
2. Increase profile of anti-bullying in school: Ensure children and their parents understand what constitutes bullying, how they might avoid bullying, and what to do about incidents of bullying, and find evidence to show that parents and pupils know that bullying is dealt with effectively at DW.
3. Ensure high-quality Golden Time activities are offered to children to motivate, inspire and provide wider extra-curricular opportunities.
4. Improve the attendance figures for our identified vulnerable groups:
 - a. Those with attendance below 90% (persistent absentees)
 - b. Disadvantaged children (those in receipt of PP)
 - c. Children from the travelling community (GRT)
 - d. Children with SEND

b. Objectives, strategies and activities (continued)

Outcomes for Pupils

1. Achieve high outcomes for progress and attainment in every year group in line with end of EYFS and KS1 national averages and often exceed these, particularly in Maths and Writing.
2. Standards achieved are at least in line with NA for proportion of children reaching and exceeding age-related expectations
3. Ensure more pupils achieve greater depth in Writing and Maths in KS1 through high-quality teaching and learning for most able pupils.

EYFS

Improve links between SLT and SMT in school with Woodies management team to improve teaching, learning and assessment for high-quality transition for our 2-4-year-old pupils

1. Deliver consistently high-quality first teaching across EYFS to improve outcomes, including:
 - a. Effective play-partnering to meet pupils' individual learning goals, especially for boys and disadvantaged pupils
 - b. Clear and robust observations and assessments across EYFS which identify areas of strength and for development and inform future learning.
2. Maintain and exceed high standards for pupils in EYFS reaching ARE across the curriculum and achieving Good Level of Development (>70%) by the end of Reception.
3. Ensure high proportions of pupils, especially boys and those pupils in receipt of EYPP/PP, are reaching ARE across the curriculum and reach Good Level of Development (>70%) across EYFS, in line with other pupils.
4. Provide childcare for children who are entitled to 30 hours' provision from September 2017 and continue to publicise to improve the number of 3-4-year-old children in school and Woodies.

c. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

d. Volunteers and sponsors

During the year, the Trust received donated assets and services with an estimated value of £28,973. This includes educational trips, monies from passive income streams and considerable savings made on professional fees.

Through rigorous research and tendering, this allowed for extra work to be carried out on maintenance of the buildings.

Central Schools Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2018

Achievements and performance

a. Going concern

The Trustees assess whether the use of the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. After making appropriate enquiries, the Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Key performance indicators

The Trustees aim to ensure that the Trust meets the following financial requirements:

- Operates within its means and remains solvent
- Achieves best value for all activities undertaken and contracted services
- Maintains appropriate reserves
- Maintains a balanced budget going forward, taking likely contingencies into account
- Seeks to maintain the numbers of children in the school

c. Review of activities

Damson Wood Nursery and Infant School became part of Central Schools Trust on 1 August 2016.

Standards of Achievement

In February 2014, Balsall Common Primary School received an Outstanding Ofsted grading, with standards of attainment and achievement being particularly high.

Standards of Attainment and Progress 2018

Balsall Common

Attainment

2018 EYFS Profile Scores Compared to LA and National (2016)

Good Level of Development

An assessment for a good level of development is based on children's performance across a number of academic and non academic areas.

Year	School	National
2014	58	61
2015	64	66
2016	85	69
2017	80	71
2018	82	TBC

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Trustees' Report (continued)
For the Year Ended 31 August 2018

c. Review of activities (continued)

BCPS 2018 Data Comparison to Local and National
KS1

ARE/Expected Standard

		SATs at end of Year 2 June 2018							
		R		W		M		SPAG	
National		76	25	68	16	75	21	TBC	TBC
		ARE+	GD	ARE+	GD	ARE+	GD	ARE+	GD
Year 2		85	29	88	29	85	36	78	32

Phonics

Year	School	National
2013	85	69
2014	85	74
2015	78	77
2016	77	81
2017	91	81
2018	100	TBC

KS2

ARE/Expected Standard

		June 2018							
		R		W		M		SPAG	
National		75	25	78	18	76	23	78	31
		ARE+	GD	ARE+	GD	ARE+	GD	ARE+	GD
Year 6 Test		79	29	78	23	75	29	80	31

Damson Wood

Attainment

2018 EYFS Profile Scores Compared to LA and National (2016)
Good Level of Development

An assessment for a good level of development is based on children's performance across a number of academic and non academic areas.

Year	School	National
2018	68	71

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Trustees' Report (continued)
For the Year Ended 31 August 2018

c. Review of activities (continued)

**DW 2018 Data Comparison to Local and National
KS1**

ARE/Expected Standard

	National End of 2017 sponsored Academies	DW End of 2017		National End of 2018		DW End of 2018 (PP in brackets)		DW End of 2018 REMAINERS – Children at DW for all of KS1	
	ARE+	ARE+	GD	ARE+	GD	ARE+	GD	ARE+	GD
Reading	70	70	23	76	26	67 (40)	13 (0)	71	15
Writing	63	57	21	70	16	59 (40)	9 (0)	62	10
Maths	71	58	14	76	22	67 (40)	13 (0)	69	12

Phonics

2016		2017			2018	
School	National	School	National	National Sponsored Academies	School	National
	81	78	81	79	79	83

Admission Numbers

Balsall Common

2.	September 2018
Nursery	77
Year 1	88
Year 2	105
Year 3	120
Year 4	92
Year 5	85
Year 6	85

Damson Wood

	September 2018
Nursery	28
Reception	26
Year 1	40
Year 2	57

Trustees' Report (continued)
For the Year Ended 31 August 2018

Financial review

a. Reserves policy

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

At 31 August 2018, the Trust had free reserves of £95,092 (2017 - £101,518), fixed asset reserves of £10,076,345 (2017 - £9,982,849) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £1,657,000 (2017 - £1,849,000).

b. Financial review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The Trust also receives grants for fixed assets from the DfE and these 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 useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2018, total expenditure, excluding fixed asset funds and movements on the pension scheme, of £4,069,425 was covered by recurrent grant funding from the DfE and other income of £4,081,694. £18,695 of revenue reserves was used to fund capital additions so the revenue deficit in the year was £6,426.

At 31 August 2018, the net book value of fixed assets was £9,880,038 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

In April 2017, the finance systems for both schools were centralised at Balsall Common Primary School.

Key financial policies adopted or reviewed during the previous period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Executive Head Teacher, Head Teacher, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

c. Financial and risk management objectives and policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The register and plan are formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finance, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Risks to revenue funding from a falling roll are small at Balsall Common Primary School, but at Damson Wood Nursery and Infant School there are some spaces due to previous poor OFSTED reports received. Work to improve standards and therefore pupil numbers has already commenced and the Trustees expect Damson Wood Nursery and Infant School to see an improving position in the short term. However, the freeze on the Government's overall education budget, and increasing employment and premises costs, mean that budgets are exceptionally tight and there is substantial pressure on maintaining a balanced position. Cost savings as a result of rationalisation measures have been undertaken across both schools which are forecast to result in a breakeven position for the forthcoming year across the Trust.

The Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Board and Finance and General Purposes Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known anticipated commitments.

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

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

d. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial – The Trust has considerable reliance on continued funding through the ESFA. Whilst the current level of funding is expected to continue, if not increase, due to the Fair Funding Review which is due to be implemented from 1 September 2018, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance or Management – The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection – The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Fraud and Mismanagement of Funds – The Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academies Financial Handbook. The Director of Finance has undergone AAT training and is an experienced management accountant.

Staffing – The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning in place.

e. Investment policy

The Trustees review the investment policy annually. Due to the nature of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the use of additional short term bank investment accounts to take advantage of higher interest rates. The Trust's current policy is only to invest funds in risk free and short term (1-3 months) accessible deposit accounts. No other form of investment is currently authorised.

f. Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Trust and its finances. The Trustees have implemented a system to assess risks the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance. They have introduced systems and internal financial controls in order to minimise risk; all identified risks are reviewed on at least an annual basis. Where significant financial risk still remains the Trustees have ensured that they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

g. Fundraising

Central Schools Trust (CST) employs a professional fundraiser who is responsible for all fundraising activities.

CST has no voluntary or regulating schemes or standards in place and has not failed to comply with schemes or standards during the current financial year.

All fundraising activities are monitored by the Executive Head Teacher. A termly report is reviewed by the Trustees.

No complaints have been received during this financial year about the CST fundraiser.

CST fundraising is done in association with local business who sponsor the schools on a voluntary basis. The only contact with the general public is for school productions which is attended by parents and other family members who have children in the production. An external charity collection is held on the way out, on a non-pressurised voluntary basis.

The Parent Teachers Association hold events during the year to raise money for all schools in the Trust but fundraising is done through sales of goods and voluntary donations.

CST does not employ commercial fundraising companies to target individuals for regular donations.

Plans for future periods

The aims for the future from a financial perspective are to:

- Maintain a balanced budget
- Plan for and maintain an appropriate level of reserves
- Use funds prudently to ensure continued proactive upkeep of the estate and buildings
- Have regard for, and monitor, the LGPS liabilities

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 26 November 2018 and signed on its behalf by:



R Murray
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Central Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Murray, Chair of Trustees	3	4
J C Barnes, Vice Chair of Trustees	3	4
G T Burgess, Executive Head Teacher	4	4
C J Shadbolt (resigned 9 July 2018), Chair of Local Governing Body for Damson Wood Nursery and Infant School	4	4
L Evans	4	4
D Robinson	3	4
H C Dean	4	4
S-J Miller	3	4
J McConaghy (appointed 27 November 2017)	2	3

The Finance, Audit and General Purposes Committee is a sub-committee of the main board of trustees.

Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Receive and act upon reports from the Responsible Officer
- Draft the annual budget
- Monitor the site and buildings of the Trust, determining what routine improvements should be made and plan for the future expansion or enhancement of the current facilities

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G T Burgess, Executive Head Teacher	5	5
H C Dean	4	5
D Robinson	5	5
J McConaghy (appointed 27 November 2017)	4	4
C J Shadbolt (resigned 9 July 2018)	5	5

Central Schools Trust
(A company limited by guarantee)

Governance Statement (continued)

The Staffing and Performance Committee is also a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J C Barnes	3	3
G T Burgess, Executive Head Teacher	3	3
L Evans	3	3
S-J Miller	3	3
R Murray	2	3

Review of Value for Money

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

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

Governance

The Trust has a very strong Trust Board and management structure in place.

- We have ensured that Trustees have been placed on the committees that best suit their professions i.e. a banker on Finance, Audit and General Purposes Committee
- Committees meet on a regular basis and feed back to Full Board Meetings
- The Chair of the Trust, Chairs of the Local Governing Boards, Head of School and Executive Head Teacher are in contact on a regular basis

Budget & Controls

The Trust continues to use SAGE as a financial package that best suited the Trust's needs. This came into operation on 1 September 2014.

- Accountants, a Responsible Officer and financial system advisors continue in their roles
- Comprehensive insurance policies are reviewed and put in place annually
- Although the Trust does have preferred providers, we do check the market place prices to ensure continuing good value
- The following policies are reviewed and amended if applicable on a regular (annual) basis - Purchasing Policy, Cash Management Policy, Fixed Asset Policy and an Investment Policy. (N.B. Any amendments to the above policies will reflect any recommendations from the Responsible Officer, Accountants and financial system advisors.)
- Monthly budget monitoring takes place
- Investments are discussed at the Finance, Audit and General Purposes Committee meetings and handled through the bank when applicable
- Services and contract renewal checks are made to ensure continuing good service and value
- In 2014 we began a relationship with a procurement company SJ Solutions. SJ Solutions add an additional level of resourcing and assist in obtaining best value

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Governance Statement (continued)

Review of Value for Money (continued)

Better Income generation

The Funding and Publicity Manager, dedicated to researching additional funding streams and creating links with local businesses, continues to be highly successful.

- Generating additional support from a number of businesses
- Solihull Chamber of Commerce has been a terrific source for networking and opening doors and raising the Trust's profile
- The Trust's profile continues to be raised through the local press
- The pupils have benefited greatly from additional visits sourced by the Funding and Publicity Manager, mainly through the chamber
- The PTA continues to be an outstanding funding resource
- In January 2017 Balsall Common Primary School entered into partnership with a swim school to ensure high quality swim lessons and to generate additional income
- Balsall Common Primary School's Before and After School Club continues to return high levels of use.

Improving educational outcomes

- Annual survey questionnaire which includes staff, pupils and parents. The outcomes are posted on each school's website and form part of the Schools' Development Plan.
- Staff structure in place to provide the opportunity for pupils to raise their individual levels of attainment and progress
- An effective SEN team to cater for one-to-one requirements
- An effective strategy for the more able
- Excellent safeguarding procedures are in place
- The role of Play workers continues to enhance the lunch hour experience for pupils
- Delegated responsibility to Senior leaders to ensure that leaders and managers at all levels impact on pupil outcomes
- A highly effective program of teacher observations / feedback meetings enhances the performance management process which impacts on the pupils
- Data evidence of the effectiveness of the staffing structure and systems in place
- Highly effective Self-evaluation used to drive improvement
- An effective CPD program is in place to aid in staff's knowledge
- Through the Before and After School Cubs we can offer a better early education for the children

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Central Schools Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Central Schools Trust
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Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Audit and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Crowe U.K. LLP to perform additional checks.

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

- Review of the systems and controls surrounding the Trust's ancillary (non grant) income streams
- Review of the systems and controls surrounding the Trust's non-payroll procurement and expenditure processes

On an annual basis, the reviewer reports to the board of trustees through the Finance, Audit and General Purposes Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Executive Head Teacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 26 November 2018 and signed on their behalf, by:



R Murray
Chair of Trustees



G T Burgess
Accounting Officer

Central Schools Trust
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Central Schools Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



G T Burgess
Accounting Officer

Date: 26 November 2018

Central Schools Trust
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Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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 Annual Accounts Direction issued by the Education & 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 26 November 2018 and signed on its behalf by:



R Murray
Chair of Trustees

Central Schools Trust
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Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

Opinion

We have audited the financial statements of Central Schools Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

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

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

Central Schools Trust
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Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

Central Schools Trust
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Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

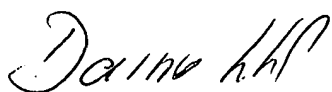
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
26 November 2018

Central Schools Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Central Schools Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Schools Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Central Schools Trust's funding agreement with the Secretary of State for Education dated 28 July 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

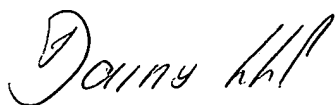
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

Central Schools Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Central Schools Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP
Statutory Auditor
Chartered Accountants
Birmingham
26 November 2018

Central Schools Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

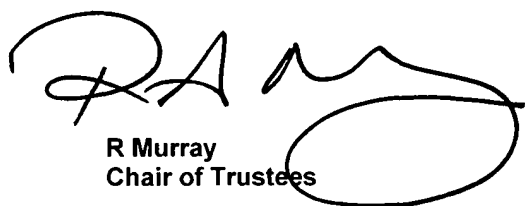
	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
<i>Donations and capital grants:</i>						
Transfer from Local Authority on conversion	2	-	-	-	-	1,880,000
Donations and capital grants	2	224,602	-	325,814	550,416	251,691
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	3	15,484	3,596,837	-	3,612,321	3,555,142
Other trading activities	4	244,404	-	-	244,404	224,840
Investments	5	367	-	-	367	245
Total income		484,857	3,596,837	325,814	4,407,508	5,911,918
Expenditure on:						
Raising funds	7	266,958	-	-	266,958	193,570
Charitable activities		29,836	3,927,631	251,013	4,208,480	4,127,704
Total expenditure	6	296,794	3,927,631	251,013	4,475,438	4,321,274
Net income / (expenditure) before transfers		188,063	(330,794)	74,801	(67,930)	1,590,644
Transfers between Funds	19	(169,986)	151,291	18,695	-	-
Net income / (expenditure) before other recognised gains and losses		18,077	(179,503)	93,496	(67,930)	1,590,644
Actuarial gains/(losses) on defined benefit pension schemes	24	-	347,000	-	347,000	(29,000)
Net movement in funds		18,077	167,497	93,496	279,070	1,561,644
Reconciliation of funds:						
Total funds brought forward		63,120	(1,810,602)	9,982,849	8,235,367	6,673,723
Total funds carried forward		81,197	(1,643,105)	10,076,345	8,514,437	8,235,367

Central Schools Trust
(A company limited by guarantee)
Registered number: 08148546

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		9,880,038		9,996,001
Current assets					
Stocks	15	4,827		5,856	
Debtors	16	238,959		113,025	
Cash at bank and in hand		441,333		409,341	
		<u>685,119</u>		<u>528,222</u>	
Creditors: amounts falling due within one year	17	<u>(383,857)</u>		<u>(428,349)</u>	
Net current assets			<u>301,262</u>		<u>99,873</u>
Total assets less current liabilities			<u>10,181,300</u>		<u>10,095,874</u>
Creditors: amounts falling due after more than one year	18		<u>(9,863)</u>		<u>(11,507)</u>
Net assets excluding pension scheme liabilities			<u>10,171,437</u>		<u>10,084,367</u>
Defined benefit pension scheme liability	24		<u>(1,657,000)</u>		<u>(1,849,000)</u>
Net assets including pension scheme liabilities			<u><u>8,514,437</u></u>		<u><u>8,235,367</u></u>
Funds of the academy					
Restricted funds:					
Restricted income funds	19	13,895		38,398	
Pension reserve	19	(1,657,000)		(1,849,000)	
Restricted fixed asset funds	19	<u>10,076,345</u>		<u>9,982,849</u>	
Total restricted funds			<u>8,433,240</u>		<u>8,172,247</u>
Unrestricted income funds	19		<u>81,197</u>		<u>63,120</u>
Total funds			<u><u>8,514,437</u></u>		<u><u>8,235,367</u></u>

The financial statements on pages 27 to 56 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:


R Murray
Chair of Trustees

Central Schools Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(213,846)</u>	<u>76,010</u>
Cash flows from investing activities:			
Interest receivable		367	245
Purchase of tangible fixed assets		(80,343)	(56,831)
Capital grants from DfE/ESFA and other capital income		<u>325,814</u>	<u>65,700</u>
Net cash provided by investing activities		<u>245,838</u>	<u>9,114</u>
Change in cash and cash equivalents in the year		31,992	85,124
Cash and cash equivalents brought forward		<u>409,341</u>	<u>324,217</u>
Cash and cash equivalents carried forward	22	<u><u>441,333</u></u>	<u><u>409,341</u></u>

Central Schools Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies

General information

Central Schools Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 08148546 and its registered office is Balsall Common East, Balsall Common, Coventry, CV7 7FS.

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Central Schools Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 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 incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Central Schools Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.4 Expenditure

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

Expenditures on raising funds

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

Charitable activities

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets on a straight line basis over its expected useful life, as follows:

Leasehold property	- 2% straight line
Leasehold improvements	- 2% to 10% straight line
Furniture and fixtures	- 20% straight line
Computer equipment	- 25% straight line

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

1. Accounting Policies (continued)

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in notes 17 and 18. 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 instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

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For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.11 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. As stated in note 24, the TPS is an unfunded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Fund accounting

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

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

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

1. Accounting Policies (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority on conversion	-	-	-	-	1,880,000
Donations	62,288	-	10,078	72,366	54,928
Parental donations for pupil activities	162,314	-	-	162,314	143,299
Capital grants	-	-	315,736	315,736	53,464
Subtotal	224,602	-	325,814	550,416	251,691
	224,602	-	325,814	550,416	2,131,691
Total 2017	185,991	-	1,945,700	2,131,691	

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Notes to the Financial Statements
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,767,676	2,767,676	2,783,166
Rates grant	-	12,266	12,266	11,874
Pupil premium	-	113,518	113,518	92,737
Universal Infant Free School Meals	-	185,721	185,721	185,289
PE and sports grant	-	38,880	38,880	19,255
Other DfE/ESFA grants	-	-	-	4,010
	-	3,118,061	3,118,061	3,096,331
Other government grants				
Special Needs funding	-	47,319	47,319	49,888
Nursery funding	-	299,779	299,779	193,793
Other funding	-	33,323	33,323	26,961
Pupil growth funding	-	17,700	17,700	71,785
	-	398,121	398,121	342,427
Other funding				
Catering income	-	80,655	80,655	83,652
Insurance claim proceeds	15,484	-	15,484	32,732
	15,484	80,655	96,139	116,384
	15,484	3,596,837	3,612,321	3,555,142
Total 2017	32,732	3,522,410	3,555,142	

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Notes to the Financial Statements
For the Year Ended 31 August 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Letting income	10,967	-	10,967	12,063
PGCE and other income	1,675	-	1,675	770
Before and After School Club income	210,687	-	210,687	208,735
Consultancy / Training income	-	-	-	272
Swimming pool income	21,075	-	21,075	3,000
	<u>244,404</u>	<u>-</u>	<u>244,404</u>	<u>224,840</u>
Total 2017	<u>224,840</u>	<u>-</u>	<u>224,840</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	367	-	367	245
	<u>245</u>	<u>-</u>	<u>245</u>	
Total 2017	<u>245</u>	<u>-</u>	<u>245</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	163,499	-	103,459	266,958	193,750
Support costs	-	-	-	-	-
Activities:					
Direct costs	2,676,375	53,727	470,750	3,200,852	3,225,508
Allocated support costs	357,294	537,658	112,676	1,007,628	902,196
	<u>3,197,168</u>	<u>591,385</u>	<u>686,885</u>	<u>4,475,438</u>	<u>4,321,274</u>
Total 2017	<u>3,157,617</u>	<u>307,231</u>	<u>958,205</u>	<u>4,423,053</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2018

7. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trips costs	88,287	-	88,287	70,104
Uniforms/DVDs for resale	15,172	-	15,172	21,688
Before and After School Club Costs	163,499	-	163,499	101,778
	<u>266,958</u>	<u>-</u>	<u>266,958</u>	<u>193,570</u>
Total 2017	<u>193,570</u>	<u>-</u>	<u>193,570</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2018

8. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	1,960,244	1,979,065
National insurance	168,262	171,432
Pension cost	424,543	443,546
Depreciation	176,025	171,929
LGPS finance cost	46,000	35,000
Supply teachers costs	123,326	107,734
Equipment costs	6,649	6,831
Reprographics costs	14,138	10,967
Catering costs	255,627	249,186
Other educational costs	654	15,280
Music instruction	25,384	34,538
	<u>3,200,852</u>	<u>3,225,508</u>
Support costs - educational operations		
Wages and salaries	297,831	294,391
National insurance	18,441	18,569
Pension cost	41,022	41,102
Depreciation	17,371	47,143
Maintenance of premises and equipment	86,516	48,188
Heat and light	34,180	43,819
Rent and rates	29,738	30,652
Welfare costs	11,728	11,439
Equipment costs	19,311	22,201
Vehicle costs	280	1,450
Printing, postage and stationery	3,638	7,141
Telephone and fax	6,022	2,561
Staff training and welfare	23,379	16,887
Other educational costs	285,933	201,209
Insurance	49,355	26,241
Governance costs	82,883	89,203
	<u>1,007,628</u>	<u>902,196</u>
	<u><u>4,208,480</u></u>	<u><u>4,127,704</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2018

9. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	193,398	201,672
Auditors' remuneration - audit	8,825	8,650
Operating lease rentals	4,036	3,299
	<u> </u>	<u> </u>

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Notes to the Financial Statements
For the Year Ended 31 August 2018

10. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,395,505	2,361,616
Social security costs	194,028	194,688
Operating costs of defined benefit pension schemes	484,309	493,579
	<u>3,073,842</u>	<u>3,049,883</u>
Supply teacher costs	123,326	107,734
	<u>3,197,168</u>	<u>3,157,617</u>

Included in wages and salaries costs above are staff restructuring costs comprising:

	2018 £	2017 £
Redundancy payments	16,918	-

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £16,918 (2017 - £Nil) made to two individuals. Individually, the payments were £15,818 paid on 6 December 2017 and £1,100 paid on 31 January 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	43	53
Midday supervision	21	23
Teaching support	24	23
SEN support	11	16
Administration and clerical	10	10
Caretaker	3	3
Before/after school and swimming clubs	16	19
Management	6	5
	<u>134</u>	<u>152</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £90,001 - £100,000	1	1

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Notes to the Financial Statements
For the Year Ended 31 August 2018

10. Staff costs (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance) received by the six members of key management personnel for their services to the academy trust was £406,485 (2017 - £283,945 for four members of key management personnel).

11. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
G T Burgess	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	15,000-20,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2017 - £Nil).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £Nil).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £209 (2017 - £250).

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Notes to the Financial Statements
For the Year Ended 31 August 2018

14. Tangible fixed assets

	Leasehold property £	Leasehold improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	10,209,263	387,198	148,824	87,840	10,833,125
Additions	-	33,975	24,875	21,493	80,343
Disposals	-	-	(3,879)	-	(3,879)
At 31 August 2018	10,209,263	421,173	169,820	109,333	10,909,589
Depreciation					
At 1 September 2017	608,982	59,030	102,706	66,406	837,124
Charge for the year	141,359	28,767	17,371	5,900	193,397
On disposals	-	-	(970)	-	(970)
Transfer between classes	-	(600)	-	600	-
At 31 August 2018	750,341	87,197	119,107	72,906	1,029,551
Net book value					
At 31 August 2018	9,458,922	333,976	50,713	36,427	9,880,038
At 31 August 2017	9,600,281	328,168	46,118	21,434	9,996,001

15. Stocks

	2018 £	2017 £
Goods for resale	4,827	5,856

16. Debtors

	2018 £	2017 £
Trade debtors	4,714	14,614
VAT recoverable	58,330	-
Other debtors	6,569	19,809
Prepayments and accrued income	169,346	78,602
	238,959	113,025

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Notes to the Financial Statements
For the Year Ended 31 August 2018

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Salix loan	1,644	1,644
Trade creditors	117,091	87,539
Other taxation and social security	50,857	81,925
Other creditors	46,784	47,483
Accruals and deferred income	167,481	209,758
	<u>383,857</u>	<u>428,349</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	189,429	181,658
Resources deferred during the year	139,648	189,429
Amounts released from previous years	(189,429)	(181,658)
	<u>139,648</u>	<u>189,429</u>
Deferred income at 31 August 2018	<u>139,648</u>	<u>189,429</u>

Deferred income includes an amount relating to the 2018/19 Universal Infant Free School Meals grant, rates relief, music income and devolved formula capital grant received in advance of the 2018/19 academic year.

18. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Salix loan	<u>9,863</u>	<u>11,507</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>3,287</u>	<u>4,931</u>

Included within creditors is a Salix loan of £11,507 (2017 - £13,151) in relation to the DfE's Capital Investment Fund. This loan is interest free and repayable over 8 years.

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Notes to the Financial Statements
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19. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	63,120	484,857	(296,794)	(169,986)	-	81,197
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	2,767,676	(2,945,062)	177,386	-	-
Other DfE / ESFA grants	24,496	350,386	(373,964)	(918)	-	-
Catering	13,902	80,655	(72,505)	(8,157)	-	13,895
Other income	-	398,120	(381,100)	(17,020)	-	-
Pension reserve	(1,849,000)	-	(155,000)	-	347,000	(1,657,000)
	<u>(1,810,602)</u>	<u>3,596,837</u>	<u>(3,927,631)</u>	<u>151,291</u>	<u>347,000</u>	<u>(1,643,105)</u>
Restricted fixed asset funds						
Gift from local authority	9,466,782	-	(186,814)	-	-	9,279,968
Capital donations	41,514	10,078	(6,000)	-	-	45,592
Capital grants and capital expenditures from GAG	227,488	97,802	(44,001)	18,695	-	299,984
Capital maintenance grants and CIF	247,065	217,934	(14,198)	-	-	450,801
	<u>9,982,849</u>	<u>325,814</u>	<u>(251,013)</u>	<u>18,695</u>	<u>-</u>	<u>10,076,345</u>
Total restricted funds	<u>8,172,247</u>	<u>3,922,651</u>	<u>(4,178,644)</u>	<u>169,986</u>	<u>347,000</u>	<u>8,433,240</u>
Total of funds	<u>8,235,367</u>	<u>4,407,508</u>	<u>(4,475,438)</u>	<u>-</u>	<u>347,000</u>	<u>8,514,437</u>

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19. Statement of funds (continued)

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

Restricted general funds

This fund represents grants and other income received for the Trust's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE, ESFA and other funders to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Balsall Common Primary School	70,891	64,237
Damson Wood Nursery and Infant School	24,201	12,785
Multi Academy Trust	-	24,496
Pension reserve	(1,657,000)	(1,849,000)
Total before fixed asset fund and pension reserve	(1,561,908)	(1,747,482)
Restricted fixed asset fund	10,076,345	9,982,849
Total	8,514,437	8,235,367

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19. Statement of funds (continued)

Analysis of academies by cost

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 depreciat- ion £	Total 2018 £	Total 2017 £
Balsall Common Primary School	2,127,479	264,031	247,472	549,447	3,188,429	3,038,270
Damson Wood Nursery and Infant School	712,395	93,263	87,585	200,369	1,093,612	1,017,647
	<u>2,839,874</u>	<u>357,294</u>	<u>335,057</u>	<u>749,816</u>	<u>4,282,041</u>	<u>4,055,917</u>

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Notes to the Financial Statements
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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General fund	17,534	443,808	(214,136)	(184,086)	-	63,120
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	2,783,166	(3,133,441)	350,275	-	-
Other DfE / ESFA grants	44,434	313,163	(172,308)	(160,793)	-	24,496
Catering	-	83,652	(37,724)	(32,026)	-	13,902
Other income	1,918	342,429	(337,308)	(7,039)	-	-
Pension reserve	(1,659,000)	-	(161,000)	-	(29,000)	(1,849,000)
	<u>(1,612,648)</u>	<u>3,522,410</u>	<u>(3,841,781)</u>	<u>150,417</u>	<u>(29,000)</u>	<u>(1,810,602)</u>
Restricted fixed asset funds						
Gift from local authority	7,757,729	1,880,000	(170,947)	-	-	9,466,782
Capital donations	41,514	12,236	(12,236)	-	-	41,514
Capital grants and capital expenditures from GAG	222,529	46,865	(75,575)	33,669	-	227,488
Capital maintenance grants and CIF	247,065	6,599	(6,599)	-	-	247,065
	<u>8,268,837</u>	<u>1,945,700</u>	<u>(265,357)</u>	<u>33,669</u>	<u>-</u>	<u>9,982,849</u>
Total restricted funds	<u>6,656,189</u>	<u>5,468,110</u>	<u>(4,107,138)</u>	<u>184,086</u>	<u>(29,000)</u>	<u>8,172,247</u>
Total of funds	<u>6,673,723</u>	<u>5,911,918</u>	<u>(4,321,274)</u>	<u>-</u>	<u>(29,000)</u>	<u>8,235,367</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General fund	17,534	928,665	(510,930)	(354,072)	-	81,197
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	5,550,842	(6,078,503)	527,661	-	-
Other DfE / ESFA grants	44,434	663,549	(546,272)	(161,711)	-	-
Catering	-	164,307	(110,229)	(40,183)	-	13,895
Other income	1,918	740,549	(718,408)	(24,059)	-	-
Pension reserve	(1,659,000)	-	(316,000)	-	318,000	(1,657,000)
	<u>(1,612,648)</u>	<u>7,119,247</u>	<u>(7,769,412)</u>	<u>301,708</u>	<u>318,000</u>	<u>(1,643,105)</u>
Restricted fixed asset funds						
Gift from local authority	7,757,729	1,880,000	(357,761)	-	-	9,279,968
Capital donations	41,514	22,314	(18,236)	-	-	45,592
Capital grants and capital expenditures from GAG	222,529	144,667	(119,576)	52,364	-	299,984
Capital maintenance grants and CIF	247,065	224,533	(20,797)	-	-	450,801
	<u>8,268,837</u>	<u>2,271,514</u>	<u>(516,370)</u>	<u>52,364</u>	<u>-</u>	<u>10,076,345</u>
	<u>6,656,189</u>	<u>9,390,761</u>	<u>(8,285,782)</u>	<u>354,072</u>	<u>318,000</u>	<u>8,433,240</u>
Total of funds	<u><u>6,673,723</u></u>	<u><u>10,319,426</u></u>	<u><u>(8,796,712)</u></u>	<u><u>-</u></u>	<u><u>318,000</u></u>	<u><u>8,514,437</u></u>

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20. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,880,037	9,880,037
Current assets	81,197	385,637	218,286	685,120
Creditors due within one year	-	(371,742)	(12,115)	(383,857)
Creditors due in more than one year	-	-	(9,863)	(9,863)
Provisions for liabilities and charges	-	(1,657,000)	-	(1,657,000)
	<u>81,197</u>	<u>(1,643,105)</u>	<u>10,076,345</u>	<u>8,514,437</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,996,000	9,996,000
Current assets	63,120	454,514	10,585	528,219
Creditors due within one year	-	(416,116)	(12,229)	(428,345)
Creditors due in more than one year	-	-	(11,507)	(11,507)
Provisions for liabilities and charges	-	(1,849,000)	-	(1,849,000)
	<u>63,120</u>	<u>(1,810,602)</u>	<u>9,982,849</u>	<u>8,235,367</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(67,930)	1,590,644
Adjustment for:		
Depreciation charges	193,397	219,072
Dividends, interest and rents from investments	(367)	(245)
Loss on the sale of fixed assets	2,909	-
Decrease/(increase) in stocks	1,029	(1,223)
(Increase)/decrease in debtors	(125,934)	175,697
Decrease in creditors	(46,136)	(123,235)
Capital grants from DfE and other capital income	(325,814)	(65,700)
Defined benefit pension scheme cost less contributions payable	155,000	161,000
Net (loss) on assets and liabilities from local authority on conversion	-	(1,880,000)
Net cash (used in)/provided by operating activities	<u>(213,846)</u>	<u>76,010</u>

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22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	441,333	409,341
Total	<u>441,333</u>	<u>409,341</u>

23. Capital commitments

At 31 August 2018 the Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>207,814</u>	<u>-</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £46,741 were payable to the schemes at 31 August 2018 (2017 - 43,888) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

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24. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £220,000 (2017 - £210,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £249,000 (2017 - £226,000), of which employer's contributions totalled £204,000 (2017 - £178,000) and employees' contributions totalled £45,000 (2017 - £48,000). The agreed contribution rates for future years are 17.9% for employers and 5.5% - 9.9% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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24. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	21.9 years	21.8 years
Females	24.4 years	24.3 years
Retiring in 20 years		
Males	24.1 years	24.0 years
Females	26.7 years	26.6 years

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	76,000	75,000
Discount rate -0.1%	(77,000)	(76,000)
Mortality assumption - 1 year increase	111,000	110,000
Mortality assumption - 1 year decrease	(108,000)	(106,000)
CPI rate +0.1%	69,000	64,000
CPI rate -0.1%	(67,000)	(62,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,139,000	977,000
Government bonds	130,000	113,000
Other bonds	67,000	59,000
Property	146,000	113,000
Cash and other liquid assets	67,000	77,000
Derivatives	251,000	206,000
Total market value of assets	<u>1,800,000</u>	<u>1,545,000</u>

The actual return on scheme assets was £20,000 (2017 - £338,000).

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24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(313,000)	(304,000)
Interest income	42,000	50,000
Interest cost	(88,000)	(85,000)
	<u>(359,000)</u>	<u>(339,000)</u>
Actual return on scheme assets	<u>20,000</u>	<u>338,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	3,394,000	2,705,000
Current service cost	313,000	304,000
Interest cost	88,000	60,000
Employee contributions	45,000	48,000
Actuarial (gains)/losses	(370,000)	291,000
Benefits paid	(13,000)	(14,000)
Actuarial losses on liabilities	-	-
	<u>3,457,000</u>	<u>3,394,000</u>

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,545,000	1,046,000
Interest income	43,000	25,000
Actuarial gains/(losses)	(23,000)	262,000
Employer contributions	204,000	178,000
Employee contributions	45,000	48,000
Benefits paid	(13,000)	(14,000)
Administration expenses	(1,000)	-
	<u>1,800,000</u>	<u>1,545,000</u>

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25. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	18,271	11,583
Between 1 and 5 years	31,450	21,348
Total	<u>49,721</u>	<u>32,931</u>

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.

27. Related party transactions

McNally Enterprises Limited, a company of which G T Burgess is shareholder, supplied consultancy services to the Trust to the value of £550 (2017 - £142). As at 31 August 2018 the amount outstanding was £Nil (2017 - £Nil).

These transactions in turn generated funds for the school of £1,215 (2017 - £272).

The school operates an equal opportunities policy in regard to appointments which allows relations of both staff and governors to apply. On such occasions, the interviewing and appointing body does not comprise members of the candidate's family, thus ensuring that appointments remain fair and impartial.

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