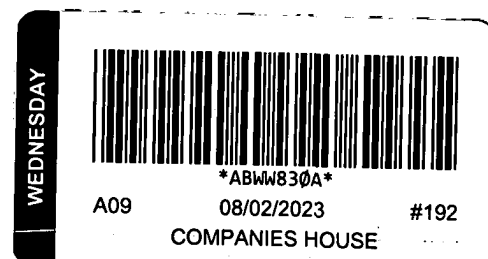


Prince Albert
COMMUNITY TRUST

PA COMMUNITY TRUST

(A COMPANY LIMITED BY GUARENTEE)

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



Company Registration Number: 09718257

UNITED WE ARE WORLD CLASS

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs N Razaq Mrs S Islam Mr T Afzal Mr Q Zaman Mr M Fitch
Trustees	Dr H Channa OBE JP, Chair of Trustees (Appointed 20 July 2022) Miss S Knottenbelt, Chair of Trustees (Resigned 20 July 2022) Mr T Afzal, Chair of the Finance, Resource and Audit Committee (FRAC) Mr S Gulzar OBE, Chief Executive Officer Prof C Diamond CBE Mrs P Osbourne MBE Mr D Hill Mr M Hodgson Mr Q Majid
Company registered number	09718257
Company name	PA Community Trust
Principal and registered office	Unity House 27 Trinity Road Birmingham B6 6AJ
Chief executive officer	Mr S Gulzar OBE
Senior Management Team	S Gulzar OBE, Chief Executive Officer P Sherlock-Lewis, Deputy Chief Executive Officer M Douglas, Director of Finance (CFO) S Sherlock-Lewis, Director of Estates P Sage, Director of Marketing and Partnerships K Davis, Director of Safeguarding and Pupil Wellbeing N Johnson, Director of Human Resources C Shotter, Director of Communication and Technology M Davies, Head of School, Prince Albert Primary A Knibbs, Head of School, Highfield Primary Z Thewlis, Head of School, Birchfield Primary L Middleton, Head of School, Sutton Park Primary F Atherton, Head of School, Heathfield Primary R Afzal, Head of School, Prince Albert High School

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers Lloyds Bank
114-116 Colmore Row
Birmingham
B3 3BD

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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

The Trust operates both primary and secondary academies for pupils aged 3 to 18 in Birmingham. It has a combined pupil capacity of 3,381 and had a roll of 3,212 in the school census on 6th October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of the PA Community Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as PA Community Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

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.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have up to 9 Trustees, up to 6 of these trustees will be appointed by Members, The CEO is appointed ex-officio and the remaining 2 Trustees are appointed by the rest of the board. The Trust opts not to have parent representation on the Trust Board as it has 2 parent representation spaces on each of its academy committees.

Trustees have a term of office of 4 years which can be extended however this time limit does not apply to the CEO. A second term of office will be considered at the end of a Trustee's term.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. The Trust will, on occasion, use a third party such as Academy Ambassadors to source suitable Trustees with the necessary skill sets.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a face-to-face introduction with the CEO and Chair of the Trust board and where possible a site visit. Trustees are also always provided with subscriptions for online support from websites such as the NGA and the Trust has in place a supportive online platform for assisting Trustees / committee members in their duties.

There is a Trustees' away day organised each year which gives the opportunity to work on projects collaboratively, build relationships and provide training where necessary.

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

Organisational Structure

The Board of Trustees assumes full responsibility for overseeing the strategic direction of the Multi-Academy Trust and meets twice each term. The Trustees are accountable for the entire business of the MAT and the Board establishes an overall framework for the governance of the Trust determining Trusteeship, terms of reference and procedures of Committees and other groups. The Board of Trustees devolves some of its powers to various committees but monitors their activities through the minutes of their meetings.

There are 5 types of committees, and these are as follows:

- Finance, Resource and Audit Committee – This meets at least 6 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management as well as monitoring and guiding all audit activities. The committee is also responsible for reviewing pay and remuneration.
- Local Academy Committees - Each school within the MAT will have an Academy Committee that has responsibility for the quality of teaching and learning, standards and safeguarding. Although the Board of Trustees will have overall control of the MAT, it is important that at the local level, schools have autonomy in these areas. Such local governance will include holding the school to account, challenge and support. Sponsored schools that are in 'special measures' at the time of conversion will not have an Academy Committee until the Trustees are satisfied that aspects of governance can safely be delegated away from the board.
- Quality and Standards Committee - The committee convenes at least once a term and is responsible for monitoring and evaluating the effectiveness of leadership and management regarding the quality of education, testing the Trust's approach to quality assurance and improvement. QASC also monitor the impact of teaching on pupil progress, attainment and standards of achievement. QASC receive progress reporting on the Trust's strategic outcomes and priorities for Exceptional Education and Exceptional People.
- Wellbeing and SEND Committee - The new committee for 2022-23 convenes at least once a term and is responsible for monitoring and evaluating the effectiveness of the Trust's approach to pupil welfare and safeguarding, its quality assurance and impact of improvement plans which relate to the committee's area of operation. WASC receive progress reporting on the Trust's strategic outcomes and priorities for Exceptional Welfare.
- Pay and review group – To oversee the CEO and DCEO pay and performance management.

The Board of Trustees delegates the day-to-day leadership and management of the MAT to the Executive Leadership Team, consisting of; the CEO (also the accounting officer), Deputy CEO, the Business Directors and Heads of School. All details of organisational structure and persons responsible can be found in the Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for senior management personnel is set by the Trust Board, taking independent professional advice when necessary. Pay for the CEO (Executive Head Teacher) and the Deputy CEO is subject to the School Teachers Pay & Conditions Document and overseen by the Pay and review group. Pay and remuneration for non-teaching senior management, such as Business Directors, is set based on the needs of the Trust, market conditions and independent professional advice where necessary.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1.0

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	N/A – We don't do facility time.
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Related Parties and other Connected Charities and Organisations

All related party transactions are reported and disclosed as required by the academies accounts directive. During the year there was 1 related party transaction which was sponsorship income for an event the Trust held for £500 from Wow Group of Companies Ltd.

The board are satisfied that appropriate measures are in place to manage any conflict of interest including completing an annual register of interests, requirement to declare interests in meetings and if a discussion is required in regard to any connected party, that Trustee will be requested to withdraw.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- giving each employee a personalised development review that is linked to their departments action plan which is in turn linked to the Trust's strategic direction.
- the annual distribution of a staff journal detailing key information for the year.
- termly distribution of an employee newsletter detailing key matters including success, on-going developments and key changes.
- Applications for employment by disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned.
- In the event of a member of staff becoming disabled, every effort is made to ensure that their employment within the Trust continues and that the appropriate training is arranged.
- facilitating career changes in the workplace that better suit the needs and desires of employees who have an ever-changing disability.
- The dissemination of information through regular briefings with staff and line management meetings.

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

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

This year Prince Albert Community Trust have established some excellent new relationships with organisations and suppliers to ensure effective, efficient and collaborative work is carried out across the Trust.

To generate income and maximise the Trust existing assets, PACT appointed 'Schools Plus' to manage its facility hire. Schools Plus have enabled PACT to open their facilities during the evenings and weekends to generate additional income and provide high quality sports facilities to the local community.

The Trust have established a relationship with 'My New Term', an education job search platform providing a bespoke recruitment service. My New Term has facilitated a streamlined recruitment experience for applicants and hiring managers. The platform has also enabled the Trust to develop a talent pool of prospective candidates.

West Mercia energy have continued to be an important supplier, providing an energy procurement service. West Mercia have ensured that PACT is utilising the most cost effective energy supply.

The Trust continue to engage with Birmingham Chamber of Commerce and the Asian Business Chamber of Commerce. These relationships have been invaluable to the Trust as we have benefited from several fundraising opportunities, industry specialist knowledge and professional development. The relationship has also enabled PACT to add further value to its excellent Trust board.

PACT currently provide 20 apprenticeships to staff and are working alongside Walsall College, Sporting Futures Training UK, South & City College Birmingham and Northern Training Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects and Aims of the P. A. Community Trust are;

- To provide a high-quality education to all our pupils that not only prepares them for the next stage of their learning journey but for life beyond.
- To ensure that all member schools are outstanding, building a reputation for innovation and excellence
- To transform failing schools into high performing sponsored academies.

Objectives, Strategies and Activities

- To build school improvement capacity through high quality staff professional development at all levels including non-teaching staff
- To develop a Central Support Team comprising of leaders for Site and Buildings, Human Resources, Finance, Marketing, ICT and Safeguarding that will provide high quality infrastructure support and development to all Trust schools
- To ensure that special measures schools improve quickly and sustainably and are at least 'RI' at first inspection post sponsorship
- To continue to grow sustainably towards a goal of 10,000 pupils in the Trust
- To ensure that the Trust continues to develop leaders from within who have the knowledge, skills and expertise to lead Trust schools in the future.
- To continue to build links with key partners to further the Trust's objects and aims.
To continue to develop the Trust Board through high quality training and CPD.

Public Benefit

The Trust aims to advance for the public benefit, education in Birmingham and the surrounding area by offering a broad curriculum.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or

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

duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

PA Community Trust has been hugely successful in its work to open a brand new school in a new phases of education for the MAT. Not only did PA High open to a full cohort of year 7 pupils the number of applications for the school more than doubled for the 2nd year of entry. Early indications from external quality assurance processes are that the school is doing excellent work in pursuit of its aims.

The opening of PA High and the development of the schools already in the Trust has been aided by the launch of the new 3 year strategy which is routed in the Trust's Purpose ambitions and values document. This has given real clarity of purpose and direction as the OACT works towards its purpose of "Enable every pupil to succeed at school and in life."

Key Performance Indicators

Schools within the MAT currently have the following OFSTED Judgements:

Prince Albert Junior and Infant school: OUTSTANDING

Heathfield Primary School: GOOD

Highfield Junior and Infant School: GOOD

Birchfield Primary School: GOOD

Sutton Park Primary School: No Formal Designation

Prince Albert High School: No Formal Designation

Pupil Outcomes

The latest data sets are as follows:

Key Stage Two Outcomes					
	PA	HF	HiF	SPP	BF
Subject	%	%	%	%	%
Reading	86%	71%	64%	67%	80%
GPAS	86%	71%	71%	74%	81%
Writing	68%	65%	56%	46%	73%
Maths	75%	66%	69%	63%	85%
Combined	58%	57%	53%	39%	68%

In the first year of KS2 tests following the pandemic, schools in the Trust have demonstrated a positive picture overall. Schools fall into 3 broad categories, The first is of schools that are not yet at national averages but are clearly improving and moving towards that goal, The second is of schools who are broadly at national averages for combined reading writing and maths outcomes, and the third category is of a School that is exceeding national averages.

KS2 outcomes across the Trust sit either at broadly national average or above, where this is not the case there is an improving picture

Going Concern

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

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2022, the Trust received total income of £49,635,462 and incurred total expenditure of £20,297,191. The excess of income over expenditure for the year was £29,338,271.

At 31 August 2022 the net book value of fixed assets was £55,586,061 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Land and buildings of new academies are professionally valued on conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred to it on conversion of each of its academies. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Procurement and Tendering, Charges and Remissions policy.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be between 5% and 10% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance as well as a fall in pupil numbers. Total reserves of the Trust amount to £58,385,844 (excluding the defined benefit pension liability), although £56,215,502 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £2,554,039 (representing £383,697 unrestricted funds and £2,170,342 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. As per the Trust investment policy, any surplus funds can be invested with Lloyds Bank in a deposit account. These investments are carried out in accordance with the powers vested in the Trust Board and is monitored by the Director of Finance.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year the vast majority of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

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

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

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

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

The Trustees review performance against budgets and overall expenditure by means of regular update reports at all Finance, Resource and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

FUNDRAISING

Each school within the Trust can hold up to 6 main fundraising events each year. 3 of these are held for the benefit of the pupils with the other 3 held for the benefit of external charities, all of which are events that operate within the schools. The charity also accepts voluntary contributions for school trips. The Trust only uses third parties / professional fund raisers for the application process of additional ad hoc government grants but does not use them for raising funds from the general public. The charity received no complaints for the 2021/22 financial year in relation to fundraising. When organising fundraising events, the charity always considers the protection of the public, including vulnerable people, from unreasonably intrusive or persistent

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

fundraising approaches, and undue pressure to donate. To further ensure this is the case, the Trust ensures prices set at charity events are fair and reasonable and events are open and free to attend for all.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	3,153,056 kWh	2,966,413 kWh
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	394	414
Owned transport – mini-buses	1.12	1.01
<u>Total scope 1</u>	395	415
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	191	149
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.51	0.51
Total gross emissions in metric tonnes CO2e	587	564
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.189	0.194

Quantification and Reporting Methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

Over the course of the year PACT have installed 3 new boilers in its schools to provide better energy efficiency. It has also added External cladding to the entire site at Sutton Park Primary to provide better insulation for the school.

The Trust acknowledges that further improvements are required to reduce its carbon footprint and improve energy efficiency. It will continue to invest in new technology to achieve this.

PLANS FOR FUTURE PERIODS

Above all, the Trust will continue to strive to provide an excellent education and improve the levels of performance of its pupils at all levels whilst ensuring their safety and wellbeing.

The Trust continues to look to expand the number of academies it has placed within its care and hopes to reach 10,000 pupils within the next 5 – 7 years.

The PA Community Trust has been offering support to a number of schools across Birmingham and will continue to network and offer support were needed to organisations involved in the education of children.

As the Trust has now crossed all thresholds for SCA funding it will be looking to effectively utilise this in the next accounting period.

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

SECTION 172 STATEMENT

Under section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

The Trustees of PACT have acted throughout the year in ways that have addressed all of the above. An example of this would be that throughout the duration of the Birmingham 2022 Commonwealth Games PACT continued to support national organisations with the delivery of BCWG22 targeted programmes. One way it did this was the 'Youth Sport Trust House' which welcomed national sporting organisations to PA High. The event facilitated the opportunity for students to attend a Commonwealth Games event, meet athletes and talk with the Minister for Sport.

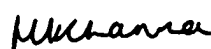
AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on14/12/2022..... and signed on its behalf by:



H Channa OBE
Chair of Trustees

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 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
S Knottenbelt	7	7
D Hill	5	7
S Gulzar	7	7
T Afzal	7	7
P Osbourne	4	7
M Hodgson	6	7
Q Majid	7	7
H Channa	4	7
C Diamond	3	4

The only significant change to the composition of the Board of Trustees this year is the retirement of S Knottenbelt and appointment of H Channa as Chair.

Governance Review

The Trust Board is scheduled to conduct its annual self-evaluation during 2023, this will include reviewing the skill set of Board members, effectiveness of meetings and identifies any training needs.

The Finance Resource and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management as well as monitoring and guiding all audit activities.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
T Afzal	6	6
D Hill	5	6
S Gulzar	6	6
Q Majid	5	6

REVIEW OF VALUE FOR MONEY

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

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 Academy Trust has delivered improved value for money during the year by:

- 1) Creating a Centralised Agency function to ensure value for money and stability for pupils across the Trust in one of its largest spending area's
- 2) Optimising the Trust's procurement procedures to save budget holders and the finance team significant time through a new, Trust wide requisition system.
- 3) Procured accident management software which saved the Trust both time and money as well as reducing the risk of GDPR breaches.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in PA Community Trust for the period from 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance, Resource and Audit committee of reports which indicate financial performance against the forecasts and major purchase plans.
- Clearly defined purchasing procedures and guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided appoint Crowe U.K. LLP as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular various checks were carried out in the current period on the controls in place and suitability of procedures for the following areas:

- The Trusts risk register
- Payroll
- External network security

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

On a termly basis the auditor reports to the Board of Trustees, through the Finance, Resource and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Throughout the year Crowe U.K. LLP delivered the schedule of work that was planned and provided by the Finance, Resource and Audit Committee.

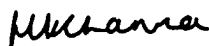
REVIEW OF EFFECTIVENESS

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

- The work of the internal auditor/reviewer
- The work of the external auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resource and Audit 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:



H Channa OBE
Chair of Trustees



S Gulzar OBE
Accounting Officer

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr S Gulzar OBE
Accounting Officer
Date: 14/12/2022

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

Company law requires the Trustees to prepare financial statements for each financial . 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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:



Mrs H Channa OBE
Chair of Trustees
Date: 14/12/2022

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA
COMMUNITY TRUST**

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA
COMMUNITY TRUST (CONTINUED)**

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA
COMMUNITY TRUST (CONTINUED)**

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PA
COMMUNITY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 16th December 2022

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PA
COMMUNITY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 April 2020 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 PA Community 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 PA Community Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to PA Community 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 PA Community Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PA COMMUNITY TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of PA Community Trust's funding agreement with the Secretary of State for Education dated 28 August 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PA
COMMUNITY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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



Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors

Date: 16th December 2022

PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:						
Donations and capital grants:	3					
Other donations and capital grants		17,549	(110,000)	31,117,641	31,025,190	446,609
Other trading activities	5	133,392	43,114	-	176,506	89,610
Investments	6	505	-	-	505	445
Charitable activities	4	189,333	18,133,928	-	18,323,261	16,662,846
TOTAL INCOME		340,779	18,067,042	31,117,641	49,525,462	17,199,510
EXPENDITURE ON:						
Charitable activities		1,060,804	19,429,576	1,521,811	22,012,191	17,702,029
TOTAL EXPENDITURE		1,060,804	19,429,576	1,521,811	22,012,191	17,702,029
NET (EXPENDITURE)/INCOME		(720,025)	(1,362,534)	29,595,830	27,513,271	(502,519)
Transfers between funds	17	-	(551,430)	551,430	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(720,025)	(1,913,964)	30,147,260	27,513,271	(502,519)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	13,968,000	-	13,968,000	(2,577,000)
NET MOVEMENT IN FUNDS		(720,025)	12,054,036	30,147,260	41,481,271	(3,079,519)

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	1,103,722	(16,662,694)	26,068,242	10,509,270	13,588,789
Net movement in funds	(720,025)	12,054,036	30,147,260	41,481,271	(3,079,519)
TOTAL FUNDS CARRIED FORWARD	383,697	(4,608,658)	56,215,502	51,990,541	10,509,270

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

The notes on pages 27 to 52 form part of these financial statements.

PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09718257

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	55,586,061	25,744,467
CURRENT ASSETS			
Stocks	14	-	24,335
Debtors	15	1,794,255	1,669,131
Cash at bank and in hand		7,900,797	4,142,873
		<u>9,695,052</u>	<u>5,836,339</u>
Creditors: amounts falling due within one year	16	(6,511,572)	(2,149,536)
NET CURRENT ASSETS		<u>3,183,480</u>	<u>3,686,803</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>58,769,541</u>	<u>29,431,270</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>58,769,541</u>	<u>29,431,270</u>
Defined benefit pension scheme liability	24	(6,779,000)	(18,922,000)
TOTAL NET ASSETS		<u><u>51,990,541</u></u>	<u><u>10,509,270</u></u>
FUNDS OF THE ACADEMY			
RESTRICTED FUNDS:			
Fixed asset funds	17	56,215,502	26,068,242
Restricted income funds	17	2,170,342	2,259,306
		<u>58,385,844</u>	<u>28,327,548</u>
Restricted funds excluding pension asset	17	58,385,844	28,327,548
Pension reserve	17	(6,779,000)	(18,922,000)
TOTAL RESTRICTED FUNDS	17	<u>51,606,844</u>	<u>9,405,548</u>
UNRESTRICTED INCOME FUNDS	17	<u>383,697</u>	<u>1,103,722</u>
TOTAL FUNDS		<u><u>51,990,541</u></u>	<u><u>10,509,270</u></u>

The financial statements on pages 23 to 52 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mrs H Channa OBE
Chair of Trustees
Date:

The notes on pages 27 to 52 form part of these financial statements.

**PA COMMUNITY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	19	4,007,386	480,559
CASH FLOWS FROM INVESTING ACTIVITIES	21	(243,259)	(694,705)
CASH FLOWS FROM FINANCING ACTIVITIES	20	(6,203)	(3,101)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		3,757,924	(217,247)
Cash and cash equivalents at the beginning of the Year		4,142,873	4,360,120
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22, 23	<u>7,900,797</u>	<u>4,142,873</u>

The notes on pages 27 to 52 form part of these financial statements

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, 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.

PA Community Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

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

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

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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:

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Long-term leasehold land	- 125 years
Long-term leasehold property	- 50 years
Furniture and equipment	- 10 years
Computer equipment	- 3 years
Motor vehicles	- 25% reducing balance

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

1.7 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.

1.8 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.

1.9 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.

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

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

Accordingly, the Academy 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.

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

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

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

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

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

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

PA COMMUNITY TRUST
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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 £
Donations	17,549	(110,000)	29,970,000	29,877,549	124,357
Capital Grants	-	-	1,147,641	1,147,641	322,252
	<u>17,549</u>	<u>(110,000)</u>	<u>31,117,641</u>	<u>31,025,190</u>	<u>446,609</u>
	<u>5,861</u>	<u>-</u>	<u>440,748</u>	<u>446,609</u>	
TOTAL 2021					

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

4. FUNDING FOR THE ACADEMY'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DFE/ESFA GRANTS				
General Annual Grant	-	14,462,384	14,462,384	12,880,014
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	1,334,691	1,334,691	1,185,311
Rates Relief	-	8,854	8,854	45,665
Universal Infant Free School Meals	-	314,879	314,879	321,907
Start Up Grant	-	205,000	205,000	-
	-	16,325,808	16,325,808	14,432,897
OTHER GOVERNMENT GRANTS				
SEN Funding	-	596,362	596,362	267,850
Other Government Grants	-	513,768	513,768	1,632,570
Early Years Funding	-	614,004	614,004	-
	-	1,724,134	1,724,134	1,900,420
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	-	-	220,290
Recovery Premium	-	83,986	83,986	-
	-	83,986	83,986	220,290
OTHER INCOME				
Catering Income	189,333	-	189,333	109,239
	189,333	-	189,333	109,239
	189,333	18,133,928	18,323,261	16,662,846
TOTAL 2021	109,239	16,553,607	16,662,846	

In the prior year, the Academy Trust received £220,290 of funding for catch-up premium and costs incurred in respect of this funding totalled £12,077. £208,213 was carried forward to 2021/22.

This funding had all been spent by 31 August 2022.

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Trip Income	-	43,114	43,114	29,862
Lettings and other income	133,392	-	133,392	59,748
	<u>133,392</u>	<u>43,114</u>	<u>176,506</u>	<u>89,610</u>
TOTAL 2021	<u>88,540</u>	<u>1,070</u>	<u>89,610</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	505	505	445
	<u>445</u>	<u>445</u>	
TOTAL 2021	<u>445</u>	<u>445</u>	

PA COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	10,640,796	-	2,550,662	13,191,458	11,995,916
Support costs	3,087,952	2,874,245	2,858,536	8,820,733	5,706,113
	<u>13,728,748</u>	<u>2,874,245</u>	<u>5,409,198</u>	<u>22,012,191</u>	<u>17,702,029</u>
TOTAL 2021	<u><u>14,001,243</u></u>	<u><u>1,490,862</u></u>	<u><u>2,209,924</u></u>	<u><u>17,702,029</u></u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	13,191,458	8,820,733	22,012,191	17,702,029
TOTAL 2021	<u><u>11,995,916</u></u>	<u><u>5,706,113</u></u>	<u><u>17,702,029</u></u>	

ANALYSIS OF DIRECT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	100,000	151,000
Staff costs	11,052,796	10,736,649
Educational supplies	424,556	264,045
Staff development	50,564	59,845
Other costs	324,932	375,782
Supply teachers	1,007,951	313,816
Technology costs	56,769	12,757
Educational consultancy	173,890	82,022
	<u><u>13,191,458</u></u>	<u><u>11,995,916</u></u>

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Pension finance costs	235,000	96,000
Staff costs	4,055,952	2,825,170
Depreciation	1,521,811	704,969
Supply cover - support	261,461	56,198
Recruitment and support	32,509	11,678
Ground maintenance	250,696	231,089
Cleaning	406,034	230,189
Water and rates	109,956	69,383
Energy costs	367,713	194,906
Insurance	62,600	57,442
Security and transport	38,713	6,499
Catering	1,003,395	714,709
Technology	21,631	10,033
Overheads	116,722	86,347
Professional costs	336,409	411,344
Bank charges	131	157
	8,820,733	5,706,113

9. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the Year includes:

	2022 £	2021 £
Operating lease rentals	31,460	34,517
Depreciation of tangible fixed assets	1,521,811	704,969
Net interest on defined benefit pension liability	335,000	247,000
Fees paid to auditors for:		
- audit	20,600	16,905
- other	1,100	1,000

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

10. STAFF

a. STAFF COSTS

Staff costs during the Year were as follows:

	2022	2021
	£	£
Wages and salaries	10,103,294	9,799,888
Social security costs	997,631	909,841
Pension costs	4,007,823	2,852,090
	15,108,748	13,561,819
Agency staff costs	1,269,412	370,014
Staff development and other staff costs	50,564	59,845
Staff restructuring costs	9,240	9,565
	16,437,964	14,001,243

Staff restructuring costs comprise:

Severance payments	9,240	9,595
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b. SPECIAL STAFF SEVERANCE PAYMENTS

Included in severance payments are non-statutory / non-contractual severance payments totalling £9,240 (2021: £1,706) this was payable to one individual.

c. STAFF NUMBERS

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

	2022	2021
	No.	No.
Teachers	130	126
Administration and Support	261	243
Management	43	44
	434	413

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

10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	6	6
In the band £70,001 - £80,000	3	2
In the band £130,001 - £140,000	1	-
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy 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 Academy was £1,170,506 (2021: £1,325,227).

11. TRUSTEES' REMUNERATION AND EXPENSES

The CEO only received remuneration in respect of services they provide undertaking the roles of CEO, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the period was as follows; S Gulzar OBE: remuneration £150,000 - £160,000 (2021: £150,000 - £160,000), employer's pension contributions £35,000 - £40,000 (2021: £35,000 - £40,000).

During the year ended 31 August 2022, expenses totalling £143 were reimbursed or paid directly to 1 Trustee (2021 - £1,314 to 9 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the Year ended 31 August 2022 was £59,742 (2021 - £57,442). The cost of this insurance is included in the total insurance cost.

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2021	26,337,605	26,034	1,348,521	639,965	58,995	28,411,120
Additions	30,346,394	-	238,240	776,771	-	31,361,405
Disposals	-	-	-	(2,000)	-	(2,000)
Transfers between classes	-	(26,034)	2,980	23,054	-	-
At 31 August 2022	56,683,999	-	1,589,741	1,437,790	58,995	59,770,525
DEPRECIATION						
At 1 September 2021	1,825,546	-	391,636	409,913	39,558	2,666,653
Charge for the Year	945,543	-	177,509	391,899	4,860	1,519,811
On disposals	-	-	-	(2,000)	-	(2,000)
At 31 August 2022	2,771,089	-	569,145	799,812	44,418	4,184,464
NET BOOK VALUE						
At 31 August 2022	53,912,910	-	1,020,596	637,978	14,577	55,586,061
At 31 August 2021	24,512,059	26,034	956,885	230,052	19,437	25,744,467

14. STOCKS

	2022 £	2021 £
Books and other consumables	-	24,335

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

15. DEBTORS

	2022	2021
	£	£
Trade debtors	80,073	58,365
Other debtors	20,716	5,196
Prepayments and accrued income	1,131,902	1,151,547
Tax recoverable	561,564	454,023
	<u>1,794,255</u>	<u>1,669,131</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Salix loans	6,203	12,406
Trade creditors	5,396,764	1,451,646
Other creditors	197,661	67,987
Accruals and deferred income	910,944	617,497
	<u>6,511,572</u>	<u>2,149,536</u>

	2022	2021
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2021	232,667	203,210
Resources deferred during the Year	268,896	232,667
Amounts released from previous periods	(232,667)	(203,210)
	<u>268,896</u>	<u>232,667</u>

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

17. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	1,103,722	340,779	(1,060,804)	-	-	383,697
RESTRICTED GENERAL FUNDS						
GAG	2,014,947	14,462,384	(13,755,559)	(551,430)	-	2,170,342
Other DfE/ESFA Grants	-	1,708,933	(1,708,933)	-	-	-
UIFSM	-	314,879	(314,879)	-	-	-
Other Government Grants	244,359	272,169	(516,528)	-	-	-
Pupil Premium	-	1,334,691	(1,334,691)	-	-	-
Recovery Premium	-	83,986	(83,986)	-	-	-
Pension reserve	(18,922,000)	(110,000)	(1,715,000)	-	13,968,000	(6,779,000)
	(16,662,694)	18,067,042	(19,429,576)	(551,430)	13,968,000	(4,608,658)
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	23,404,746	-	(893,250)	-	-	22,511,496
DfE/ESFA Capital	2,088,395	1,147,641	(79,704)	-	-	3,156,332
Capital expenditure from GAG	575,101	-	(21,949)	551,430	-	1,104,582
Donated fixed assets	-	29,970,000	(526,908)	-	-	29,443,092
	26,068,242	31,117,641	(1,521,811)	551,430	-	56,215,502
TOTAL RESTRICTED FUNDS	9,405,548	49,184,683	(20,951,387)	-	13,968,000	51,606,844
TOTAL FUNDS	10,509,270	49,525,462	(22,012,191)	-	13,968,000	51,990,541

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

17. STATEMENT OF FUNDS (CONTINUED)

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

Restricted:

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Dfe/ESFA grants - represents a number of grants awarded, including rates relief.

Universal Infant Free School Meals (UIFSM) - represents income for the provision of free school meals to pupils.

Other Government Grants - represents income which has been received for other specific purposes.

Pupil Premium - income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage pupils reaches the pupils who need it most.

Pension Reserve - represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets funds:

DfE/ESFA capital grants - this represents funding from the ESFA to cover the maintenance and purchase of the schools assets.

Inherited fixed assets - this represents the buildings and equipment donated to the academy trust from the local authority on conversion to an academy.

Fixed assets purchased from GAG - this represents capital assets that have been purchased out of restricted GAG funding.

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

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

17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	1,616,756	204,085	(717,119)	-	-	1,103,722
RESTRICTED GENERAL FUNDS						
GAG	1,544,063	12,880,014	(12,078,637)	(330,493)	-	2,014,947
Other DfE/ESFA Grants	-	45,665	(45,665)	-	-	-
UIFSM	-	321,907	(321,907)	-	-	-
Other Government Grants	-	2,121,780	(1,877,421)	-	-	244,359
Pupil Premium	-	1,185,311	(1,185,311)	-	-	-
Pension reserve	(15,574,000)	-	(771,000)	-	(2,577,000)	(18,922,000)
	<u>(14,029,937)</u>	<u>16,554,677</u>	<u>(16,279,941)</u>	<u>(330,493)</u>	<u>(2,577,000)</u>	<u>(16,662,694)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	24,056,982	-	(652,236)	-	-	23,404,746
DfE/ESFA Capital	1,693,563	440,748	(45,916)	-	-	2,088,395
Capital expenditure from GAG	251,425	-	(6,817)	330,493	-	575,101
	<u>26,001,970</u>	<u>440,748</u>	<u>(704,969)</u>	<u>330,493</u>	<u>-</u>	<u>26,068,242</u>
TOTAL RESTRICTED FUNDS	<u>11,972,033</u>	<u>16,995,425</u>	<u>(16,984,910)</u>	<u>-</u>	<u>(2,577,000)</u>	<u>9,405,548</u>
TOTAL FUNDS	<u><u>13,588,789</u></u>	<u><u>17,199,510</u></u>	<u><u>(17,702,029)</u></u>	<u><u>-</u></u>	<u><u>(2,577,000)</u></u>	<u><u>10,509,270</u></u>

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

17. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
Prince Albert Primary School	513,156	615,402
Birchfield Community School	149,431	669,368
Heathfield Primary School	446,545	548,175
Highfield Junior and Infant School	297,059	860,415
Sutton Park Primary	321,416	435,960
Prince Albert High School	274,940	-
Central Services	551,492	233,708
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,554,039	3,363,028
Restricted fixed asset fund	56,215,502	26,068,242
Pension reserve	(6,779,000)	(18,922,000)
	<hr/>	<hr/>
TOTAL	51,990,541	10,509,270
	<hr/> <hr/>	<hr/> <hr/>

The Trust switched to reserves pooling from 1 September 2020. In line with their policy, the brought forward reserves were split equally between each school and the central service.

A rebalancing exercise takes place at 1st September every year.

PA COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Prince Albert Primary School	2,312,336	187,940	63,762	762,957	3,326,995	3,195,211
Birchfield Community School	2,193,646	212,126	73,643	803,112	3,282,527	2,881,318
Heathfield Primary School	1,548,607	124,756	58,648	619,123	2,351,134	2,182,793
Highfield Junior and Infant School	2,658,671	245,669	62,330	864,418	3,831,088	3,710,842
Sutton Park Primary	1,472,626	151,021	62,651	570,920	2,257,218	2,039,080
Prince Albert High School	915,769	90,450	105,266	544,499	1,655,984	-
Central Services	692,212	922,919	(1,744)	457,047	2,070,434	2,216,816
ACADEMY	11,793,867	1,934,881	424,556	4,622,076	18,775,380	16,226,060

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	55,586,061	55,586,061
Current assets	383,697	8,681,914	629,441	9,695,052
Creditors due within one year	-	(6,511,572)	-	(6,511,572)
Provisions for liabilities and charges	-	(6,779,000)	-	(6,779,000)
TOTAL	383,697	(4,608,658)	56,215,502	51,990,541

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FOR THE YEAR ENDED 31 AUGUST 2022

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	25,744,467	25,744,467
Current assets	1,103,722	4,387,806	344,811	5,836,339
Creditors due within one year	-	(2,128,500)	(21,036)	(2,149,536)
Provisions for liabilities and charges	-	(18,922,000)	-	(18,922,000)
TOTAL	1,103,722	(16,662,694)	26,068,242	10,509,270

19. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	27,513,271	(502,519)
ADJUSTMENTS FOR:		
Depreciation	1,519,811	704,969
Capital grants from DfE and other capital income	(1,147,641)	(440,748)
Interest receivable	(505)	(445)
Defined benefit pension scheme cost less contributions payable	1,380,000	524,000
Defined benefit pension scheme finance cost	445,000	247,000
Decrease/(increase) in stocks	24,335	(24,335)
(Increase)/decrease in debtors	(125,124)	478,680
Increase/(decrease) in creditors	4,368,239	(506,043)
Fixed assets inherited on donation	(29,970,000)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,007,386	480,559

20. CASH FLOWS FROM FINANCING ACTIVITIES

	2022 £	2021 £
Repayment of loans	(6,203)	(3,101)
NET CASH USED IN FINANCING ACTIVITIES	(6,203)	(3,101)

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FOR THE YEAR ENDED 31 AUGUST 2022**

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Purchase of tangible fixed assets	(1,391,405)	(1,135,898)
Capital grants from DfE Group	1,147,641	440,748
Interest receivable	505	445
NET CASH USED IN INVESTING ACTIVITIES	(243,259)	(694,705)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	7,900,797	4,142,873
TOTAL CASH AND CASH EQUIVALENTS	7,900,797	4,142,873

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	4,142,873	3,757,924	7,900,797
Debt due within 1 year	(12,406)	6,203	(6,203)
	4,130,467	3,764,127	7,894,594

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

24. PENSION COMMITMENTS

The Academy'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 West Midlands Pension Scheme.. 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 £193,144 were payable to the schemes at 31 August 2022 (2021 - £217,751) 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.

The employer's pension costs paid to TPS in the year amounted to £1,233,224 (2021 - £1,227,231).

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

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

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (CONTINUED)

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 £1,497,000 (2021 - £1,547,000), of which employer's contributions totalled £1,293,000 (2021 - £1,336,000) and employees' contributions totalled £204,000 (2021 - £211,000). The agreed contribution rates for future years are 5.5% per cent for employers and 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the Year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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	4.05	3.85
Rate of increase for pensions in payment/inflation	3.05	2.85
Discount rate for scheme liabilities	4.25	1.70

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

	2022	2021
	Years	Years
Retiring Today		
Males	21.2	21.6
Females	23.6	24.0
Retiring in 20 years		
Males	22.9	23.4
Females	25.4	25.8

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

24. PENSION COMMITMENTS (CONTINUED)

SENSITIVITY ANALYSIS

	2022	2021
	£000	£000
Discount rate +0.1%	-	778
Discount rate -0.1%	(431)	(803)
Mortality assumption - 1 year increase	(634)	(1,116)
Mortality assumption - 1 year decrease	-	1,071
CPI rate+0.1%	(374)	(686)
CPI rate -0.1%	-	665

SHARE OF SCHEME ASSETS

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

	At 31	At 31 August
	August 2022	2021
	£	£
Equities	6,076,000	4,800,000
Gilts	-	651,000
Other bonds	1,904,000	482,000
Property	725,000	554,000
Cash and other liquid assets	363,000	290,000
Asset backed securities	-	1,103,000
TOTAL MARKET VALUE OF ASSETS	9,068,000	7,880,000

The actual return on scheme assets was £227,000 (2021 - £1,067,000).

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

	2022	2021
	£	£
Current service cost	(2,565,000)	1,860,000
Interest income	146,000	(99,000)
Interest cost	(481,000)	346,000
Transfer in of new school	110,000	-
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(2,790,000)	2,107,000

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24. PENSION COMMITMENTS (CONTINUED)

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

	2022 £	2021 £
AT 1 SEPTEMBER	26,802,000	20,889,000
Transfer in of new school	158,000	-
Current service cost	2,565,000	1,860,000
Interest cost	481,000	346,000
Employee contributions	252,000	211,000
Actuarial losses	(14,328,000)	3,544,000
Benefits paid	(83,000)	(48,000)
AT 31 AUGUST	15,847,000	26,802,000

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

	2022 £	2021 £
AT 1 SEPTEMBER	7,880,000	5,315,000
Transfer in of new school	48,000	-
Interest income	146,000	100,000
Actuarial gains	(360,000)	967,000
Employer contributions	1,185,000	1,336,000
Employee contributions	252,000	211,000
Benefits paid	(83,000)	(48,000)
Administrative expenses	-	(1,000)
AT 31 AUGUST	9,068,000	7,880,000

25. OPERATING LEASE COMMITMENTS

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

	2022 £	2021 £
Not later than 1 year	26,103	26,532
Later than 1 year and not later than 5 years	12,939	30,735
	39,042	57,267

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

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions

28. GENERAL INFORMATION

PA Community Trust is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Unity House, 27 Trinity Road, Birmingham, B6 6AJ

29. DONATION INTO THE TRUST

A new school, Prince Albert High School, joined the trust on 3 September 2021. The net value of the school of £29,860,000 has been included within donations.