

Registered number: 10647453

**Potteries Educational Trust**

Trustees' Report and Financial Statements

For the Year Ended 31 August 2022



**DAINS**  
ACCOUNTANTS

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

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<b>Potteries Educational Trust</b> <b>(A Company Limited by Guarantee)</b>
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**Reference and Administrative Details**

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<b>Members</b>	L Barnes M Herbert M Jones T McMillan I Starkie (deceased 7 April 2022)
<b>Trustees</b>	M Jones, Chair <sup>3</sup> M Kent, Chief Executive <sup>1,4</sup> C Freeman <sup>1,3,4</sup> P Gavin <sup>2,3</sup> M Johnstone <sup>4</sup> R Johnstone <sup>4</sup> M Astley <sup>4</sup> P Mangnall <sup>2</sup> C Mayer <sup>2</sup> J Smart <sup>1</sup> K Smith <sup>4</sup> J Hunter <sup>1</sup> R Jones (appointed 26 January 2022) <sup>1</sup> K Spelman Miller (appointed 26 January 2022) <sup>4</sup> P Buttery (resigned 30 September 2021) <sup>1</sup>  <sup>1</sup> Finance and Resources Committee <sup>2</sup> Audit and Risk Committee <sup>3</sup> Remuneration Committee <sup>4</sup> Curriculum, Teaching and Learning Committee
<b>Company registered number</b>	10647453
<b>Company name</b>	Potteries Educational Trust
<b>Principal and registered office</b>	Leek Road Stoke-On-Trent Staffordshire ST4 2RU
<b>Company secretary</b>	S Hawley
<b>Senior management team</b>	M Kent, Chief Executive Officer and Principal of City of Stoke-On-Trent Sixth Form College E Robinson, Headteacher - Biddulph High School S Clarke, Headteacher - Moorside High School (to 31 December 2021) G Grant, Headteacher - Moorside High School (From 1 January 2022 to 6 June 2022) D Robinson, Headteacher - Moorside High School (from 6 June 2022) P McLauchlan, Headteacher - Werrington Primary School H McLachlan, Deputy CEO and Director of Educational Improvement E Wortley-Shotton, Chief Financial Officer S Hawley, Company Secretary/Governance Professional

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details (continued)**  
**For the Year Ended 31 August 2022**

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<b>Independent auditors</b>	Dains Audit Limited Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Etruria Stoke-on-Trent ST1 5RQ
<b>Bankers</b>	Lloyds Bank Fountain Square Hanley Stoke-On-Trent ST1 1LE
<b>Solicitors</b>	Eversheds Sutherland LLP Two New Bailey 6 Stanley Street Salford M3 5GX

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2022**

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

The Potteries Educational Trust, going forward referred to as 'the trust' operates four academies in Stoke-on-Trent and Staffordshire. These were the City of Stoke-on-Trent Sixth Form College, Biddulph High School, Moorside High School and Werrington Primary School. Its academies have a combined student capacity of 4,222 students and had a roll of 3,762 in the college and school census returns in October 2022. The sixth form college also provides a foundation degree programme for around a further 90 students from Staffordshire University.

**Structure, governance and management**

**a. Constitution**

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

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

**b. Members' liability**

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

**c. Trustees' indemnities**

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as Directors of the academy Trust.

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

Eligibility to act as a Trustee of the Trust is within the Constitutional Framework and Clauses 45-80 of the Articles of Association.

Up to eight Trustees are appointed by the Members and other Trustees are co-opted by the Trust Board. The Trust Board has Trustees available that can convene when there is a requirement to attract, recruit and appoint new trustees with a range of skills and background to provide the Trust with the best possible advice and support. Elected parents, staff or students are appointed to serve the Local Governing Bodies.

**Structure, governance and management (continued)**

**e. Policies adopted for the induction and training of Trustees**

The majority of training and induction provided for each new Trustee will be based on a core programme and induction pack supplemented by additional content depending on their existing skills and experience and where necessary will provide training on charity, educational, legal and financial matters. In-house training with specialist staff is provided prior to trustee meetings. An annual strategic development day is held to update trustees and governors on latest developments in the sector and the possible impact on the Trust policies and priorities. Skills audits are undertaken on a regular basis to identify gaps and techniques implemented to review effective governance.

**f. Organisational structure**

The Trustees are responsible for setting general policy, adopting a three-year annual strategic plan and budget which is reviewed annually, monitoring performance and appointment of Senior Postholders. The Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Financial Officer and the Governance Professional to the Trust Board are deemed to be Senior Postholders for the purposes of pay decisions by the Trust Remuneration Committee.

Each school and college across the Trust has its own Senior Management Team (SMT) and Middle Management Team as appropriate for the needs of the establishment.

Each SMT control their own academy within the Trust at a leadership level, adhering to the scheme of delegation, implementing policies laid down by the Trustees and reporting back to them. As a group they are responsible for the authorisation of spending within approved budgets and the appointment of staff.

Middle Managers consisting of curriculum and support managers, in addition to the SMT, have delegated responsibilities and encourage decision making at all levels. This group also reviews Risk Management within the organisation.

The Trust's Executive Group provides strategic leadership and the consideration of trust wide policies and curriculum delivery across the trust. The Executive Group comprises the Chief Executive Officer, the Deputy Chief Executive Officer / Director of Educational Improvement, the Headteachers of the member academies and Chief Financial Officer. The Executive Group is supported by the Governance Professional.

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

Trustees make decisions on pay levels for senior postholders upon the recommendation of the Remuneration Committee. These are based on national and sector benchmarks as well as performance of individuals. Levels of pay for other senior leaders are also based on the same criteria. Pay for Headteachers is considered by the Remuneration Committee on the recommendation of the Local Governing Body. Pay decisions for other senior leaders are made by the Principal or Headteacher through the performance management processes.

Trustees' Report (continued)  
For the Year Ended 31 August 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	5,317
Total pay bill	19,199,342
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Potteries Educational Trust works in partnership with local schools and colleges and in particular SASCAL, a headteachers group within the City of Stoke-on-Trent.

Additional schools are actively being sought and further growth of the trust is anticipated over the next three years.

The Potteries Educational Trust recognises the importance of relationships with all of these bodies as well as a range of stakeholders and engages with them on a regular basis.

j. Engagement with employees (including disabled persons)

The Trust keeps its employees informed regarding matters affecting them through the PET joint development days, staff briefings, weekly bulletins, e mails and departmental meetings. With regards to disabled individuals under the employment of the Trust, the trust has an Equal Opportunities Policy that it adheres to.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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**Structure, governance and management (continued)**

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

The Trust works with both internal and external stakeholders in accordance with the "Seven Principals of Public Life", these being: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. The Trust relies on external suppliers for the provision of key services and these suppliers are treated on the same basis to establish and maintain a good working relationship.

The Trust's procurement policy is dealt with in accordance with the provision of its Financial Framework, which sets out the correct process to be followed and the relevant financial delegations applying across all trust academies. The Trust aims to achieve best value for money and the best price possible from all suppliers given that a large proportion will be paid with public funds. The Trust is required to maintain the integrity of those funds whilst ensuring that a fair process is published and followed.

Communicating with students and parents/carers has been established through the use of letters, texts, e mail, social media and management information systems including CEDAR, BROMCOM, ParentPay, Arbor and Capita SIMS.

**Objectives and activities**

**a. Objects and aims**

Our focus is to provide the very best education for every child and young person within the Trust, offering a high quality, broad, academic education for the children and young people of Stoke-on-Trent, North Staffordshire and beyond. Working with like minded partners, the Potteries Educational Trust centres on the development of the very best practice in teaching, learning and assessment. We will provide teaching and learning in a nurturing, supportive environment with a broad range of opportunities and extra curricular activities available for all within the Trust.

As a learning and caring community, we share common values and principles which are embraced at every academy within the Trust. These values form the foundations of everything that we do and achieve as a Trust with one outcome in mind, to create a caring community that delivers excellence and inspires futures.

Each school and college has its own Local Governing Body so that decisions are made at a local level specific to the individual needs of each academy. Each establishment has its own individual character and uniqueness. It is important for our Trust to celebrate our diversity whilst working to our common values and principles.

We offer a vast range of opportunities through the curriculum and extra curriculum activities to develop our young people for life experiences and promote high aspirations. The Trust has extensive links with regional and national businesses and universities. We provide wide ranging continuous professional development opportunities for all staff.

We are proud of being a Trust that successfully promotes the highest of aspirations in all our students as evidenced by the multiple opportunities available to meet leading professionals and academics, explore their vocation, experience educational visits across the globe and apply successfully for the most competitive of destinations.

Through our values:

- We strive for excellence in both academic achievement and life experiences to provide a rich education and opportunities beyond just a set of qualifications.
- We seek to inspire our children and young people, raising their aspirations to be the best they can be and to make a positive contribution to our local and national community.



**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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**Objectives and activities (continued)**

- We believe in the added value of working partnerships across all phases of education and the benefits and opportunities it brings to our students and staff.
- We will maintain an open access policy ensuring that admission is not based on academic success, within the context of the available curriculum in each academy.
- The Trust will promote a broad, holistic education for all our children and young people who seek to broaden their understanding of the world.
- All partners in the Trust have an equal place and will work together with honesty, transparency and fairness. We will learn from each other to add value to our practices and to the children and young people and communities we serve.

By working together and learning from each other to add value to our practices and to the children and young people and communities we serve, we champion the following core principles:

- The safety and wellbeing of the children and young people we serve in every action taken by the Trust and its academies
- A caring, community centered ethos throughout the Trust, cherishing every individual child and young person.
- Excellence in academic terms but also in providing a broad education beyond qualifications – to be 'Outstanding' in all we do.
- We will ensure the effective use of resources for the benefit of all children and young people in the Trust.
- We are committed to every child and young person in the Trust; we celebrate diversity and will work to narrow any gaps in aspiration, achievement or attainment within our community.

Our Strategic Plan for 2021-2024 includes eight core ambitions:

- Curriculum – we will maintain within the Trust a broad curriculum which values strong skills in English and Maths and access to the full range of subjects which go beyond simplistic accountability measures.
- Quality – we will strive to be Outstanding in all aspects of teaching, learning and assessment and to develop a strong identity as a learning community
- Community – we will develop strength in community and an education that goes beyond qualifications, helping every young person to value themselves within the family of the Trust and to explore and develop a range of softer skills to make them ready to progress.
- Partnership – we will be a strong, reliable and effective partner for schools, colleges, businesses and universities across the city and region. Our ambition is to be a force for good and to play an important part in the development of the best in teaching and learning for the region.
- Progression – alumni of the Trust will all progress on to good quality destinations and ultimately degree courses or apprenticeships that lead to productive, fulfilling employment. We aim to have as close to zero NEET young people after they leave the Trust as can reasonably be expected.
- Resources – we aim to use the resources of our Trust to maximum effect for the education of all our children and young people.
- Growth – we will grow as a Trust in a measured way that allows us to deliver the highest quality of support and challenge to every institution within it. Our ambition is to thus achieve sustainable growth without losing sight of our values and the primacy of every child and young person within the PET.
- Leadership and Governance - leaders, governors and trustees work closely together to implement the strategic ambitions of the PET.

**Objectives and activities (continued)**

**b. Financial Objectives**

The Trust sets annual financial objectives in order to continue to maintain high standards of education and support for learners by the efficient use of funding allocated to the Trust's academies.

In addition the Trust intends to remain financially sound so as to:

- Maintain and further develop the very highest levels of teaching and learning for all its students. We seek to be the centre for academic excellence in the region and to work to support colleagues in feeder schools in developing their practice also – working in a collegiate way that acknowledges we can learn as much from them as they from us and for the betterment of all young people's lives in the area.
- Protect itself from unforeseen adverse changes in enrolments and learner activity levels. It should be noted that although the concept of the current funding methodology reduces the risk of in year reconciliation any under achievement of targets in one year could lead to rebasing of allocations and reduced funding in future years.
- Provide a safe, pleasant and secure working environment for all learners and staff.
- Generate sufficient income to enable maintenance and improvement of its accommodation and equipment.
- Develop staff to their full potential to enable them to motivate learners to achieve their goals.

The Trust wishes to maintain the confidence of funders, suppliers, bankers and auditors whilst also raising the awareness of trust staff of the financial environment under which it operates.

**c. Public benefit**

The Potteries Educational Trust is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company are disclosed on page 1.

In setting and reviewing the Trust's objectives, the trustees had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Trust provides the following identifiable public benefits through the advancement of education:

- High quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs)

## **Strategic report**

### **Achievements and performance**

Overall, there is much to celebrate about the Trust's 2022 results as many outcomes were above national expectations, especially in the City of Stoke-on-Trent Sixth Form College and Werrington Primary School. Results in Key Stage 5, Key Stage 2, Key Stage 1 and Early Years Foundation Students (EYFS) are above or in line with national outcomes, with a small number of exceptions.

Key Stage 5 Vocational Outcomes, including T-Levels were a strength across the Trust, with A level outcomes in the City of Stoke-on-Trent Sixth Form College showing improvements compared to results in 2019 and in the 2021 TAG outcomes, above the national trend. Cohort performance shows that low attainers and boys performed better than in previous years at Key Stage 5.

Key Stages 2, 1 and EYFS all performed above national and county results. The number of students reaching higher grades in separate subjects and specific EYFS Goals is slightly below national.

The main area for development across the Trust is in Key Stage 4. There were areas of strength in both secondary schools in German, Vocational Subjects, Computer and Triple Science and improvements in Maths, Modern Foreign Languages and Physical Education when compared to 2019 outcomes. As a result, some headline measures, have shown improvement. The Trust is continuing to embed its VIPERS programme to support with the importance of reading in all areas.

#### **Key Stage 5**

- Celebrate High Pass Rates: 100% at Biddulph High School, 99% at the City of Stoke-on-Trent Sixth Form College
- City of Stoke-on-Trent Sixth Form College subjects above National Average: A Levels in Chemistry, Biology, Physics. Computer Science (top 5% all institutions), Geography, German, Music, Government and Politics, Geology, Statistics; BTECs in Health and Social Care, Digital Games Design, Media and TV, Applied Law; T-Level outcomes higher than national at 75% A\*/B
- City of Stoke-on-Trent Sixth Form College improved subjects (compared 2019): A Levels in Law, History, Maths, Art-Fine Art
- Biddulph High School subjects above National Average: A Levels in Computer Science, English Language; BTECs in Art and Design Ext Cert, Business, Health and Social Care, IT
- Biddulph High School improved subjects (compared 2019): A Levels in PE, Photography
- GCSE English Re-sits outcomes above national average at both academies, GCSE Maths re-sits improvements via Maths Mastery working group

#### **Key Stage 4**

- 9-4 Standard pass at both Biddulph High School and Moorside High School are about at national average
- Biddulph High School subjects with positive progress and attainment: German, Computer Science, Music, Biology/Chemistry/Physics
- Biddulph High School improved subjects: Maths, Business Studies, DT Graphics/Product Design, GCSE PE
- Moorside High School subjects with positive progress and attainment: BTEC Construction, IT OCR Nationals
- Moorside High School improved subjects: GCSE Product Design, History at 4+, GCSE PE

#### **Key Stage 2**

- KS2 outcomes are well above national average
- KS2 Higher Scores Reading, Writing and Maths in line with national average

#### **KS1 and EYFS**

- KS1 outcomes follow a similar pattern: Age related expectations are above national average.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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**Strategic report (continued)**

**Achievements and performance (continued)**

- Early Years Foundation Stage (EYFS) pupils are achieving prime goals and a good level of development are in line with local authority averages.

**Key performance indicators**

The Trust continues to monitor the performance of its academies through regular monitoring by the CEO and Senior Management Teams within each academy. Specialist resources are targeted to specific areas as necessary.

The Trust operates in line with the requirements of its Funding Agreement with the Education and Skills Funding Agency (ESFA) and manages its reserves in line with the Trust's financial policies.

**a. Going concern**

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

**b. Promoting the success of the company**

The Trust provides systems, structures and external networks to support the work in the Trust's academies to enable them to prioritise their time on teaching, learning strategies and outcomes for their schools. The Trust believe that this allows schools leadership and local committees to focus on the needs of the children and young people in their schools / college within a supportive framework.

The Trust works hard to ensure that each school environment is fit for purpose and that environmental impact is considered when decisions are made regarding trust infrastructure. Recent building projects at the trust's schools and college have used both local and regional workforces and ecological standards have been observed.

The professional conduct of our trustees, governors, staff and visitors is of the utmost importance to the Trust. All are expected to abide by relevant codes of conduct and trust policies.

**Financial review**

The Trust receives the majority of its funding from the Education and Skills Funding Agency (ESFA) in the form of recurrent grant paid on a monthly basis. The grant received during the period is shown as 'Restricted Funds' in the Statement of Financial Activities.

The Trust also benefits from a Devolved Formula Capital Grant which is used for maintenance projects and investment in resources.

The Trust has fixed assets of £51,981,075 and cash and short-term investment balances of £2,182,949. The Trust has accumulated reserves and cash balances in order to create a contingency fund for future capital development to deliver T Level courses. An estates expansion capital project is currently in progress and is expected to be completed by April 2023 and this capital investment ensures the future sustainability for the delivery of the T Level Programmes operated by the Trust.

Restricted fixed asset funds total £53,732,012 and movements during the year are shown in note 21 to the financial statements.

**Strategic report (continued)**

The Trust has reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants.

**a. Reserves policy**

The Board of Trustees recognise the importance of reserves in the financial stability of any organisation, and ensures there are adequate reserves to support the Trusts' core activities. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trust aims to continue to accumulate reserves and cash balances to enable future capital developments and cushion the effects of any further decreases in real terms funding levels. Discussions are also taking place with partner organisations to develop further sports facilities for the City of Stoke-on-Trent Sixth Form College to replace those at Fenton Manor following either the end of the current period or early termination outside of the control of the Trust.

Any schools joining the Trust will adhere to the Trust's reserves policy which states that reserves will not be pooled. The Board of Trustees and each academy's Local Governing Body will decide on how their respective academy reserves will be spent in consultation from the Chief Executive Officer and Chief Financial Officer.

Upon review of the Trust reserves position at 31 August 2022, the current balance of restricted general funds (excluding pensions and enhanced pension reserves) is £176,762 plus a £1,416,698 balance on unrestricted reserves funds.

The reserves currently held are slightly below of the Trust's target which is contained within the Reserves Policy. For confirmation this is £1,656k which broadly represents 7.5% of total annual funding. The Trust continues to set out to steadily increase reserves each year, with capital investment projects targeted across the Trust for use of these funds when necessary and suitable funds permit.

**b. Investment policy**

Treasury management is the management of the Trust's cash flows, banking and money market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with the associated risks. The Trust has a separate Investment Policy in place.

During the period there was no short-term borrowing for temporary revenue purposes and the Trust has no bank loans. Any borrowing requires the authorisation of the Trustees and must comply with the requirements of the Funding Agreement agreed with the ESFA.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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**c. Principal risks and uncertainties**

The Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

Based on the strategic plan, the Senior Management and Executive Team undertake regular comprehensive reviews of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to annual reviews, the Senior Management and Executive Team also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

A detailed risk register is maintained at both Trust and academy level which is reviewed at least termly by the Audit and Risk Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the Trust.

Outlined below is a description of the principal risk factors that could affect the Trust although not all of the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

**d. Government Funding**

The Trust has considerable reliance on continued government funding through the education sector funding bodies. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Demographic trends also have a significant impact on recurrent funding.

**Fundraising**

The Trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Trustees' Report (continued)  
For the Year Ended 31 August 2022

**Streamlined energy and carbon reporting**

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

	2022	2021
Energy consumption used to calculate emissions (kWh)	4,208,475	2,965,162
<b>Energy consumption breakdown (kWh):</b>		
Gas	2,450,046	1,449,487
Electricity	1,745,124	1,507,023
Transport fuel	13,305	8,652
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>		
Gas consumption	447	266
Owned transport	4	1
<b>Total scope 1</b>	<b>451</b>	<b>267</b>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>		
Purchased electricity	337	320
<b>Scope 3 emissions (in tonnes of CO2 equivalent):</b>		
Business travel in employee-owned or rental vehicles	3	1
<b>Total gross emissions (in tonnes of CO2 equivalent):</b>	<b>791</b>	<b>588</b>
<b>Intensity ratio:</b>		
Tonnes of CO2 equivalent per pupil	0.21	0.15

Quantification and Reporting Methodology

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

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil (based on the autumn census), the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have smart meters in place at our academy sites and have also significantly increased the amount of video conferencing technology now in use across the Trust, in order to reduce the need for travel between sites and for travel to sites for some governance meetings.

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2022**

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**Plans for future periods**

The Trust remains concerned that future austerity plans along with high inflation and increasing energy costs will continue to impact negatively on the education sector.

The challenges faced by the sector include:

- Developing the curriculum to meet the needs of learners with the introduction of linear courses
- Meeting the challenge of continued restrictions in funding
- Increases in high inflationary employer payroll costs
- Maintaining the quality and experience for students despite real terms funding cuts
- National challenges with recruitment and retention in certain subject areas
- Growth of the trust and continued collaboration with schools and academies in the best interests of learners.
- Uncertainty in medium and long-term energy costs

**Resources**

The Trust has resources that it can deploy in pursuit of its strategic objectives:

- Established and well-trained staff
- Excellent ICT infrastructure
- Its reputation as an organisation that achieves excellent results, together with high quality learner support
- Excellent facilities and physical resources

**Events after the End of the Reporting Period**

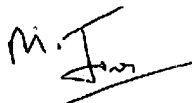
There have been no significant or material events to report after the period end.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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 and signed on its behalf by:



**M Jones**  
Chair of Trustees

8 December 2022



**Governance Statement**

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**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Potteries Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

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**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Jones, Chair	4	4
M Kent, Chief Executive	3	4
C Freeman, Vice Chair	4	4
P Gavin	4	4
M Johnstone	2	4
R Johnstone	2	4
M Astley	4	4
P Mangnall	3	4
C Mayer	4	4
J Smart	4	4
K Smith	3	4
J Hunter	4	4
R Jones (appointed 26 January 2022)	2	2
K Spelman Miller (appointed 26 January 2022)	2	2
P Buttery (resigned 30 September 2021)	0	1

**Conflicts of Interest**

The Trust maintain a register of interests which contains any business or pecuniary interests that trustees and leaders have. These are reviewed as least annually. A specific agenda item is added to the autumn trust board meeting which is available on the Trust website. It is also a standing item on each board meeting agenda for trustees and leaders to declare any conflicting interests they may have in agenda items.

**Governance Review**

The most recent trust skills audit was undertaken in the summer term 2022. The outcome and results of the audit were scrutinised for any gaps in the skills and experience of the current board. Following a Trustee resignation in the autumn term 2021, two additional Trustees have been appointed to the board bringing a wealth of experience in educational, financial and business leadership. The skills and experience will continue to be reviewed on a regular basis and in particular, when the membership of the Board changes.

**Governance Statement (continued)**

**Governance (continued)**

The Finance and Resources Committee is a committee of the main board of trustees. The Committee has met three times during the year. Its purpose is to assist the Board through regular monitoring of its financial performance, approving capital projects and the monitoring of other key performance indicators.

During the 2021 - 2022 financial year the Committee continued to monitor the progress and financial management of the budget for the Trust. Approval was granted for procurement of a further extension at the City of Stoke-on-Trent Sixth Form College to accommodate a Centre for Medical and Health Care Sciences with a Post 16 Capacity Grant and match funding. Estate condition improvements were evaluated, and approval granted for applications for Condition Improvement Funding to be made with appropriate match funding from academy reserves. Significant estate challenges are evident at one of the academies and approval was granted for application to the Schools Rebuilding Programme. The impact of COVID-19 pandemic on staffing levels and additional expenditure was monitored and reviewed. Additional resources were allocated to support safeguarding, health and well-being. A Trust wide digital strategy was developed. An appointment was made with effect from June 2022 to the vacant headteacher post at Moorside High School. The STEM Learning Science Learning Partnership contract, Computing Hub and Digital School House contracts continue.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Freeman	3	3
J Hunter	3	3
R Jones (appointed 26 January 2022)	2	2
M Kent	3	3
J Smart	3	3
P Buttery	0	0

During the 2021-2022 financial year the Audit Committee changed its name to the Audit and Risk Committee is also a committee of the main board of trustees. The Committee has met three times during the year. Its purpose is to ensure statutory compliance and assist the Board in ensuring the adequacy and effectiveness of control systems and procedures and in considering audit and other reports.

During the 2021 - 2022 financial year the changed its name to Audit and Risk Committee. The Committee continued to regularly review the risk register and made recommendations as appropriate to the Trust Board and oversee compliance with statutory requirements. In May 2022 the Committee was integral to the review and procurement of Data Protection Services for the Trust. A revised Data Protection Officer contract was awarded to commence 1 September 2022. The committee continued to receive compliance reports and review recommendations from external and internal audit reports. The process for review of effective governance and procurement of an external review for 2022-2023 had been delegated to the Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Gavin	3	3
P Magnall	3	3
C Mayer	3	3
J Gething (Co-opted)	3	3

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

**Governance (continued)**

The Remuneration Committee is also a committee of the main board of trustees. The Committee has met once during the year Its purpose is to consider and advise on:

- the performance of the holders of senior posts as determined by the Board
- the remuneration, other terms and conditions of the holders of senior posts as determined by the Board.
- the appraisal of the holders of senior posts as determined by the Board.
- the staff development the holders of senior posts as determined by the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Freeman	1	1
P Gavin (appointed December 2021)	0	0
M Jones	1	1

The Curriculum, Teaching and Learning Committee is also a committee of the main board of trustees. The Committee has met three times during the year Its purpose is to assist the board in the discharge of its responsibilities for:

- monitoring the quality of the educational provision at the academies of the Potteries Educational Trust;
- monitoring the quality of teaching, learning and assessment within the Trust;
- monitoring the inclusiveness of the educational activities of the Trust.

During the 2021 - 2022 financial year the Committee changed its name from Teaching and Learning Committee to Curriculum, Teaching and Learning Committee with a focus on quality assurance, evaluation of strategic priorities, professional growth, student and staff wellbeing, impact of COVID-19 pandemic and preparation for external assessments and examinations. The Trust wide structure for Teaching Learning and Assessment was reviewed and subsequently the committee reviewed to include teaching and learning link governors from each of the academies to be in attendance at the Committee. The strategic focus for the year was on the impact of VIPERS reading strategy and Maths Mastery, together with implementation of leadership development and coaching programmes and curriculum progression framework project.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Astley	3	3
C Freeman	2	3
M Johnstone	3	3
R Johnstone	2	3
M Kent	1	3
K Smith	3	3
K Spelman Miller	2	2
R Walker (Co-opted - Resigned October 2021)	1	1

**Local Governing Body**

Each Academy has a Local Governing Body which is a committee of the Trust Board. The constitution, membership and proceedings of the Local Governing Body is determined by the Trust Board and through the Scheme of Delegation. The Trust operates on the basis of subsidiarity and where legally possible decisions are made at Local Governing Body level. The Local Governing Bodies may operate subcommittees as appropriate: Teaching and Learning and Finance and Resources. The LGB and the subcommittees focus on the detailed scrutiny and holding the executive to account for the relevant academy.

**Governance Statement (continued)**

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**Review of value for money**

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

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

- A trust wide contracts database continues to be further developed and monitored with all Trust members to identify joint procurement opportunities to ensure savings and best value is applied to all future contract purchasing across the Trust.
- Strong procurement support with estates capital projects in order to maximise the value for money for our investment

**The purpose of the system of internal control**

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

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Board of Trustees has decided to employ Beever and Struthers as internal auditor.

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

- Income
- Commercial activity

**Governance Statement (continued)**

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**The risk and control framework (continued)**

There were no material control issues reported by the internal auditor during the year.

On an annual basis, the internal auditor reports to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

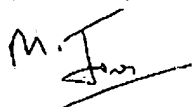
**Review of effectiveness**

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


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

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:



**M Jones**  
Chair of Trustees  
Date: 8 December 2022



**M Kent**  
Accounting Officer

**Statement on Regularity, Propriety and Compliance**

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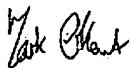
As Accounting Officer of Potteries Educational Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

During the year an instance occurred where 2 bottles of wine were purchased, as a gift, for £19.98. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.

During the year, the Trust failed to update their website to show the latest pecuniary interests of the Trust's members and trustees. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.



**M Kent**  
Accounting Officer  
Date: 8 December 2022

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2022**

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

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

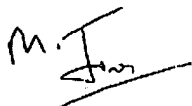
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



**M Jones**  
Chair of Trustees  
Date: 8 December 2022



**Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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 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.

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)**

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)**

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**Auditors' responsibilities for the audit of the financial statements**

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

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

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Potteries Educational Trust (continued)**

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Trust's legal advisors.

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

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

**Use of our report**

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



**Simon Hawkins (Senior Statutory Auditor)**  
for and on behalf of  
**Dains Audit Limited**

Chartered Accountants  
Statutory Auditor

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke-on-Trent  
ST1 5RQ

Date: 8.12.22

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Potteries Educational Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 7 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Potteries Educational Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Potteries Educational Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Potteries Educational Trust's funding agreement with the Secretary of State for Education dated 26 March 2021 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Potteries Educational Trust and the Education & Skills Funding Agency (continued)**

**Conclusion**

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

During the year an instance occurred where 2 bottles of wine were purchased, as a gift, for £19.98. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.

During the year, the Trust failed to update their website to show the latest pecuniary interests of the Trust's members and trustees. This is not compliant with the requirements detailed in the Academy Trust Handbook 2021.



**Dains Audit Limited**

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke-on-Trent  
ST1 5RQ

Date: 8-12-22

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfers on conversion		-	-	-	-	9,481,907
Other donations and capital grants		(2,050)	16,358	3,292,898	3,307,206	617,036
Other trading activities	5	52,733	245,350	-	298,083	535,601
Investments	6	3,049	-	-	3,049	1,890
Charitable activities		87,817	22,549,829	-	22,637,646	17,058,983
<b>Total income</b>		<b>141,549</b>	<b>22,811,537</b>	<b>3,292,898</b>	<b>26,245,984</b>	<b>27,695,417</b>
<b>Expenditure on:</b>						
Raising funds	7	-	178,756	-	178,756	382,381
Charitable activities	8	156,922	23,516,816	1,290,371	24,964,109	18,555,002
<b>Total expenditure</b>	7	<b>156,922</b>	<b>23,695,572</b>	<b>1,290,371</b>	<b>25,142,865</b>	<b>18,937,383</b>
<b>Net income/ (expenditure)</b>		<b>(15,373)</b>	<b>(884,035)</b>	<b>2,002,527</b>	<b>1,103,119</b>	<b>8,758,034</b>
Transfers between funds	21	(53,287)	(282,280)	335,567	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(68,660)</b>	<b>(1,166,315)</b>	<b>2,338,094</b>	<b>1,103,119</b>	<b>8,758,034</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	11,541,000	-	11,541,000	(1,819,000)
<b>Net movement in funds</b>		<b>(68,660)</b>	<b>10,374,685</b>	<b>2,338,094</b>	<b>12,644,119</b>	<b>6,939,034</b>

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**For the Year Ended 31 August 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset fund 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Reconciliation of funds:</b>					
Total funds brought forward	1,485,358	(11,474,622)	51,393,918	41,404,654	34,465,620
Net movement in funds	(68,660)	10,374,685	2,338,094	12,644,119	6,939,034
<b>Total funds carried forward</b>	<b>1,416,698</b>	<b>(1,099,937)</b>	<b>53,732,012</b>	<b>54,048,773</b>	<b>41,404,654</b>

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

The notes on pages 34 to 67 form part of these financial statements.



**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Balance Sheet**  
**As at 31 August 2022**

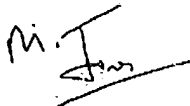
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	51,981,074	50,948,644
		<u>51,981,074</u>	<u>50,948,644</u>
<b>Current assets</b>			
Stocks	15	55,596	52,970
Debtors	16	2,830,620	1,292,235
Investments	17	2,182,949	1,505,800
Cash at bank and in hand		2,232,402	2,388,876
		<u>7,301,567</u>	<u>5,239,881</u>
Creditors: amounts falling due within one year	18	(3,099,109)	(2,469,481)
<b>Net current assets</b>		<u>4,202,458</u>	<u>2,770,400</u>
<b>Total assets less current liabilities</b>		<u>56,183,532</u>	<u>53,719,044</u>
Creditors: amounts falling due after more than one year	19	(858,060)	(835,557)
Provisions for liabilities		<u>(191,698)</u>	<u>(261,833)</u>
<b>Net assets excluding pension liability</b>		<u>55,133,774</u>	<u>52,621,654</u>
Defined benefit pension scheme liability	29	<u>(1,085,000)</u>	<u>(11,217,000)</u>
<b>Total net assets</b>		<u><u>54,048,774</u></u>	<u><u>41,404,654</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	53,732,012	51,393,918
Restricted income funds	21	<u>(14,936)</u>	<u>(257,622)</u>
Restricted funds excluding pension asset	21	53,717,076	51,136,296
Pension reserve	21	<u>(1,085,000)</u>	<u>(11,217,000)</u>
<b>Total restricted funds</b>	21	<u>52,632,076</u>	<u>39,919,296</u>
<b>Unrestricted income funds</b>	21	<u>1,416,698</u>	<u>1,485,358</u>
<b>Total funds</b>		<u><u>54,048,774</u></u>	<u><u>41,404,654</u></u>

Registered number: 10647453

Potteries Educational Trust  
(A Company Limited by Guarantee)

**Balance Sheet (continued)**  
**As at 31 August 2022**

The financial statements on pages 29 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**M Jones**  
Chair of Trustees  
Date: 8 December 2022

The notes on pages 34 to 67 form part of these financial statements.

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>1,225,686</b>	875,232
<b>Cash flows from investing activities</b>	25	<b>(1,351,402)</b>	(1,440,491)
<b>Cash flows from financing activities</b>	24	<b>(30,758)</b>	(3,499)
<b>Change in cash and cash equivalents in the year</b>		<b>(156,474)</b>	(568,758)
Cash and cash equivalents at the beginning of the year		<b>2,388,876</b>	2,957,634
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<b><u>2,232,402</u></b>	<b><u>2,388,876</u></b>

The notes on pages 34 to 67 form part of these financial statements

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

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

Notes to the Financial Statements  
For the Year Ended 31 August 2022

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1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

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

Notes to the Financial Statements  
For the Year Ended 31 August 2022

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1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- Over the life of the lease
Furniture and equipment	- 12.5% straight line
Office equipment	- 12.5 to 25% straight line

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

**1. Accounting policies (continued)**

**1.6 Stocks**

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

**1.7 Debtors**

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

**1.8 Cash at bank and in hand**

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

**1.9 Liabilities**

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

**1.10 Provisions**

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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. Accounting policies (continued)**

**1.12 Taxation**

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

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

**1.13 Pensions**

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

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

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

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

**1.14 Operating leases**

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



**1. Accounting policies (continued)**

**1.15 Fund accounting**

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

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

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

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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The 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**

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

**Land and Buildings Valuation**

The freehold land and buildings within the accounts relates to the academy premises which were donated to the Academy Trust on conversion. The land and buildings were valued using an independent valuer. These are being depreciated in accordance with the depreciation policies set out in note 1.

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**3. Income from donations and capital grants**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Donations</b>					
Transfer on conversion	-	-	-	-	9,481,907
Donations	(2,050)	16,358	-	14,308	82,333
Capital Grants	-	-	3,292,898	3,292,898	534,703
<b>Subtotal</b>	<b>(2,050)</b>	<b>16,358</b>	<b>3,292,898</b>	<b>3,307,206</b>	<b>617,036</b>
	<b>(2,050)</b>	<b>16,358</b>	<b>3,292,898</b>	<b>3,307,206</b>	<b>10,098,943</b>
<b>Total 2021</b>	<b>839,444</b>	<b>(2,115,204)</b>	<b>11,374,703</b>	<b>10,098,943</b>	

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**4. Funding for the Trust's charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Educational Operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	9,490,181	<b>9,490,181</b>	5,221,296
Other DfE/ESFA grants				
Sixth Form Funding	-	9,372,291	<b>9,372,291</b>	8,435,468
Pupil Premium	-	323,660	<b>323,660</b>	143,851
Universal infant free school meals	-	60,995	<b>60,995</b>	27,843
Rates Reclaim	-	96,444	<b>96,444</b>	57,259
Teachers Pay Grant	-	136,865	<b>136,865</b>	139,926
Teachers Pension Grant	-	386,747	<b>386,747</b>	450,764
Other DfE/ESFA Grants	-	252,839	<b>252,839</b>	992,993
	-	20,120,022	<b>20,120,022</b>	15,469,400
<b>Other Government grants</b>				
SEN Funding	-	379,418	<b>379,418</b>	187,604
Other Government Grants	-	390,704	<b>390,704</b>	37,749
	-	770,122	<b>770,122</b>	225,353
<b>Other income from the Trust's educational operations</b>	87,817	1,435,344	<b>1,523,161</b>	1,078,592
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Covid Recovery Premium	-	44,171	<b>44,171</b>	-
Covid Catch Up	-	-	<b>-</b>	179,588
Covid Workforce Fund	-	8,634	<b>8,634</b>	-
Covid Tuition Fund	-	171,536	<b>171,536</b>	6,540
	-	224,341	<b>224,341</b>	186,128
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Covid Mass Income Testing	-	-	<b>-</b>	99,510
	-	-	<b>-</b>	99,510
	87,817	22,549,829	<b>22,637,646</b>	17,058,983
	87,817	22,549,829	<b>22,637,646</b>	17,058,983
<b>Total 2021</b>	<b>14,661</b>	<b>17,044,322</b>	<b>17,058,983</b>	

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

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

Following the reclassification in the Academies Accounts Direction 2021/22 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Sixth Form Funding is no longer reporting under General Annual Grant.

**5. Income from other trading activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	52,733	-	52,733	18,844
Other income	-	245,350	245,350	516,757
	<u>52,733</u>	<u>245,350</u>	<u>298,083</u>	<u>535,601</u>
<i>Total 2021</i>	<u>18,844</u>	<u>516,757</u>	<u>535,601</u>	

**6. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	3,049	3,049	1,890
	<u>3,049</u>	<u>3,049</u>	
<i>Total 2021</i>	<u>1,890</u>	<u>1,890</u>	

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**7. Expenditure**

	<b>Staff Costs</b> <b>2022</b> £	<b>Premises</b> <b>2022</b> £	<b>Other</b> <b>2022</b> £	<b>Total</b> <b>2022</b> £	<i>Total</i> <i>2021</i> £
Expenditure on fundraising trading activities:					
Direct costs	-	-	178,756	<b>178,756</b>	382,381
Educational Operations:					
Direct costs	14,794,367	-	2,323,993	<b>17,118,360</b>	12,599,131
Allocated support costs	4,460,444	1,024,749	2,360,556	<b>7,845,749</b>	5,955,871
	<u>19,254,811</u>	<u>1,024,749</u>	<u>4,863,305</u>	<u><b>25,142,865</b></u>	<u>18,937,383</u>
<i>Total 2021</i>	<u>13,999,970</u>	<u>968,103</u>	<u>3,969,310</u>	<u><b>18,937,383</b></u>	

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Educational Operations	17,118,360	7,845,749	24,964,109	18,555,002
<i>Total 2021</i>	<i>12,599,131</i>	<i>5,955,871</i>	<i>18,555,002</i>	

**Analysis of direct costs**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Staff costs	14,794,367	10,947,707
Educational supplies	339,218	173,511
Examination fees	405,302	408,169
Staff development and other staff costs	69,246	13,802
Technology costs	390,853	267,837
Educational consultancy	90,872	133,553
Other costs	938,840	564,375
Staff related insurance	3,801	3,530
Recruitment and other staff expenses	85,861	86,647
	<b>17,118,360</b>	<b>12,599,131</b>

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Pension finance costs	195,000	134,000
Staff costs	4,460,444	2,846,376
Depreciation	1,290,371	1,264,009
Catering	197,673	73,748
Staff training and development	47,472	54,698
Consultancy	71,860	62,104
Other support costs	259,829	180,798
Building maintenance	226,918	429,515
Cleaning and caretaking	196,027	153,645
Rates	91,418	74,983
Energy costs	484,146	277,041
Legal and professional	149,128	164,948
Transport costs	90,154	47,233
Pension costs	(55,469)	54,121
Other premises costs	117,658	107,902
Governance costs	23,120	30,750
	<b>7,845,749</b>	<b>5,955,871</b>

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**9. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	28,841	9,635
Depreciation of tangible fixed assets	1,290,371	1,264,009
Fees paid to auditors for:		
- audit	15,000	15,000
- other services	2,725	2,725
	<u>15,725</u>	<u>17,725</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	13,326,837	10,174,746
Social security costs	1,378,837	1,027,544
Pension costs	4,313,058	2,776,365
	<u>19,018,732</u>	<u>13,978,655</u>
Agency staff costs	210,326	21,315
Staff restructuring costs	25,753	-
	<u>19,254,811</u>	<u>13,999,970</u>

	2022 £	2021 £
Severance payments	25,753	-
	<u>25,753</u>	<u>-</u>

**b. Severance payments**

The Trust paid 2 severance payments in the year (2021 - None), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	2	-
	<u>2</u>	<u>-</u>

**c. Special staff severance payments**



**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

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**10. Staff (continued)**

**. Special staff severance payments (continued)**

Included in staff restructuring costs are special severance payments totalling £25,753 (2021: £nil). Individually, the payments were: £16,000 and £9,753.

**d. Staff numbers**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>203</b>	<b>164</b>
Administration and support	<b>233</b>	<b>190</b>
Management	<b>24</b>	<b>14</b>
	<b>460</b>	<b>368</b>

**e. Higher paid staff**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>9</b>	<b>6</b>
In the band £70,001 - £80,000	<b>5</b>	<b>3</b>
In the band £80,001 - £90,000	<b>3</b>	<b>2</b>
In the band £90,001 - £100,000	<b>-</b>	<b>1</b>
In the band £100,001 - £110,000	<b>-</b>	<b>1</b>
In the band £110,001 - £120,000	<b>1</b>	<b>-</b>

**f. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £664,247 (2021 - £440,112).

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**11. Central services**

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

- Educational Support
- Trust CPD
- Financial Management
- Audit Services
- Financial Software
- Payroll
- Human Resources
- Employee Assistance Programme
- Governance services
- Data Protection Officer services

The Trust charges for these services on the following basis:

The Trust charges for these services based on 2% of GAG income.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
City of Stoke-on-Trent Sixth Form College	159,007	113,738
Biddulph High School	83,970	62,498
Moorside High School	86,496	31,311
Werrington Primary School	32,167	11,486
<b>Total</b>	<b>361,640</b>	<b>219,033</b>

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022 £	2021 £
M Kent	Remuneration	110,000 -	100,000 -
		115,000	105,000
	Pension contributions paid	25,000 -	20,000 -
		30,000	25,000

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

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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**For the Year Ended 31 August 2022**

**14. Tangible fixed assets**

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Office Equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>						
At 1 September 2021	26,877,542	26,773,746	166,456	750,995	124,915	54,693,654
Additions	-	30,314	28,622	44,755	2,230,951	2,334,642
Disposals	(7,740)	-	-	(5,361)	-	(13,101)
At 31 August 2022	<u>26,869,802</u>	<u>26,804,060</u>	<u>195,078</u>	<u>790,389</u>	<u>2,355,866</u>	<u>57,015,195</u>
<b>Depreciation</b>						
At 1 September 2021	1,959,565	1,253,935	34,289	497,221	-	3,745,010
Charge for the year	500,927	667,279	28,539	93,626	-	1,290,371
On disposals	(1,260)	-	-	-	-	(1,260)
At 31 August 2022	<u>2,459,232</u>	<u>1,921,214</u>	<u>62,828</u>	<u>590,847</u>	<u>-</u>	<u>5,034,121</u>
<b>Net book value</b>						
At 31 August 2022	<u>24,410,570</u>	<u>24,882,846</u>	<u>132,250</u>	<u>199,542</u>	<u>2,355,866</u>	<u>51,981,074</u>
At 31 August 2021	<u>24,917,977</u>	<u>25,519,811</u>	<u>132,167</u>	<u>253,774</u>	<u>124,915</u>	<u>50,948,644</u>

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**For the Year Ended 31 August 2022**

**15. Stocks**

	2022 £	2021 £
First Bus Tickets	55,596	52,970

**16. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	115,762	83,270
Other debtors	136,401	120,198
Prepayments and accrued income	2,176,061	895,571
Tax recoverable	402,396	193,196
	<u>2,830,620</u>	<u>1,292,235</u>

**17. Current asset investments**

	2022 £	2021 £
Long term interest accounts	<u>2,182,949</u>	<u>1,505,800</u>

**Notes to the Financial Statements**  
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**18. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other loans	16,787	20,559
Trade creditors	1,125,399	781,559
Other taxation and social security	310,317	300,409
Other creditors	373,004	360,637
Accruals and deferred income	1,273,602	1,006,317
	<u>3,099,109</u>	<u>2,469,481</u>
	2022 £	2021 £
Deferred income at 1 September	1,615,088	819,000
Resources deferred during the year	1,797,129	837,010
Amounts released from previous periods	(1,615,088)	(40,922)
	<u>1,797,129</u>	<u>1,615,088</u>

The deferred income is made up of the following:

£771,539 (2021: £778,078) is in relation to funds received in advance from Stoke-on-Trent City Council for the use of the sports playing field and is released annually over the lifetime of the lease (130 years). This is included within Creditors: Amounts falling due after more than one year

£1,025,590 (2021: £837,010) relates to DfE/ESFA grants in advance and funds received in relation to trips.

Included in other loans are salix loans totalling £16,787 which are interest free loans repayable in fixed installments over 8-10 years, starting January 2019.

**19. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Other loans	86,521	57,479
Accruals and deferred income	771,539	778,078
	<u>858,060</u>	<u>835,557</u>

Included in other loans are salix loans totalling £86,521 which are interest free loans repayable in fixed installments over 8-10 years, starting January 2019.

Notes to the Financial Statements  
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20. Provisions

	Enhanced pensions £
At 1 September 2021	261,833
Amounts used	(70,135)
	<u>191,698</u>

The enhanced pension provision relates to the cost of staff who already left the Trust's employment and commitments for reorganisation costs from which the academy cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with guidance issued by the funding bodies.

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2022**

**21. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds	1,485,358	141,549	(156,922)	(53,287)	-	1,416,698
<b>Restricted general funds</b>						
General Annual Grant (GAG)	4,211	9,490,181	(8,988,543)	(329,087)	-	176,762
Sixth Form Funding	-	9,372,291	(9,419,098)	46,807	-	-
Pupil Premium	-	323,660	(323,660)	-	-	-
Universal infant free school meals	-	60,995	(60,995)	-	-	-
Rates Reclaim	-	96,444	(96,444)	-	-	-
Teachers Pay Grant	-	136,865	(136,865)	-	-	-
Teachers Pension Grant	-	386,747	(386,747)	-	-	-
Other DfE/ESFA Grants	-	252,839	(252,839)	-	-	-
Other Government Grant	-	770,122	(770,122)	-	-	-
Covid Workforce fund	-	8,634	(8,634)	-	-	-
Covid Recovery	-	44,171	(44,171)	-	-	-
Covid Tuition Fund	-	171,536	(171,536)	-	-	-
Other Income/Donati ons	-	1,697,053	(1,697,053)	-	-	-
Enhanced Pension reserve	(261,833)	-	70,135	-	-	(191,698)
Pension reserve	(11,217,000)	-	(1,409,000)	-	11,541,000	(1,085,000)
	<u>(11,474,622)</u>	<u>22,811,538</u>	<u>(23,695,572)</u>	<u>(282,280)</u>	<u>11,541,000</u>	<u>(1,099,936)</u>



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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
DFE/ESFA Grants	1,697,210	3,292,898	(877,757)	335,567	-	4,447,918
Transferred on conversion	49,696,708	-	(412,614)	-	-	49,284,094
	<u>51,393,918</u>	<u>3,292,898</u>	<u>(1,290,371)</u>	<u>335,567</u>	<u>-</u>	<u>53,732,012</u>
<b>Total Restricted funds</b>	<u>39,919,296</u>	<u>26,104,436</u>	<u>(24,985,943)</u>	<u>53,287</u>	<u>11,541,000</u>	<u>52,632,076</u>
<b>Total funds</b>	<u>41,404,654</u>	<u>26,245,985</u>	<u>(25,142,865)</u>	<u>-</u>	<u>11,541,000</u>	<u>54,048,774</u>

Notes to the Financial Statements  
For the Year Ended 31 August 2022

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**21. Statement of funds (continued)**

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

**Unrestricted General Funds**

This fund represents those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the trustees.

**Restricted General Funds**

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

**Pension Reserve**

This fund represents the Trust's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

This fund relates to grant funding received by the ESFA to carry out works of a capital nature and also the donation of leasehold land, buildings and playing fields from the local authority on a 125 year lease and a small amount of capital expenditure from GAG and other sources of income.

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

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General Funds	1,145,000	874,839	(14,597)	(519,884)	-	1,485,358
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(554,145)	5,221,296	(4,669,253)	6,313	-	4,211
Sixth Form Funding	-	8,435,468	(8,435,468)	-	-	-
Pupil Premium	-	143,851	(143,851)	-	-	-
Universal infant free school meals	-	27,843	(27,843)	-	-	-
Rates Reclaim	-	57,259	(57,259)	-	-	-
Teachers Pay Grant	-	139,926	(139,926)	-	-	-
Teachers Pension Grant	-	450,764	(450,764)	-	-	-
Other DfE/ESFA Grants	-	992,993	(992,993)	-	-	-
Other Government Grant	-	225,353	(225,353)	-	-	-
Covid Workforce fund	-	179,588	(179,588)	-	-	-
Covid Recovery	-	99,510	(99,510)	-	-	-
Covid Tuition Fund	-	6,540	(6,540)	-	-	-
Other Income/Donations	-	1,581,484	(1,581,484)	-	-	-
Enhanced Pension reserve	(228,888)	-	(32,945)	-	-	(261,833)
Pension reserve	(6,666,000)	(2,116,000)	(616,000)	-	(1,819,000)	(11,217,000)
	<u>(7,449,033)</u>	<u>15,445,875</u>	<u>(17,658,777)</u>	<u>6,313</u>	<u>(1,819,000)</u>	<u>(11,474,622)</u>

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**21. Statement of funds (continued)**

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
<b>Restricted fixed asset funds</b>						
Transferred on conversion	1,361,653	534,703	(712,717)	513,571	-	1,697,210
Funded from GAG	39,408,000	10,840,000	(551,292)	-	-	49,696,708
	<u>40,769,653</u>	<u>11,374,703</u>	<u>(1,264,009)</u>	<u>513,571</u>	<u>-</u>	<u>51,393,918</u>
<b>Total Restricted funds</b>	<u>33,320,620</u>	<u>26,820,578</u>	<u>(18,922,786)</u>	<u>519,884</u>	<u>(1,819,000)</u>	<u>39,919,296</u>
<b>Total funds</b>	<u>34,465,620</u>	<u>27,695,417</u>	<u>(18,937,383)</u>	<u>-</u>	<u>(1,819,000)</u>	<u>41,404,654</u>

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022 £</b>	<b>2021 £</b>
City of Stoke-on-Trent Sixth Form College	389,237	379,776
Biddulph High School	(220,704)	(157,684)
Moorside High School	431,745	381,865
Werrington Primary School	738,188	591,070
Central	63,296	32,709
Total before fixed asset funds and pension reserve	<u>1,401,762</u>	<u>1,227,736</u>
Restricted fixed asset fund	53,732,012	51,393,918
Pension reserve	(1,085,000)	(11,217,000)
<b>Total</b>	<u>54,048,774</u>	<u>41,404,654</u>

Notes to the Financial Statements  
For the Year Ended 31 August 2022

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**21. Statement of funds (continued)**

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Biddulph High School	<u><u>(220,704)</u></u>

The Trust is taking the following action to return the academy to surplus:

The Trust Central Services team continue to work in conjunction with leaders from Biddulph High School on a three-year financial recovery plan through to the 2024-25 year when it is expected the school will have returned to a cumulative surplus position. This also takes into consideration the revisions needed for the high inflationary factors linked to staff pay, energy costs and other non-staffing expenditure areas. All parties continue to be fully invested in the recovery process.

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
City of Stoke-on-Trent Sixth Form College	6,085,266	1,389,300	65,818	2,087,333	9,627,717	8,896,183
Biddulph High School	3,607,010	875,917	68,863	573,573	5,125,363	4,992,888
Moorside High School	3,542,031	550,270	162,234	605,792	4,860,327	1,892,773
Werrington Primary School	1,368,539	172,009	38,723	356,714	1,935,985	755,423
Central services	191,521	258,948	3,580	440,053	894,102	520,107
<b>Trust</b>	<b>14,794,367</b>	<b>3,246,444</b>	<b>339,218</b>	<b>4,063,465</b>	<b>22,443,494</b>	<b>17,057,374</b>

Unallocated amounts of £1,409,000 (2021 - £616,000) relates to LGPS pension movements.

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	51,981,074	51,981,074
Current assets	2,045,825	3,504,804	1,750,938	7,301,567
Creditors due within one year	142,412	(3,241,521)	-	(3,099,109)
Creditors due in more than one year	(771,539)	(86,521)	-	(858,060)
Provisions for liabilities and charges	-	(1,276,698)	-	(1,276,698)
<b>Total</b>	<b>1,416,698</b>	<b>(1,099,936)</b>	<b>53,732,012</b>	<b>54,048,774</b>

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**22. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	50,948,644	50,948,644
Current assets	2,263,436	2,531,171	445,274	5,239,881
Creditors due within one year	-	(2,469,481)	-	(2,469,481)
Creditors due in more than one year	(778,078)	(57,479)	-	(835,557)
Provisions for liabilities and charges	-	(11,478,833)	-	(11,478,833)
<b>Total</b>	<b>1,485,358</b>	<b>(11,474,622)</b>	<b>51,393,918</b>	<b>41,404,654</b>

**23. Reconciliation of net income to net cash flow from operating activities**

	<b>2022 £</b>	<b>2021 £</b>
Net income for the year (as per Statement of Financial Activities)	<b>1,103,119</b>	<b>8,758,034</b>
<b>Adjustments for:</b>		
Depreciation	<b>1,290,371</b>	<b>1,264,009</b>
Capital grants from DfE and other capital income	<b>(3,292,898)</b>	<b>(534,703)</b>
Interest receivable	<b>(3,049)</b>	<b>(1,890)</b>
Defined benefit pension scheme cost less contributions payable	<b>1,214,000</b>	<b>482,000</b>
Defined benefit pension scheme finance cost	<b>195,000</b>	<b>134,000</b>
Increase in stocks	<b>(2,626)</b>	<b>(35,426)</b>
Decrease/(increase) in debtors	<b>25,967</b>	<b>(316,723)</b>
Increase in creditors	<b>765,937</b>	<b>233,033</b>
Net (Surplus) on assets and liabilities from Local Authority on conversion	-	<b>(8,300,783)</b>
Cash transferred from Local Authority on conversion	-	<b>(839,264)</b>
Increase / (decrease) in provisions	<b>(70,135)</b>	<b>32,945</b>
<b>Net cash provided by operating activities</b>	<b>1,225,686</b>	<b>875,232</b>

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**Notes to the Financial Statements**  
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**24. Cash flows from financing activities**

	2022 £	2021 £
Repayments of borrowing	(30,758)	(3,499)
<b>Net cash used in financing activities</b>	<b>(30,758)</b>	<b>(3,499)</b>

**25. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	3,049	1,890
Purchase of tangible fixed assets	(2,334,642)	(890,765)
Capital grants from DfE Group	1,657,340	415,755
Purchase of current asset investment	(677,149)	(1,505,800)
Cash received from Local Authority on conversion	-	538,429
<b>Net cash used in investing activities</b>	<b>(1,351,402)</b>	<b>(1,440,491)</b>

**26. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	2,232,402	2,388,876
<b>Total cash and cash equivalents</b>	<b>2,232,402</b>	<b>2,388,876</b>

**27. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,388,876	(156,474)	2,232,402
Debt due within 1 year	(20,559)	3,772	(16,787)
Debt due after 1 year	(57,479)	(29,042)	(86,521)
	<b>2,310,838</b>	<b>(181,744)</b>	<b>2,129,094</b>



Notes to the Financial Statements  
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28. Capital commitments

	2022 £	2021 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>3,716,727</u>	<u>448,303</u>

29. Pension commitments

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

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

Contributions amounting to £350,741 were payable to the schemes at 31 August 2022 (2021 - £322,347) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The next valuation result is due to be implemented from 1 April 2023.

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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,130,289 (2021 - £1,636,212).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,207,000 (2021 - £831,000), of which employer's contributions totalled £975,000 (2021 - £664,000) and employees' contributions totalled £ 232,000 (2021 - £167,000). The agreed contribution rates for future years are 26.2 per cent for employers and 5.5-12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	3.45-3.60	3.3
Rate of increase for pensions in payment/inflation	3.05-3.20	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05-3.20	2.90

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

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.20	21.40
Females	23.80	24.00
<i>Retiring in 20 years</i>		
Males	22.20	22.50
Females	25.50	25.70

Notes to the Financial Statements  
For the Year Ended 31 August 2022

29. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(402,000)	(679,000)
Discount rate -0.1%	402,000	679,000
Mortality assumption - 1 year increase	687,000	1,123,000
Mortality assumption - 1 year decrease	(687,000)	(1,123,000)
CPI rate +0.1%	371,000	92,000
CPI rate -0.1%	(371,000)	(92,000)
Salary increase +0.1%	33,000	576,000
Salary increase -0.1%	(33,000)	(576,000)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	12,536,000	11,978,000
Corporate bonds	2,786,000	3,206,000
Property	1,567,000	1,181,000
Cash and other liquid assets	522,000	506,000
<b>Total market value of assets</b>	<b>17,411,000</b>	<b>16,871,000</b>

The actual loss on scheme assets was £388,000 (2021 - Return on assets of £3,459,000).

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

	2022 £	2021 £
Current service cost	(2,189,000)	(1,224,000)
Interest income	286,000	208,000
Interest cost	(481,000)	(342,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(2,384,000)</b>	<b>(1,358,000)</b>

**Potteries Educational Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
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**29. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>28,088,000</b>	<b>17,185,000</b>
Correction of brought forward balance	-	(249,000)
Transferred in on existing academies joining the Trust	-	5,518,000
Current service cost	<b>2,189,000</b>	<b>1,224,000</b>
Interest cost	<b>481,000</b>	<b>342,000</b>
Employee contributions	<b>232,000</b>	<b>167,000</b>
Actuarial (gains)/losses	<b>(12,235,000)</b>	<b>4,126,000</b>
Benefits paid	<b>(259,000)</b>	<b>(225,000)</b>
<b>At 31 August</b>	<b>18,496,000</b>	<b>28,088,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>16,871,000</b>	<b>10,519,000</b>
Correction to brought forward	-	(171,000)
Transferred in on existing academies joining the Trust	-	3,402,000
Interest income	<b>286,000</b>	<b>208,000</b>
Actuarial (losses)/gains	<b>(694,000)</b>	<b>2,307,000</b>
Employer contributions	<b>975,000</b>	<b>664,000</b>
Employee contributions	<b>232,000</b>	<b>167,000</b>
Benefits paid	<b>(259,000)</b>	<b>(225,000)</b>
<b>At 31 August</b>	<b>17,411,000</b>	<b>16,871,000</b>

**30. Operating lease commitments**

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

	2022 £	2021 £
Not later than 1 year	<b>23,885</b>	<b>28,841</b>
Later than 1 year and not later than 5 years	<b>9,100</b>	<b>19,888</b>
	<b>32,985</b>	<b>48,729</b>

**31. Members' liability**

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

**32. 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 in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In the previous year, the Trust purchased legal advice from Freeths LLP, a company in which P Gavin is an employee. Total expenditure of £7,250 was incurred and £nil was outstanding at the year end.

No related party transactions, other than Trustees' remuneration and expenses are already disclosed in note 12, have occurred during the year.

**33. Agency arrangements**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the financial year ended 31 August 2022 the trust received £345,984 and disbursed £303,881 from the fund. An amount of £274,445 is included in other creditors relating to undistributed funds that is being carried forward for distribution in 2022/23.