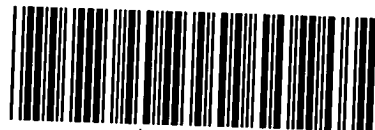


Company registration number 09795288 (England and Wales)

THE CHERRY TREE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

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THE CHERRY TREE TRUST

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THE CHERRY TREE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr Matthew Johnson (Resigned 13 October 2022)
Mr Phill Moore
Miss Leslie Culf (Resigned 1 December 2022)
Mr Dan Lampard
Mr Barry Dawson
Mr Jonathan Anderson (Appointed 5 November 2023)
Mr Simon Young (Appointed 22 November 2023)

Trustees

Mrs S Rudd
Mr A Wild
Miss J Deegan (Resigned 10 July 2023)
Mr S Endress (Resigned 4 October 2023)
Mrs J Reynolds
Mr R Stone
Mr D Thomas
Mr M J Chapman (Appointed 5 October 2023)

Senior management team

- Executive Headteacher, CEO & AO	Mrs S Rudd
- Deputy Head	Mr A Smith
- Deputy head	Mr A Pattenden
- Deputy Head	Mrs E Pattenden
- Assistant Head	Mrs S Tait
- Assistant Head	Mrs C Campbell
- Assistant Head	Mrs K McKenzie
- Assistant Head	Mr T Rudd

Company secretary

Company registration number 09795288 (England and Wales)

Principal and registered office Firbank Road
Newall Green
Manchester
M23 2YH

Independent auditor UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Bankers Lloyds Bank
Market Street
Manchester
M1 1PW

THE CHERRY TREE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson
5th Floor, Tower 12
18-22 Bridge Street
Spinningfields
Manchester
M3 3BZ

THE CHERRY TREE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The trust operated 1 primary school in Wythenshawe, called Newall Green Primary School. The school's pupil capacity is 780 and had a roll of 644.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing document of the academy trust. The trustee of the Cherry Tree Trust Limited are also the directors of the charitable company for the purpose of the company law. The charitable company is known as The Cherry Tree Trust Academy, The company registration number is: 09795288.

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.

Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions in operations.

Method of recruitment and appointment or election of trustees

The trust was established in 2015 by Members who wanted to provide an educational setting that provided education for the pupils of Wythenshawe. The unique position of the community situated near to Wythenshawe Hospital and Manchester Airport, meant that the area was a corridor for commuting by professionals who lived outside of the area. The concern of the Members was that the families within the Newall Green were being overlooked, Aspirations were low which in turn meant that the pupils had low expectations and poor academics outcomes.

Working in a Multi-Academy Trust which could take ownership of curriculum meant that the Members could develop a community that worked together to develop children's Personal Development and create an outstanding learning environment.

Working closely with BW3 (this is a group of companies working together in Wythenshawe), the Members of Cherry Tree Trust approach this group of professionals to recruit new Trustees. On completion of the Skills Audit, potential Trustees with suitable knowledge and expertise can be approached.

The Articles of the Cherry Tree Trust allow 5 Trustees. However, due to succession planning, we have had 6 Trustees during part of the financial year 2022/2023. Jennifer Deegan has resigned from her role of Trustee with effect from 10 July 2023. This means that for the following financial year 2023/2024 we will have 6 Trustees. The Trustees are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purposes of charity legalisation. As there is a Local Governing Body, Members have decided to utilise the relationships and knowledge that Parent Governors bring at the Local Governing Body level.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Policies and procedures adopted for the induction and training of trustees

Trustees are trained by:

- Face to face meetings where structures and systems are explained
- Decision making tables so roles and responsibilities are out-lined
- External providers such as NGA or Manchester Governance Unit
- On-line training such as Safeguarding, KCSIE, Risk Management
- Face to face Curriculum presentations- subject specific and the Roles and Responsibilities of Trustees
- Trust handbook setting out the roles of Trustees

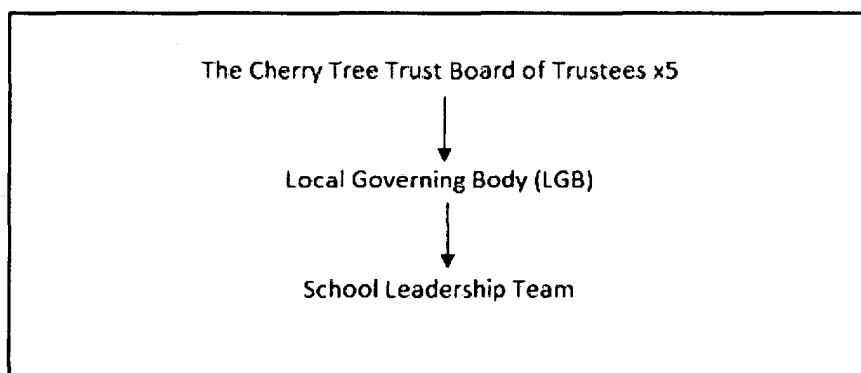
The Cherry Tree Trust Trustees have delegated powers to the Local Governing Body (LGB). This has the constitution of;

- Two elected parents
- Two elected members of staff
- Five committee members appointed by the trust, one of whom will be the chair

Organisational structure

Organisational Structure

The Cherry Tree Trust Financial Procedures Manual sets out the scheme of delegation for the decision making within the Trust. The purpose of the document is to give each stakeholder a clear picture of the roles and responsibilities they should undertake.



Trustees serve in office for a period of 4 years.

The 5 Trustees are;

Mr Andrew Wild
Miss Jennifer Deegan
Mr Steven Endress
Mr Roger Stone
Mrs Joanne Reynolds
Mr David Thomas

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The functions of the LGB are;

The Local Governing Board are responsible for the link between the trust, the parents and the community, feeding into the Trust's oversight and management of the school. The board delegates to them the following functions:

1. Building an understanding of the Trust's ambitions for the school and its pupils, its vision and strategy and how this is realised at school level and out-lined in the School Development Plan. Monitor the implementation of the School Development Plan in accordance with the actions out-lined in the plan.
2. Knowing the trust's values and becoming familiar with key policies, understanding how these work in practice so that they are creating a healthy culture for all. Evidence by observation and discussion that actions outlined on the plan are being put into place.
3. Ensuring that trustees and the CEO are aware of parents' and community views.
4. Support and challenge Newall Green Primary School leaders to ensure that the curriculum and the learning environment is the best that can be achieved for the pupils in Newall Green Primary School.
5. Monitoring the work of the school, escalating any concerns to the CEO and / or trustees by:
 - a. Scrutinising reports on the school's progress with achieving its ambitions
 - b. Scrutinising reports on how the school complies with key policies
 - c. Visiting the school during the school day and attending events
6. Reviewing key decisions made by the headteacher e.g. pupil exclusions and responses to complaints.

Subsidiaries, joint ventures and associates

There have been no planned joint ventures or subsidiaries of the Cherry Tree Trust.

Management of the Academy Trust

Executive Positions

Executive Head Teacher who is also the Accounting Officer.

Business Manager who is also the CFO.

Arrangements for setting pay and remuneration of key management personnel

The Cherry Tree Trust have adopted the pay scales that have been set for maintained schools. They are set out in the Pay Policy which is based upon the annual teacher's pay document released by the DfE. The pay for the head teacher is determined from the group size of the school at the time the head teacher is employed.

Performance management systems are in place and this system is used to review the pay grade in line with head teacher performance.

The minimum pay ranges are identified below.

All individual Leadership pay ranges will be reviewed at the time of appointment of a new post holder into an Executive Role. All leadership pay ranges will be reviewed if a new school was to enter the trust but this not a guarantee that they will change.

Chief Executive Officer L26 - L30

Chief Financial Officer Grade 8 point 31- 35

Senior Leadership Positions within Newall Green Primary School

Head of School L13 - L16

Deputy Headteacher L10 - L12

Assistant Headteacher x 4 L3 - L9

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

Newall Green Primary School is not part of a soft federation, nor is it part of any other organisation which impacts on the operating policies of The Cherry Tree Trust.

Trade Union facility time

There are no relevant union officials within Newall Green Primary School however, we do support the trade unions and pay into facility time the contribution of £1,710. We pay this to Manchester City Council.

Equal Opportunity Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the work place. The Cherry Tree Trust aims to establish equal opportunity in all areas of activity including creating a working environment in which the contribution and needs of all people are fully valued. Equal opportunities apply to all persons connected with the trust regardless of gender, race, religion or disability.

Wider network

The Cherry Tree Trust Trustees encourage staff to engage with the local community, as one of the aims of the Trust is to empower organisations in the local community to raise expectations and standards. Through 2022-2023:

Exec Head LLE works with Manchester Schools Alliance & Wythenshawe Cluster of Schools working on educational issues collaboratively.

Objectives and activities

Objectives, strategies and activities

The principal activity of The Cherry Tree Trust is the operation of Newall Green Primary School (NGPS) to provide education to the pupils aged 3-11.

This is more complex than it seems, in an area with high levels of deprivation. Currently 67.5% of the pupils within Newall Green Primary School are in receipt of Pupil Premium. Typically, this means that families are harder to engage as they have to overcome the complexities facing disadvantaged families and the additional challenges that these children face to meet the age-related expectations.

The Aims for 2022-2023 were:

- Strengthen learning so that missed learning opportunities through Covid were addressed
- Engage parents in learning so that they can access the work place themselves. This in turn raises aspirations within the household.
- To continue to settle the 60 international arrival children, placed by the Ministry of Defence.

The Key Performance Indicators were:

- To reach the data targets
- To develop the curriculum and learning environment as out-lined in the SDP.

Success would be measured by;

1. Observations made by Manchester City Council Quality Assurance team and Senior Leaders, would evidence the personal development and behaviour for learning of pupils within school.
2. Monitoring the number of parents who engaged with the Parent Support Team either through early help opportunities or through educational activities.
3. Testing of prior knowledge would identify the missed concepts that could be taught through class time, extra tuition or homework opportunities.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Cherry Tree Trusts activities undertaken to further the academy trusts purpose for the public benefit include;

- Delivering courses to help parents with SEND children develop their parenting skills with difficult parenting situations and keeping children safe on-line.
- Accommodate 60 international arrivals from Afghanistan within school and then transition them on to their new schools
- Providing holiday activities so that the children have suitable holiday experiences.
- Support families who are struggling financially;
- Before and after school care,
- Uniform.
- Provision of foodbank vouchers to support attendance and work experience opportunities.
- Cherry Tree Trust have an alternative provision which provides respite for pupils who are struggling to attend and learn in a local primary school. This provision gives the time for the necessary support or school placement to be sort to prevent a permanent exclusion.
- The Cherry Tree Trust has a resourced provision which provides 6 places for Manchester City Council to allocate children a place who are in receipt of an Education Health & Care Plan (EHCP).

The charitable purpose out-lined in The Cherry Tree Trust Articles is;

To promote for the benefit of the inhabitants of the areas, in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation, of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

To fulfil the above we;

- We allow local NHS providers use of the building to hold meetings with parents free of charge. For example, Speech and Language professionals hold a clinic in a space within school.
- We use Early Help Services well and arrange for parents to meet financial advisors, housing officer etc within school supported by a Parent Support Officer.
- We provide translation services for those schools who need support with the Afghanistan international arrivals.

The benefit to the local area;

Over the last five years the families that are in the catchment area to school have seen an increase in crime, an increase in domestic violence and a decrease in funds and services. The area experiences more poverty than it did five years ago. The organisations that used to be available to support families cease to exist and school has had to take up this responsibility. Consequently, the support for parents and families has had to grow within school to meet the needs of the families.

The Newall Green Primary School website and the drop-in time available each morning signpost parents to activities, support and guidance. We have strong links with the community and the Parent Support Team have excellent relationships with parents. New parents / families establish links through open mornings, drop in days and sign posting by School staff to the Parent Support Team.

The Attendance Team worked closely with families to overcome difficulties within the family that may prevent a child attending school. The impact has been that the vulnerable children have made good progress in their skill and knowledge development whilst at Newall Green Primary School.

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Key performance indicators

The 2 key performance indicators are;

1. To reach the data targets
2. To develop the curriculum and learning environment as out-lined in the SDP.

KPI 1

It is important that the context of the school in the last two years is understood before trying to analyse any data prior to Covid and for the 2022 and 2023 data sets.

Year 6 data

	92 children (whole cohort)		87 children (whole cohort minus international arrivals)		79 children (whole cohort minus international arrivals and children who we intend on 'discounting' in		87 children (whole cohort minus international arrivals) Scaled score of 99+ (few marks off		79 children (whole cohort minus international arrivals and children who we intend on 'discounting'). Scaled score of 99+	
	Exp +	GDS	Exp +	GDS	Exp +	GDS	Exp +	GDS	Exp +	GDS
Writing	60% (55 chn)	10% (9 chn)	63%	10%	70%	11%	63%	10%	70%	11%
SPAG	54% (50 chn)	14% (13 chn)	57%	15%	63%	16%	60% (52 chn)	18% (16chn)	66%	20%
Reading	51% (47 chn)	16% (15 chn)	54%	17%	59%	19%	70% (61 chn)	17% (15 chn)	77%	19%
Maths	49% (45 chn)	10% (9 chn)	52%	10%	57%	11%	55% (48 chn)	13% (11chn)	61%	14%
R,W,M combined	36% (33 chn)	3% (3 chn)	38%	3%	42%	4%	44% (38 chn)	5% (4 chn)	48%	5%

Reception Data

	PP	EAL	SEN	GLD target	GLD Actual	Com Lang	&Reading	Writing	Number
Reception	63%	25%	25%	59%	42%	49%	48%	43%	51%

Year 1 Phonics

	PP	EAL	SEN	Phonics target	Phonics actual all	With out POD & RP
Year Phonics	164%	11%	24%	70%	71%	75%

Year 2 Data

	PP	EAL	SEN	Reading actual all	Reading actual POD & Acorn removed	Writing actual all	Writing actual POD & Acorn removed	Maths actual all	Science
Year 2 (78)	64%	24%	30%	39% EXP 13% GD	58%	23% 1% GD	26%	37% Exp 13% GD	58%

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The end of Key Stage Assessment procedures does not account for pupils taking holidays within school time and consequently missing the test or new children joining EYFS & KS1, who have English as an additional language. Consequently, the end of key stage data was lower than had been anticipated.

KPI 2

Monitoring the School Development Plan, we can evidence that we have;

- Introduced Read Write Inc- to support children with lost phonic learning due to Covid.
- Introduced Purple Mash, an ICT scheme of work.
- Started to work with the Numeracy Hub — to identify the fall in attainment in Maths at the end of KS2.
- Developed the EYFS learning environment.
- Promoted staff and pupil's well-being.
- Developed the personal development curriculum and attained Healthy Schools Gold accreditation.

To ensure a sound financial position, Trustees have reviewed

- The Trusts Financial Position in the context of income to cover the pay rises and the increased cost of resources.
- The ability to keep the staff, pupils and visitors safe within the school building.
- Condition of the building to check that it is fit for purpose.
- The numbers of children attending school as this is the funding source.
- The quality of the education provided for the children within Newall Green Primary School.

The findings show that due to the increased costs associated with the increase in materials for building works and energy prices in conjunction with an increased staffing costs, the Trust may see a reduced surplus. Falling numbers within EYFS due to low birth rates within the area and the lack of local social housing means that there is a fall in the income that pupil numbers generates.

Following return from Covid measures, pupils and staff within the school have had more mental health needs, which again has seen an increase in associated costs.

Supply staff have had to be employed to cover the absence due to Covid illness which again has increased spending dramatically.

The School is perceived in a good light by Manchester City Council and the local community. The Quality Assurance Adviser evidences that the school performs strongly and is lead well.

In addition:

The trustees have assessed the major risks to The Cherry Tree Trust as part of the risk assessment. In particular those relating to the specific teaching, child protection, provision of facilities and the operational area of the Trust and its finances.

The Cherry Tree Trust has implemented a number of systems to diminish the risks that the Trust faces. Operational procedures are in place to ensure staff are appropriately vetted as part of the recruitment programme. Staff are trained in child protection and Health & Safety, so that the establishment is a safe place in which children can learn and flourish.

Systems are in place should the establishment suffer damage of either reputation or damage to the building. Loss of data or key personnel is also planned for.

Attainment which may affect the community's perception of the school is also planned for using the school development plan. The school reports regularly to The Cherry Tree Trust Trustees the key performance indicators, so that progress to target can be established and strategic plan amended where appropriate. Finances are closely monitored so that funding cuts etc. are planned for. The appropriate insurances are held so that the risk of financial loss is minimised. ICT policies & secure systems are in place so that data is confidential, children can use the ICT equipment and internet safely and information is backed up to prevent loss. Robust internal checking procedures ensure that there is a defined division of duties to prevent fraud.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

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

Financial review

The Cherry Tree Trust started the year with a healthy carry forward from the previous year. This was due to the planned building work that had been organised but had not yet taken place.

A CIF bid had provided funds for a heating replacement system which was practically finished. Increased costs in the materials and labour meant that reserves needed to be kept to make up the short fall.

A window replace bid had also been submitted to the ESFA and reserves had been kept to add some additional criteria to this bid. Mainly the windows being of a tinted nature to remove the need for window blinds which do pose a safety risk in a prefab building.

The school is a large building, three form intakes with the capacity to house over 700 children with additional office space. Consequently, the fixed assets are quite a large amount due to the size of the building and the land surrounding it.

The area surrounding school as mentioned before is an area of low income. Therefore, parental contributions and donations are low.

Most of the income is obtained from the Department of Education in its general annual grant (GAG). The school also charges for school meals and receives income from school meals. There are no companies adding to the finances through lettings but income is generated through a school run breakfast and after school club. In addition, we offer the local Scout group space to hold their cubs & scouts' meetings which generates a small income.

Additional funds are generated from the Resources Provision and Alternative Provision. This pays for the increased number of support staff that are required when providing a suitable learning environment for children, who have hard to manage behaviour or additional learning needs.

During the year ended 31 August 2023, total expenditure of £4,913,318 was incurred (which excludes depreciation of £147,565 and FRS 102 service and interest costs of £289,000. Recurrent grant income from the ESFA, together with other incoming resources totalled £4,708,691. The in-year deficit of general reserves was £111,601. Total general reserves carried forward amounted to £321,577. The Trust's strategy is to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Generally, Cherry Tree Trust has seen an in-year surplus but there is an in-year deficit caused by the increase of staff costs to cover the significant increase in numbers from the international arrivals, as these children were not on the previous year's census.

At the 31 August 2023 the net book value of the fixed assets amounted to £4,179,605 and movements in fixed assets are shown in note 12 of the financial statements. The cost of fixed asset additions during the year ended 31 August 2022 amounted to £437,109.

The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

During this period the school contributed £258,672 to the Teachers' Pension Scheme (TPS) and £191,763 to the Greater Manchester Local Government Pension scheme (LGPS) for non-teaching school employees.

£2,103 was also paid for staff insurance and maternity insurance.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The trustees (Audit, Risk & Finance Committee) review the reserve funding level of the Academy annually when setting the annual budget. The Trust Board hold a working capital within the account so that the day to day business of the Trust can continue

The total reserves identified on the balance sheet at 31 August 2023 are £4,228,182 including £4,179,605 of fixed assets reserve which can only be realised by disposing of tangible fixed assets, and the deficit to the Local Government Pension Scheme (LGPS) of £273,000.

The Trust's current level of restricted general reserves is £10,000. In our Scheme of Financial Delegation this is set at 3 months reserves.

All tangible assets are fully utilised by the Trust and therefore we are unable to generate income by disposing of them.

Investment policy

Where the Academy has surplus cash reserves, these are reviewed and placed on deposit. The academy does not invest in the capital markets.

Principal risks and uncertainties

The current political environment contributes to the risks and uncertainties as with every educational establishment. The Cherry Tree Trust is working to minimise these risks by looking at improving energy efficiencies and reducing the carbon footprint. The Cherry Tree Trust has organised and completed a programme to replace the boiler, radiators and pipes.

The Cherry Tree Trust Trustees are currently seeking advice and guidance to plan a project to install solar panels and LED lighting.

Falling numbers of pupils due to lower birth rates and an increase in staff costs is also causing an uncertainty which is being closely monitored by Trustees.

Plan for managing risks

- Monitor pupil numbers and reduce number of classes if needed.
- Work with other schools to share the costs of services where possible apply best value for money principle.
- Monitor spending and avoid unnecessary costs.
- Generate income by supporting other establishments.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for future periods

The aim for the next three years is to invest in systems that reduce costs. Initially the Cherry Tree Trusts' next priority is to reduce the energy bill and improve our carbon emissions through solar panels and LED lighting. Then it is to grow the size of the Trust so that economics in buying power can be utilised.

The experience gained from research and investigation shows that in manageable sized trusts, the positives of a number of schools working together is evident. When a trust becomes too large it is questionable if this is the right approach to take.

THE CHERRY TREE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Lessons learnt through 2022-2023

The Cherry Tree Trust trustees have investigated working with other schools to grow the Trust. Through speaking to leaders within the area we know the schools who are willing to collaborate.

Applying to be a sponsor school and self-evaluation of current systems, has also helped trustees to develop and secure systems that allow schools to join the Trust successfully.

Policies towards employees and disabled persons

The company does not employ over 250 people however, we are an inclusive trust who hold Peace Mala values, as a trust we promote inclusion of all staff and pupils.

Funds held as custodian trustee on behalf of others

The Academy and its Governors do not act as the custodian trustees for any other Charity.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07 December 2023 and signed on its behalf by:

Andrew Wild

Mr A Wild

Chair of Trustees

THE CHERRY TREE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 The Cherry Tree Trust and the Secretary of State for Education. The accounting officer is 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:

Trustees	Meetings attended	Out of possible
Mrs S Rudd	4	4
Mr A Wild	4	4
Miss J Deegan (Resigned 10 July 2023)	2	4
Mr S Endress (Resigned 4 October 2023)	0	4
Mrs J Reynolds	3	4
Mr R Stone	4	4
Mr D Thomas	2	4
Mr M J Chapman (Appointed 5 October 2023)	0	0

There were no key changes to the board in 2022-2023 however, in preparation for the resignation of one trustee an observer joined the summer meeting so that they were fully aware of the role prior to starting September 2023.

The trust board continue to review and implement the School Development Plan. Pupil voice is central to ensuring children feel safe and are ready to learn. This is promoted through the personal development curriculum and the experiences that develop cultural capital. Trustees ensure that safeguarding requirements are in place.

So the board are fully aware of the financial position all trustees are sent a monthly report so they are up to date with the current financial position and LGB minutes are reviewed to ensure the finances put into place to deliver the priorities in the School Development Plan are being utilised effectively. Educational standards have been central to decision making however, the changed context within school have also meant that staffing and resource allocations have had to be considered carefully.

Coverage of work

To ensure that systems are used effectively the Audit, Risk and Finance committee have overseen the audit process. This is commented on further into the report.

In addition, the scheme of delegation has been revised so that responsibilities are clearly defined. The ARF committee have monitored the additional funding allocated to the Trust for this purpose so that funds are used effectively. The Governance calendar ensures that there is a planned approach to decision making, monitoring and evaluation. Systems have been established so that parents are able to share their views and Parent Governors are able to collect these to inform Trustees decisions. Policies and training have been put into place so that every member of the Trust knows their role in keeping children safe and preventing children being at risk of extremism and radicalisation.

THE CHERRY TREE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The board has performed well and consequently;

- Newall Green Primary school continues to operate to serve a large community in Wythenshawe.
- The school has a good reputation and supports services within the area.
- The international arrivals have transitioned to their new homes organised by the MoD supported by the staff within school. The families who remain are fully integrated into school life and the children thrive within the community.
- Supporting our most vulnerable pupils through the Alternative and Resourced Provisions. This has allowed us to generate income whilst ensuring that children within the Trust access education adapted to suit their learning needs.
- Personal development of the pupils and behaviour for learning within school is outstanding. NGPS attained Healthy Schools Gold accreditation.

The challenges to the Trust are mainly socially economically driven. With the increased costs for families and the reduction in functioning services, families have a long wait for meaningful support. As a Trust we have to pick up on the shortfall and provide support to families in crisis.

Conflicts of interest

Each year and at every meeting, Governors and Trustees must declare their conflicts of interest. This is recorded in all meeting minutes. If a conflict of interest is identified then suitable steps are followed to ensure that decisions are made in an unbiased way. There are no transactions taking part between the CTT and a company of a Trustee or Governor.

Meetings

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. So that the board are fully aware of the financial position a Trustee has been invited to each Finance Planning meeting. All Trustees are sent a monthly report so they are up to date with the current financial position and LGB minutes are reviewed to ensure the finance put into the place to deliver the priorities in the School Development plan are being utilised effectively.

Governance reviews

Annual self-assessment of the skills set of the Governors constituting the Local Governing Body and the Trust Board. There are confident members of both boards who are developing those with less experience of working as part of a board.

Continuing professional development is available through Governor Hub, Manchester City Council and planned days within school.

Succession planning is used to make sure that the boards remain operational and fit for purpose.

Audit, Risk and Finance subcommittee

The audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to set and monitor the budget and provide assurance to the Trust Board that the systems and practices within the Trust adhere to the Academy Trust handbook. Assurance has been supported with the feedback from the Governance, website and payroll audits.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Rudd	2	2
Mrs J Reynolds	2	2
Mr R Stone	2	2
Mr D Thomas	1	2

THE CHERRY TREE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Random sampling of the procurements made ensures that we are getting the highest quality for the best possible price.
- Benchmarking against similar trusts is used to verify decision making so that value for money is achieved.
- Consultation for best practices allows us to draw upon the experience of professionals to engage services within schools that are high quality. For example, we have renegotiated contracts so that we have best value for money from our energy suppliers.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 The Cherry Tree Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy 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 academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- regular reviews by the Audit, Risk & Finance committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- identification and management of risks.
- review policies annually so that fraud and theft is prevented.
- the fixed asset register is also checked to prevent fraud and theft.

Work still to be completed is planned for 2023-2024 which includes;

- implementing the recommendations from the Financial Management and Governance Review.

The board of trustees has decided to employ Haines Watts as internal auditor. This option has been chosen because the firm providing external audit cannot provide internal audit.

THE CHERRY TREE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

- Allocation of financial roles and responsibilities
- Payroll
- Website compliance
- Governance compliance

For the period we are reporting for the auditor only made one report to the board of trustees, through the audit and risk committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The audit provided reasonable assurance over the adequacy, application and effectiveness of financial control systems operating at your school. The reason we are unable to provide a higher level of assurance currently is due to the lack of quotations and tenders for our sample testing of expenditure over £2,000 and the widespread use of confirmation orders, with minimal evidence of advance approval of purchases by authorised signatories.

Systems have been modified to address the recommendations which the Audit Risk and Finance Committee will continue to monitor.

The Audit, Risk and Finance Committee have identified the risks using the risk register. The Risk Register has been established through analysis of data, finances and review of the political agenda that affects budget planning.

By reviewing previous year's performance and making a three-year plan Trustees and Governors know the areas on which to focus to ensure that there is effective management of the day to day business of The Cherry Tree Trust. Practice, policy and implementation has been monitored by Governors and Trustees so that financial and non-financial risks are reduced.

Internal audit has been procured from Manchester City Council and assurances have been made to Trustees. Where there is need for improvement a plan has been established to address areas where improvements need to take place.

Review of effectiveness

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

- the work of the Internal Auditor.
- the Financial Management and Governance Self-Assessment Process.
- a Financial Management and Governance Review from the DfE.
- obtained one written report from the Internal Auditors.

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

Approved by order of the board of trustees on 07 December 2023 and signed on its behalf by:



Mrs S Rudd
Accounting Officer



Mr A Wild
Chair of Trustees'

THE CHERRY TREE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of The Cherry Tree Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's 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 Academy Trust Handbook 2022.

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.



Mrs S Rudd
Accounting Officer

07 December 2023

THE CHERRY TREE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of The Cherry Tree Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 07 December 2023 and signed on its behalf by:

Andrew Wild

Mr A Wild

Chair of Trustees'

THE CHERRY TREE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHERRY TREE TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of The Cherry Tree Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

THE CHERRY TREE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHERRY TREE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

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

THE CHERRY TREE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHERRY TREE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- The nature of the industry and sector, control environment and business performance.
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of income and misappropriation of funds. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the academy operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Academies Accounts Direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In addressing the risk of fraud through inappropriate recording of income, we review the existence and completeness of ESFA income and reconcile all other material income streams to third party evidence;
- We carry out a detailed review of deferred income, including a review of amounts released to income in the year.
- We review a sample of expenditure to ensure it has been appropriately authorised and that tender process have been followed where applicable;
- We carry out a review of the register of interests and minutes to ensure that all related parties have been disclosed adequately;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

THE CHERRY TREE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHERRY TREE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

UHY Hacker Young

Ryan Wear BSc ACA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

7 December 2023

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

THE CHERRY TREE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CHERRY TREE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 2 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cherry Tree Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Cherry Tree Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Cherry Tree Trust's funding agreement with the Secretary of State for Education dated 27 October 2015 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

In line with the Framework and guide for External auditors and Reporting Accountants of academy Trusts issued April 2023, we have not performed any additional procedures regarding the academy trust's compliance with safeguarding, health and safety and estates management.

THE CHERRY TREE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CHERRY TREE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young Manchester LLP

Dated: 07 December 2023

THE CHERRY TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	1,000	10,000	24,300	35,300
Charitable activities:					
- Funding for educational operations	4	-	4,628,777	-	4,628,777
Other trading activities	5	38,521	6,049	-	44,570
Investments	6	44	-	-	44
Total		39,565	4,644,826	24,300	4,708,691
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	4,765,753	147,565	4,913,318
Total	7	-	4,765,753	147,565	4,913,318
Net income/(expenditure)		39,565	(120,927)	(123,265)	(204,627)
Transfers between funds	16	(151,166)	25,927	125,239	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	314,000	-	314,000
Net movement in funds		(111,601)	219,000	1,974	109,373
Reconciliation of funds					
Total funds brought forward		433,178	(492,000)	4,177,631	4,118,809
Total funds carried forward		321,577	(273,000)	4,179,605	4,228,182

THE CHERRY TREE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022		Unrestricted funds	Restricted funds:		Total 2022
	Notes	£	General £	Fixed asset £	£
Income and endowments from:					
Donations and capital grants	3	1,000	-	201,560	202,560
Charitable activities:					
- Funding for educational operations	4	-	4,373,961	-	4,373,961
Other trading activities	5	41,115	6,095	-	47,210
Investments	6	73	-	-	73
Total		42,188	4,380,056	201,560	4,623,804
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	4,648,904	170,673	4,819,577
Total	7	-	4,648,904	170,673	4,819,577
Net income/(expenditure)		42,188	(268,848)	30,887	(195,773)
Transfers between funds	16	(52,111)	(135,152)	187,263	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	2,625,000	-	2,625,000
Net movement in funds		(9,923)	2,221,000	218,150	2,429,227
Reconciliation of funds					
Total funds brought forward		443,100	(2,713,000)	3,959,481	1,689,581
Total funds carried forward		433,177	(492,000)	4,177,631	4,118,808

THE CHERRY TREE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		4,179,605		3,890,061
Current assets					
Debtors	13	247,423		646,466	
Cash at bank and in hand		334,503		494,850	
		581,926		1,141,316	
Current liabilities					
Creditors: amounts falling due within one year	14	(168,538)		(328,758)	
Net current assets			413,388		812,558
Total assets less current liabilities			4,592,993		4,702,619
Creditors: amounts falling due after more than one year	15		(91,811)		(91,811)
Net assets excluding pension liability			4,501,182		4,610,808
Defined benefit pension scheme liability	18		(273,000)		(492,000)
Total net assets			4,228,182		4,118,808
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			4,179,605		4,177,631
- Pension reserve			(273,000)		(492,000)
Total restricted funds			3,906,605		3,685,631
Unrestricted income funds	16		321,577		433,177
Total funds			4,228,182		4,118,808

The accounts on pages 25 to 45 were approved by the trustees and authorised for issue on 07 December 2023 and are signed on their behalf by:

Andrew Wild
Mr A Wild
Chair of Trustees

Company registration number 09795288 (England and Wales)

THE CHERRY TREE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(143,789)		339,873
Cash flows from investing activities					
Dividends, interest and rents from investments		44		73	
Capital grants from DfE Group		420,507		201,560	
Purchase of tangible fixed assets		(437,109)		(564,095)	
Net cash used in investing activities			(16,558)		(362,462)
Cash flows from financing activities					
Receipt of Salix loan		-		77,171	
Net cash (used in)/provided by financing activities			-		77,171
Net (decrease)/increase in cash and cash equivalents in the reporting period			(160,347)		54,582
Cash and cash equivalents at beginning of the year			494,850		440,268
Cash and cash equivalents at end of the year			334,503		494,850

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the 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 the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

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

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

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Leasehold land and buildings	2% straight line
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	20% reducing balance

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

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

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

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

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme Liability:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2023 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.20% is higher than the rate of 4.25% used in 2022. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £492k to £273k during the year.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	24,300	24,300	201,560
Other donations	1,000	10,000	11,000	1,000
	<u>1,000</u>	<u>34,300</u>	<u>35,300</u>	<u>202,560</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	2,768,970	2,768,970	2,735,502
Other DfE/ESFA grants:				
- Pupil premium	-	563,152	563,152	497,071
- Others	-	22,945	22,945	178,960
	<u>-</u>	<u>3,355,067</u>	<u>3,355,067</u>	<u>3,411,533</u>
Other government grants				
Local authority grants	-	1,117,277	1,117,277	962,428
	<u>-</u>	<u>1,117,277</u>	<u>1,117,277</u>	<u>962,428</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	156,433	156,433	-
	<u>-</u>	<u>156,433</u>	<u>156,433</u>	<u>-</u>
Total funding	<u>-</u>	<u>4,628,777</u>	<u>4,628,777</u>	<u>4,373,961</u>

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Educational trips and visits	-	6,049	6,049	6,095
Other income	38,521	-	38,521	41,115
	<u>38,521</u>	<u>6,049</u>	<u>44,570</u>	<u>47,210</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Other investment income	44	-	44	73
	<u>44</u>	<u>-</u>	<u>44</u>	<u>73</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Academy's educational operations					
- Direct costs	3,133,156	-	171,055	3,304,211	3,278,952
- Allocated support costs	552,635	544,504	511,968	1,609,107	1,540,625
	<u>3,685,791</u>	<u>544,504</u>	<u>683,023</u>	<u>4,913,318</u>	<u>4,819,577</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	31,583	40,619
Depreciation of tangible fixed assets	147,565	170,673
Fees payable to auditor for:		
- Audit	12,000	8,300
- Other services	3,400	5,200
Net interest on defined benefit pension liability	22,000	47,000
	<u>22,000</u>	<u>47,000</u>

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities

	2023 £	2022 £
All from restricted funds:		
Direct costs		
Educational operations	3,304,211	3,278,952
Support costs		
Educational operations	1,609,107	1,540,625
	<u>4,913,318</u>	<u>4,819,577</u>
	2023 £	2022 £
Analysis of support costs		
Support staff costs	552,574	717,278
Depreciation	147,565	21,246
Technology costs	-	2,050
Premises costs	396,939	280,396
Other support costs	511,227	505,899
Governance costs	802	13,756
	<u>1,609,107</u>	<u>1,540,625</u>

9 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	3,037,358	2,662,594
Pension costs	523,726	737,832
Staff costs - employees	<u>3,561,084</u>	<u>3,400,426</u>
Agency staff costs	124,707	181,285
	<u>3,685,791</u>	<u>3,581,711</u>
Staff development and other staff costs	11,047	-
Total staff expenditure	<u>3,696,838</u>	<u>3,581,711</u>

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Staff numbers

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

	2023 Number	2022 Number
Teachers	31	29
Administration and support	78	89
Management	7	6
	<u>116</u>	<u>124</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001-£70,000	-	1
£90,001-£100,000	-	1
£100,001-£110,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £636,145 (2022: £518,919)

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs Sarah Rudd (Accounting officer) (Headteacher)

Remuneration: £100,000-£105,000 (2022: £90,000-£95,000)

Employer's pension contribution £20,000-£25,000 (2022: £20,000-£25,000)

Other related party transactions involving the trustee are set out in note 22.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2022	3,590,529	151,950	1,068,725	4,811,204
Additions	437,109	-	-	437,109
At 31 August 2023	4,027,638	151,950	1,068,725	5,248,313
Depreciation				
At 1 September 2022	446,420	111,377	363,346	921,143
Charge for the year	55,046	27,586	64,933	147,565
At 31 August 2023	501,466	138,963	428,279	1,068,708
Net book value				
At 31 August 2023	3,526,172	12,987	640,446	4,179,605
At 31 August 2022	3,144,109	40,573	705,379	3,890,061

13 Debtors

	2023 £	2022 £
VAT recoverable	18,847	40,274
Other debtors	-	14,640
Prepayments and accrued income	228,576	591,552
	<u>247,423</u>	<u>646,466</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	29,862	50,467
ESFA creditors - abatement of GAG	13,881	21,474
Other creditors	15,496	84,331
Accruals and deferred income	109,299	172,486
	<u>168,538</u>	<u>328,758</u>

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

15 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Government loans	91,811	91,811

	2023 £	2022 £
Analysis of loans		
Wholly repayable within five years	91,811	91,811
Less: included in current liabilities	-	-
Amounts included above	91,811	91,811

Loan maturity

Due in more than one year but not more than two years	17,789	915
Due in more than two years but not more than five years	51,788	51,788
Due in more than five years	22,234	39,108
	91,811	91,811

Government loans includes interest free loans in the the form of a Salix Loan over 5 years and a CIF loan over 7 years..

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	-	2,768,970	(2,794,897)	25,927	-
Pupil premium	-	563,152	(563,152)	-	-
Other DfE/ESFA COVID-19 funding	-	156,433	(156,433)	-	-
Other DfE/ESFA grants	-	22,945	(22,945)	-	-
Other government grants	-	1,117,277	(1,117,277)	-	-
Other restricted funds	-	16,049	(16,049)	-	-
Pension reserve	(492,000)	-	(95,000)	314,000	(273,000)
	<u>(492,000)</u>	<u>4,644,826</u>	<u>(4,765,753)</u>	<u>339,927</u>	<u>(273,000)</u>
Restricted fixed asset funds					
DfE group capital grants	4,177,631	24,300	(147,565)	125,239	4,179,605
	<u>4,177,631</u>	<u>24,300</u>	<u>(147,565)</u>	<u>125,239</u>	<u>4,179,605</u>
Total restricted funds	<u>3,685,631</u>	<u>4,669,126</u>	<u>(4,913,318)</u>	<u>465,166</u>	<u>3,906,605</u>
Unrestricted funds					
General funds	433,178	39,565	-	(151,166)	321,577
	<u>433,178</u>	<u>39,565</u>	<u>-</u>	<u>(151,166)</u>	<u>321,577</u>
Total funds	<u>4,118,809</u>	<u>4,708,691</u>	<u>(4,913,318)</u>	<u>314,000</u>	<u>4,228,182</u>

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

Restricted general funds are those resources that have been designated by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those which the Governing Body may use in the pursuance of the academy's objectives and are expendable at the discretion of the Governors.

Transfer of funds from General Annual Grant restricted general funds to restricted fixed asset funds are to fund assets for which no capital grant was received.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	2,735,502	(2,600,350)	(135,152)	-
Pupil premium	-	497,071	(497,071)	-	-
Other DfE/ESFA grants	-	178,960	(178,960)	-	-
Other government grants	-	962,428	(962,428)	-	-
Other restricted funds	-	6,095	(6,095)	-	-
Pension reserve	(2,713,000)	-	(404,000)	2,625,000	(492,000)
	<u>(2,713,000)</u>	<u>4,380,056</u>	<u>(4,648,904)</u>	<u>2,489,848</u>	<u>(492,000)</u>
Restricted fixed asset funds					
DfE group capital grants	3,959,481	201,560	(170,673)	187,263	4,177,631
	<u>3,959,481</u>	<u>201,560</u>	<u>(170,673)</u>	<u>187,263</u>	<u>4,177,631</u>
Total restricted funds	<u>1,246,481</u>	<u>4,581,616</u>	<u>(4,819,577)</u>	<u>2,677,111</u>	<u>3,685,631</u>
Unrestricted funds					
General funds	443,100	42,188	-	(52,111)	433,177
	<u>443,100</u>	<u>42,188</u>	<u>-</u>	<u>(52,111)</u>	<u>433,177</u>
Total funds	<u>1,689,581</u>	<u>4,623,804</u>	<u>(4,819,577)</u>	<u>2,625,000</u>	<u>4,118,808</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	4,179,605	4,179,605
Current assets	321,577	260,349	-	581,926
Current liabilities	-	(168,538)	-	(168,538)
Non-current liabilities	-	(91,811)	-	(91,811)
Pension scheme liability	-	(273,000)	-	(273,000)
Total net assets	<u>321,577</u>	<u>(273,000)</u>	<u>4,179,605</u>	<u>4,228,182</u>

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	3,890,061	3,890,061
Current assets	433,177	420,569	287,570	1,141,316
Current liabilities	-	(328,758)	-	(328,758)
Non-current liabilities	-	(91,811)	-	(91,811)
Pension scheme liability	-	(492,000)	-	(492,000)
Total net assets	433,177	(492,000)	4,177,631	4,118,808

18 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,000 million giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The revised employer contribution rate, arising from the 2020 valuation is due to be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to the TPS in the period amounted to £258,962 (2022: £257,672).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.5% for employers and 5.5% to 12.5% for employees.

Total contributions made	2023 £	2022 £
Employer's contributions	194,000	173,000
Employees' contributions	63,000	55,000
Total contributions	257,000	228,000
Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.8	3.8
Rate of increase for pensions in payment/inflation	3.0	3.1
Discount rate for scheme liabilities	5.2	4.3

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	18.40	20.30
- Females	23.60	23.20
Retiring in 20 years		
- Males	19.00	21.60
- Females	23.10	25.10

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £'000	2022 £'000
Discount rate - 0.1%	71	79
Salary increase rate +0.1%	3	4
Mortality assumption - 1 year	136	145
CPI rate - 0.1%	70	76

The academy trust's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	2,185,400	2,160,000
Bonds	437,080	438,000
Property	249,760	282,000
Other assets	249,760	250,000
Total market value of assets	3,122,000	3,130,000

The actual return on scheme assets was (£182,000) (2022: £40,000).

Amount recognised in the statement of financial activities

	2023 £	2022 £
Current service cost	267,000	357,000
Interest income	(137,000)	(50,000)
Interest cost	159,000	97,000
Total operating charge	289,000	404,000

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18	Pension and similar obligations		(Continued)
	Changes in the present value of defined benefit obligations		2023
			£
	At 1 September 2022		3,622,000
	Current service cost		267,000
	Interest cost		159,000
	Employee contributions		63,000
	Actuarial gain		(633,000)
	Benefits paid		(83,000)
	At 31 August 2023		3,395,000
	Changes in the fair value of the academy trust's share of scheme assets		2023
			£
	At 1 September 2022		3,130,000
	Interest income		137,000
	Actuarial loss		(319,000)
	Employer contributions		194,000
	Employee contributions		63,000
	Benefits paid		(83,000)
	At 31 August 2023		3,122,000
19	Reconciliation of net expenditure to net cash flow from operating activities		
		2023	2022
	Notes	£	£
	Net expenditure for the reporting period (as per the statement of financial activities)	(204,627)	(195,773)
	Adjusted for:		
	Capital grants from DfE and other capital income	(24,300)	(201,560)
	Investment income receivable	6 (44)	(73)
	Defined benefit pension costs less contributions payable	18 73,000	357,000
	Defined benefit pension scheme finance cost	18 22,000	47,000
	Depreciation of tangible fixed assets	147,565	170,673
	Decrease/(increase) in debtors	2,837	(31,758)
	(Decrease)/increase in creditors	(160,220)	194,364
	Net cash (used in)/provided by operating activities	(143,789)	339,873

THE CHERRY TREE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	494,850	(160,347)	334,503
Loans falling due after more than one year	(91,811)	-	(91,811)
	<u>403,039</u>	<u>(160,347)</u>	<u>242,692</u>

21 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	37,874	29,932
Amounts due in two and five years	14,893	42,360
	<u>52,767</u>	<u>72,292</u>

22 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the year of account.

Remuneration paid to Tom Rudd (husband of Accounting Officer) £68,229 for his services as a designated safeguarding lead.

Remuneration paid to Faye Harris (daughter of CFO) £26,902 for her service has a level 3 teaching assistant.

Certain trustees' remuneration and expenses have already been disclosed in note 10.

23 Members' liability

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