

**SMART MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



**ArmstrongWatson®**  
Accountants, Business & Financial Advisers

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**SMART MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	C A Christie C Foster D Williams I Bell K Hofbeck M Thomas
<b>Trustees</b>	C A Christie, Chair of Trustees A R Keenleyside, Vice Chair & Chair of Performance and Curriculum J Quinn, Chair of Finance Audit and Risk D J Carrs (appointed 4 April 2022) J A Slider (appointed 28 April 2022) K Stevens M A A Anderson M D E Stephenson
<b>Company registered number</b>	10257723
<b>Company name</b>	SMART MULTI ACADEMY TRUST
<b>Principal and registered office</b>	Wyndham Primary School Montagu Avenue Newcastle upon Tyne NE3 4SB
<b>Company secretary</b>	A C Robinson
<b>Senior management team</b>	C A Lofthouse, CEO and Accounting Officer A C Robinson, Director of Business & Finance C Shield, Headteacher D Lynch, Headteacher E Boardman, Headteacher E Elliot, Headteacher G Halliford, Head of School J Evans, Headteacher L Gallon, Executive Headteacher R Cleary, Headteacher
<b>Independent auditor</b>	Armstrong Watson Audit Limited Chartered Accountants Suite 15 & 17 11 Waterloo Street Newcastle upon Tyne Tyne and Wear NE1 4DP

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

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The Trustees present their annual report together with the audited financial statements of the Academy for the year 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Academy Trust operates eight primary academies in Newcastle upon Tyne. Its academies have a current combined pupil capacity of 2,510 and had a roll of 2,296 in June 2022, showing continued stability from the May 2021 census (2,295 pupils).

**Structure, governance and management**

**a. Constitution**

The Academy Trust was formed on 29 June 2016 and is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 29 June 2016 are the primary governing documents of the Academy Trust.

The charitable company is known as Smart Multi Academy Trust. The eight schools that form the Academy Trust are known as Cheviot Primary School, Farne Primary School, Kenton Bar Primary School, Kingston Park Primary School, Mountfield Primary School, North Fawdon Primary School, Stocksfield Avenue Primary School and Wyndham Primary School. All Trust schools converted to Academy status on 1 November 2016.

The Trustees of Smart Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance has been taken out to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees.

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

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

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

Trustees are recruited on the basis of the specific skills which they can bring to the Board of Trustees. This initial assessment is undertaken in consultation between the Members, the Chair and the Vice Chair of the Board. The Chair and Vice Chair arrange the interview of suitable individuals, and all appointments are reviewed and ratified by the Members before being formally confirmed.

It is possible for the Trustees to co-opt a limited number of Trustees, in particular if the number of Trustees would exceed eight on the appointment of the new Trustee.

To date most Trustees have been recruited using the Academy Ambassadors programme which has now ended. In future years the Trust will recruit Trustees through greater use of already well established alternatives. The programme has proved effective in identifying candidates responding to the characteristics the Trust has identified as desirable and/or essential. This, however, is not the only way in which candidates may be identified and other routes of recommendation have been used in the past and may be again. The strong review process with Trustees and Members is the fixed component of the Trust's approach.

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

Three Trustees were appointed in the course of the year reported on. When Trustees are appointed, normal practice is that induction is undertaken in a face-to-face session with the CEO to appraise them of the role of Trustee and familiarise them with the Scheme of Delegation, policies, procedures and the Trust's current position.

All Trustees receive documents essential to their role for example the Articles of Association, Academy Trust Handbook and The Charity Commission CC3; The essential Trustee: what you need to know and what you need to do. Since the appointment of an experienced Governance Officer to the Board, each new Trustees has been supported in their first period in office. The Welcome Pack and Code of Conduct for Governance (covering Members, Trustees and Local Governors) emphasise the importance of the Nolan Principles for standards in public life underpinning the governance practice of the Trust.

Trustees are provided with periodic updates on key issues identified by the Charities Commission and the ESFA. Updates in relation to the Academy Trust Handbook and Accounting Officer updates are reported to and discussed at the Board of Trustees' meetings and appropriate sub-committees.

**f. Organisational structure**

The company is set up as a Multi Academy Trust model where the Members hold the Trust Board to account for the effective governance of the Trust and ensure that the Trust meets its charitable objectives. Members are responsible for the appointment of Trustees and appointment of the external auditor.

The Board of Trustees meet at least six times per annum to discuss the strategic objectives with the Chief Executive Officer, who is the Accounting Officer, and with the Director of Business & Finance in attendance. The Board of Trustees are supported by two committees; the Performance and Curriculum Committee, and the Finance, Risk and Audit Committee. In addition, there is a Chairs' Forum which meets at least termly for Trustees to meet with Chairs and Vice Chairs of Local Governing Boards. Both the Finance, Risk and Audit, and Performance and Curriculum Committees meets at least three times per annum.

The Scheme of Delegation for the Academy Trust defines the relationship between the Board of Trustees, the Executive and individual Local Governing Boards and clarifies the responsibilities of the Local Governing Boards.

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

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

The review into the delegation to Local Governing Boards has been completed within the reporting period and resulted in modifications to the Scheme of Delegation and a revised schedule of meetings for the 2022-2023 academic year.

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

The pay and remuneration of key management personnel (Senior Management Team as noted on page 1) is set in line with the Academy Trust pay policy and reflects the national pay and conditions guidance for teaching staff and leaders and the Local Authority guidance for other staff. Benchmarks such as the size of school and the complexity of the role are built into the processes detailed in the pay policy.

Performance Management is used to determine pay progression for all posts across the Academy Trust. The Chief Executive Officer advises the Board of Trustees in respect of Executive/Headteacher posts. The pay policy is reviewed annually by the Board of Trustees.

CEO and other executive role salaries are determined by a working group of Trustees against benchmarked examples from similar sized Trusts with reference to the Academy Trust Handbook best practice.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	2,627
Total pay bill	10,633,147
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

**i. Engagement with employees (including disabled persons)**

The Trust places great emphasis on its values system and principles by which it works. Through consultation and discussion with its leaders and staff at all levels the Trust's vision and values have been placed at the heart of what we stand for, placing the interests of key stakeholders (pupils, staff, parents, carers and partner organisations) at the centre of policy design and decision making.

Our Joint Consultative Committee continues to provide a useful and open forum for the Trust, our employees and union representatives to discuss the work of the Trust and its future strategy and policy.

The Trust-wide focus on staff wellbeing, brought to the fore during the pandemic, has been retained to capitalise on the benefits of new practices that emerged to ensure employees concerns were listened and responded to.

The recent IT transformation has had a very positive benefit to the communication strategy across the Trust, by bringing the full functionality of Microsoft Teams to all employees. The facility for instant messaging to all staff has improved the efficiency and quality of communication throughout the Trust. Plus, the ability to provide channels for discussion and sharing good practice to specific interest groups has greatly improved the flow of information between the Trust and its employees.

During the year we have completed a full review of HR policies. All policy is now fully aligned to the Trust's vision and values and covers all aspects of employee interests, including up to date areas such as Menopause.

Those visions and values rightly take full account of the Trust's commitment to equality, diversity and inclusivity. Our Equality, Diversity and Inclusion Policy sets out the guiding principles that have been adopted to ensure this commitment is embedded in our practice.

Full details of these policies are available from the Academy's offices.

**j. Engagement with suppliers, customers and others in a business relationship with the Academy**

It remains important to the Academy Trust that we establish and continue to maintain good working relationships with all suppliers to the Trust, especially those in the provision of key services and or advisory support. The Trust also strives to establish and maintain an equally strong working relationship with our customers.

The Trust operates on a formal contract basis for the provision of all services to ensure complete and mutual transparency for all parties around expectations, responsibilities and obligations. This enables the delivery of consistently good service, the ability to improve where necessary or opportunity presents, together with the timely and professional resolution of any issues arising. The Trust continues to ensure that value for money is achieved which is aligned closely to the values by which the Trust operates.

During the year the Trust has successfully concluded a large formal procurement exercise for the provision of ICT Services, with transition to the new supplier completed during the 2022 summer term and holidays. We have secured good value for money in the provision of a forward-thinking infrastructure solution that supports the continued development of the strength of our teaching, whilst offering more effective administration and communication capability. This places us well for the foreseeable future in a key area, whilst also ensuring we have substantially mitigated risks around data security and cyber-attack.

2022 also saw the expansion of the scope of Human Resources service provision to the Trust, adding further valuable support to our leadership teams and the development of our staff.

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**TRUSTEES' REPORT (CONTINUED)**  
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**Structure, governance and management (continued)**

To ensure continued good practice in accordance with the Academy Trust Handbook, the Trust also completed a tender exercise for the provision of external audit and related accounting services.

The Trust continues to improve contractual transparency with a number of smaller suppliers, providing some cost saving and considerable cost avoidance. We have also built upon recently established relationships and both remain a key focus.

During 2023 we expect to begin further procurement activity to ensure best service and value for money for our schools.

The Trust actively and positively engages with other key professional networks/organisations that have provided us with good, often mutually beneficial advice, support and solutions and we have added some new partners in the year. These relationships are valuable to us and are encouraged at all levels/disciplines, also offering good staff development and support opportunities that in turn further enhance our educational offering and our team.

Our schools continue to take great pride in positive engagement with the wider communities of which they are a key part. The schools provide support wherever possible to their communities in many forms, for example the provision of Breakfast clubs, family support and other initiatives. We are delighted to see our schools busy again with clubs, activities, trips, performances, tournaments, parties and fairs after very hard Autumn 2021 and Spring 2022 terms as Covid-19 restrictions/absence prevailed.

**Objectives and activities**

**a. Objects and aims**

The Objectives of the Academy Trust are set out in the Articles of Association.

**b. Smart Multi-Academy Trust – Our Vision and Values**

We regularly review our vision and values statement to ensure it is known by all and continues to reflect changes in curriculum. This year an addition has been made to capture the work of our schools to ensure our pupils, not only are ready to move on to secondary education but have a solid foundation of knowledge and feeling of responsibility towards a diverse and more global society.

Our values are the principles to which we work and are central to all that we do as a Trust and in the life of our schools. It is important that each of our schools retains its own unique character reflective of their community, however all of us share our vision and values.

We are committed to following an ethical approach based on trust, empathy and respect in which everyone is included and supported to be the best they can be.

At Smart we provide a high quality, bespoke education full of the best opportunities and experiences to help every child learn, be happy and ultimately successful in life as a global citizen.

**Statement of Intent**

Smart Multi-Academy Trust will fulfil its vision by:

- Building a Trust in which schools seek to collaborate and challenge each other to be inclusive and improve the life chances for all of its children.
- Providing an exciting place to work where personnel are all valued, developed and encouraged to stand out and lead.

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

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**Objectives and activities (continued)**

- Collaboration based on trust and recognition, holding each other to account, seeking out and researching new ways to succeed at improving our schools even further.
- Being financially successful, pursuing value for money and generating income so Trustees can maximise and grow the money available to spend on our pupils.
- Being a fair employer who attracts high quality people through Trustee commitment to wellbeing, professional and personal development.
- Raising aspirations to transform the lives of young people through a curriculum of excellence that provides exciting opportunities and experiences for our pupils and the expert teaching of basic skills for life.
- Prioritising the safety, well-being and health of our pupils and employees.

**Objectives, strategies and activities**

The Trust Business Plan 2021-24 sets out the Trust's priorities and future direction.

**Strategic aims**

- Ensure governance is highly effective and fit for purpose;
- Deliver robust financial management, which informs the strategic development of the Trust;
- Ensure the Trust builds reputation and influence (local, regional, national) to maximise benefit to our pupils
- Ensure a curriculum of excellence in both design and delivery that underpins the values and ethos of the Trust;
- To ensure the highest standards of safeguarding, health and safety and planning for risk, Develop a skilled and motivated workforce who provide a quality education to pupils.

The above priorities link strongly to the Smart Trust's vision and values statement. With these strategic aims guiding the work of the Trust for the next two years we will ensure we build on and crucially maintain the already high standards and effectiveness. The Plan will be reviewed again during 2023 for subsequent years.

**c. Public benefit**

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

**Strategic report**

**Achievements and performance**

**a. Annual overview**

**Business Plan progress**

Despite the necessary focus on managing the Covid pandemic throughout 2021-22, important improvement targets from the business plan have been successfully completed, illustrating the strength and growing capacity of the Trust.

This year saw the completion of a major piece of work, supported by our HR partners, to completely review and update of all employee-facing HR policy to ensure consistency across all policy. This takes account of key documentation such as the Academies Handbook and the Trust's scheme of delegation. This supports our workforce's wellbeing and ensures compliance with current legislation and good practice guidance.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

New systems to identify, nurture and promote talent within the organisation have led to several key appointments at senior levels within the organisation being filled from within the Trust enabling seamless transition and a retention of knowledge and experience. Secondments enabling staff to broaden their experience by working in other schools with additional responsibilities are becoming common place which is building capacity within the Trust and helping with retention of good quality people.

The whole-Trust CPD (Continuous Professional Development) project to improve the teaching of writing (Talk for Writing) is beginning year 2 of its training and application. Early impact of the new approach on pupil's oracy and enthusiasm to write shows some positive outcomes. However, the positive impact on staff and the quality of teaching and learning in the classroom is already obvious.

Expansion for additional school places is complete at Kenton Bar Primary School which has seen rapid growth in pupil numbers through the summer term with the return of mature overseas students to University Education, who bring their families and rent accommodation close to the school. The project to expand Kingston Park Primary School to three form entry with a new build and internal renovation is well under way. The expansion is at the request of Newcastle City Council, who are funding the build cost, to meet demand from new housing in the North West area of the city and is due to complete in 2024.

The IT transformation project has also completed which brings on board a new service provider and sees the move to a fully cloud based system with super-fast broadband connection. This complex project has not been without some challenges but has successfully concluded the biggest procurement exercise the Trust has undertaken to date.

**Trust estate improvements**

As reported in previous years, we continue to invest substantially in our school buildings and grounds with some major and many smaller investment projects completed during the year or in progress as the year closes. Investment in our estate totals £1.5m in the year. As reported in previous years, much of this investment was delayed from prior years due to Covid-19 restrictions.

Some of this investment ensures that all of our children and staff have access to the same excellent learning and working platforms supported by a much-improved network infrastructure as part of the ICT Transition project. This project has seen investment totalling £160k in our networks and acceleration of related equipment replacement to make best use of our new infrastructure.

In addition to this, much refurbishment has taken place across our school estates, plus improvements to safety and security, additional sports facilities added including a running track and Multi Use Games Areas, plus investment in our library facilities totalling circa £350k.

Two further CIF (Condition Improvement Fund) bids were completed in the year replacing old, inefficient and unsafe external cladding at North Fawdon Primary School and installing a new roof across the whole of Cheviot Primary School. These two projects represent investment of £1.4m to which the Trust will contribute £264k from Trust funds.

To date the Trust estate has benefited from £6.4m of CIF investment, plus a new building in 2020 at Kenton Bar Primary adding further investment of £3.5m from the DfE. The Trust will contribute £1.04m of funds/Reserves to this total investment and has also incurred asset write off/impairment charges of £779k in 2020 for the old Kenton Bar building demolished on completion of the new build.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

As noted above, works are well progressed in the expansion of Kingston Park Primary School to add a third class per year group. The project sees the addition of a new Early Years Building with substantial investment in play equipment, refurbishment and expansion of the existing building, plus the creation of external sports pitches.

**School performance and improvement**

All of the Smart schools are currently rated as 'good' by Ofsted in their most recent inspections. In the summer term 2022 Cheviot Primary School was inspected under the Section 5 schedule (full inspection) following their previous inspection which suggested the school may be outstanding. The result was the school remains 'good' but their work was judged to be outstanding for both behaviour and attitudes and personal development of pupils.

The impact of Covid throughout the Spring Term 2022 continued to interrupt teaching and learning in some schools with high levels of staff and pupil absence. This not only interrupted learning but also the usual monitoring and evaluation cycles. School Improvement visits were carried out in the autumn and summer terms; spring had to be cancelled due to covid restrictions.

The Trust school improvement strategy has recently changed with an external contract to Palladio Education for school improvement services. This will create additional capacity within the Trust (previously the CEO and Exec Headteacher carried out school improvement visits) and ensure a consistent termly visit cycle throughout the academic year. In support of the new school improvement partner the Exec Headteacher and all headteacher colleagues will co-ordinate to carry out additional peer monitoring and evaluation throughout the spring and summer terms.

In 2022 saw the return of the full range of statutory assessments which were suspended in 2020-21 due to the impact of the Covid-19 pandemic. Trust data for outcomes for 2021-22 shows a huge amount of variation in the performance across schools, year groups and different pupil groups revealing the impact of interrupted staffing and attendance for pupils. It is difficult to draw any safe conclusions or trends from the data set for this year. However, it has brought renewed focus on pupil progress and how it informs school development plans and monitoring and evaluation. Where there are areas of concern, action plans are in place with increased monitoring from the Trust centre to assure progress is being made. Recent improvements in the rigour and quality of local governing body monitoring of the quality of education are adding to the Trust's picture of school improvement.

Early Years Foundation Stage Profile for the proportion of pupils reaching a good level of development is 63.9% a marked rise on the previous year (56.8% 2021) but not yet back to pre-pandemic levels. The youngest children have been disproportionately affected by covid with many of the 2022 Reception cohort having missed or delayed their nursery education. This is reflected nationally with the percentage reaching The Good Level of Development (GLD) falling to 65% in 2021; no national figure is available at the time of writing. Hopefully the big uplift in the Smart Trust performance this year is showing the impact of measures taken to ensure catchup.

Phonics results in Year 1 have dipped across the Trust to 64% meeting the pass mark which is below the national average; 75%. Year 2 pupils re-sitting the test did rather better with 84% reaching the pass mark which is in line with the national average 87%. In schools with particularly low phonic scores for year 1 a review is in place to look at the quality of provision and to ensure those pupils meet the pass mark when they re-sit in 2023.

KS1 results are variable across the Trust and lag behind National averages at the expected standard. Reading 59% (national 67%), Writing 47% (national 58%) and Maths 62% (national 68%).

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

In KS2 pupils seem to have been slightly less affected or interventions have been more successful with older pupils to help them regain lost knowledge. At the expected standard, the reduction is less pronounced than in KS1 and, but still marginally below national averages. Reading 69% (national 74%), Writing 60% (69% national), Maths 71% (national 71%) and GPS 69% (national 72%). Combined Reading Writing Maths at expected standard were 51% (national 59%).

Interpreting and drawing conclusions from the data affected by Covid absence is clearly highly complex. Not all schools have been affected to the same extent with certain year groups in some schools having had to repeatedly self-isolate whilst similar pupils in other schools have not been affected at all by self-isolation. The Trust will continue to make every possible effort in the coming years to support pupils in regaining lost knowledge.

**b. Going concern**

The Trustees continue to regularly 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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trust has again generated a strong operating surplus for the financial year of £495k with continued improvements in financial management across the Trust schools adding to our Reserves and related cash balances. The 22/23 three-year Budget is a far more challenging position with the effect of serious increases in operating costs from suppliers, in particular energy, together with staff inflationary cost increases combined with the anticipated lower pupil numbers\* in some of our schools. The recently announced support and teaching staff pay awards were far in excess of previous guidance and places the Trust, and all other schools nationally, in an extremely difficult financial position.

\*as outlined in Principal Risks & Uncertainties later in this report.

We are also taking careful note of the notable increase in the numbers of children with Special Educational Needs, particularly evident in our Early Years children who have been adversely impacted by Covid-19 lockdowns/restrictions. The expected continuation of School Led Tutoring grant, albeit at a higher level of school budget contribution, and Recovery Premium grant will help in part towards funding this ever-increasing strain on Trust finances. This combined with a constant high level of children, 43% of total pupils, eligible for Free School Meals means we have to manage our budgets extremely carefully.

As reported above, the expansion of Kingston Park Primary is a welcome addition to our Trust. Whilst the new building and refurbished existing building will be donated to the Trust by Newcastle City Council, with handover expected during 2023/24 financial year. There will be incremental costs as advised by the developers to operate and maintain a larger facility, which are largely manageable and have been included in our operating budgets. However, there is currently some uncertainty around additional pupil numbers expected to enrol in the newly expanded Kingston Park and the related increased staffing costs when the first additional pupils arrive in September 2024. There is also some uncertainty as to whether some of those pupils may come from other Trust schools in nearby locations. We are working closely with Newcastle City Council to ensure that the Trust is not adversely affected financially by the expansion of this school and await formal confirmation of agreed support and the terms thereof. This will be concluded in the very near future.

Each year the Trust prepares a three-year Business Plan that includes key risks and opportunities and measures the impact of changes in key drivers of income and cost, including sensitivities therein. The plan is closely aligned to the Strategy and Vision and Values of the Trust, giving due consideration to changes in staffing cost,

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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

IT and premises infrastructure investment required as well as those opportunities the Trust wishes to maximise upon. All key business decisions, including pay awards, and reporting are referenced back to the objectives, priorities and risk appetite of the Trust as set out in the Business Plan and to cash flow to ensure ongoing liquidity and affordability. The Trust also prepares a three-year Budget each year allowing for forward planning, identification of risks and opportunities against which sensitive profiles can be calculated and action plans to avoid/minimise or maximise, as appropriate, to ensure continued strong financial performance of the Trust. Cash flow, ICT and premises investment need/plans also form part of this three-year budget.

The Trust receives the majority of its funding from the DfE, largely driven by pupil numbers within our schools. Trustees have and will continue to monitor pupil numbers per school to ensure any necessary decisions are fully informed and executed in a timely manner. During 2022 Trustees further continued to review financial modelling to carefully consider the impact of the proposed expansion of Kingston Park Primary on the Trust as a whole and will continue to review during 2023 as the construction progresses towards completion.

In general, Trust pupil numbers have remained relatively constant in recent years, and after taking consideration of the historical fall in birth rates that will impact school age children over the next few years, Trustees remain confident of maintaining pupil numbers overall as a minimum. Achievement of our Business Plan remains sensitive to changes in DfE funding for education, which has historically kept pace with the national increases in our largest operating cost of staffing, until the proposed 2022 inflationary awards for both teachers and support staff were announced in summer 2022 with no further funding to offset.

However, The Trust holds a strong balance sheet, with net assets of £14,959k FRS102 effect from pension, on which our most valuable assets are our land and buildings, to which there has been another year of significant (£1,604k) and continued capital investment in our infrastructure to ensure those buildings are maintained in good condition, reducing the exposure to unexpected large repair/renewal costs that would adversely impact our Reserves position. The Trust will continue to invest where appropriate and all investment decisions take consideration of the medium/longer term affordability of capital contributions being made. The balance sheet is notably impacted by the Local Government Defined Pension Scheme Liability which has improved incomparably to prior years, this is driven by mainly driven by the financial actuarial gains. The overall balance sheet has importantly, however, improved substantially in the current financial year.

The Trust fully expects to benefit from operational efficiencies in future years as we lever benefits from better cross Trust working and continue to improve the level of value add we can create.

The Trust also maintains a healthy cash balance of £3,217k (2021: £3,022k) alongside a sizeable maintained Unrestricted Reserves balance of £814k (2021: £772k), which whilst collectively means we remain confident of being able to meet all financial liabilities as they fall due, we are also aware of the investment still required in our estate to redress chronic historical underfunding that would substantially weaken our position if DfE/other funding is not secured. Cash flow reporting, including a forecast for future periods/years, is shared with Trustees regularly forming part of Finance Audit and Risk Committee information.

Collectively the Trust as able to manage unfunded staff inflationary and other cost increases in the short term and will be forced to consider a reduction in staffing, our largest category of spend, if DfE funding continues to fail to keep pace with those cost increases over which they exert influence. This would be an unwelcome move for the Trust and raise inevitable concerns around our ability to continue to provide a good quality of education and retain good staff.

The Trustees have given due consideration to the Balance Sheet position, the strength of financial controls, future financial forecasting together with a viable Strategy delivered by the Business Plan. Based on this consideration the Trustees are in full agreement that there are no material uncertainties in respect of the Trust's

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

ability to continue as a going concern.

**c. Promoting the success of the company**

These requirements are still very strongly aligned with the ethos and vision of the Smart Multi Academy Trust. Although we do not really have customers as such, the educational success of our pupils, in a fair environment in which nobody is left behind, remains the overarching focus of our endeavours. We are once again extremely grateful for the continued invaluable support that our parents and carers give to our schools, particularly during another a difficult year for so many.

With regards to the other points listed, a number are addressed in other paragraphs of this report. In summary they can be considered as follows:

- Long term consequences: Prudent management of any enterprise requires addressing both short and longer term needs. The Trust routinely addresses long term considerations regarding, inter alia, its educational operations, infrastructure provisions, staff retention and recruiting and financial matters taking account of foreseeable risks. Ongoing discussions with the Local Authority regarding the viability of some aspects of special needs provision and the planning of the expansion of Kingston Park primary are current examples of this kind of activity.
- Employees: The Trust's employees are always fundamental to our success and we are very proud of our team. Due care of their welfare, motivation and development is key to our future. The need for care was particularly acute during the Covid 19 pandemic and has proven to be even more so during the 21/22 year with staff under greater pressure dealing with increased absence and fatigue from managing the last few years.
- Business relationships: A proper business-like relationship with suppliers is in the Trust's interests as a going concern. In the past year we have been continuing to positively improve our purchasing and contracting arrangements and again intend to continue to do so.
- Community and environment: The schools' roles within their communities are a fundamental part of the success of their function. All our school leaders are very conscious of this role and both the Trust management and the Trustees encourage this emphasis. We are pleased to have been able to welcome our families and communities back into our schools again during the latter part this year for regular events or on a volunteer basis which add such value to our children
- The schools, as such, have a relatively limited environmental impact. However, the teaching in the schools encourages environmental awareness and the schools in their normal activities, encouraged by the children, actively seek to operate in an environmentally conscious way.
- Act fairly: The Trust believes fair behaviour is part of our basic values and in our long-term interest.

**Financial review**

The majority of the Multi-Academy Trust's income is received from the Department for Education (DfE), via the Education and Skills Funding Agency (ESFA), in the form of recurrent grants, the use of which is restricted to particular specified purposes. The grants received from the DfE/ESFA during the year to 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2022 total income, excluding Restricted Fixed Asset Grant funding, was £14,199k (2021: £13,377k), from which the Trust has generated an overall operating surplus of £495k\* (2021: £591k; underlying £208k). It is important to note that a substantial element of this year's operating surplus has been generated through qualifying capital expenditure as planned smaller projects were accelerated/widened to maximise value and meet emerging needs.

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

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**Strategic report (continued)**

\*before depreciation charges, capital additions and the local government pension fund costs.

Covid-19 related and other long term staff sickness absence placed huge pressure on our schools and staffing costs during the spring and summer 2022 term, being the largest contributor to an increase in operational staffing costs of £286k in the year of which supply costs were at notably higher cost rates and extremely difficult to source. Nevertheless, the wellbeing of our staff is one of our key priorities necessitating additional expenditure in this area. The opportunity for self-generated income began to recover in the summer 2022 term, but at the time of writing is now being compromised by escalating inflationary pressures.

The Trust has benefitted from £132k of Recovery Premium and £101k of School Led Tutoring grant income respectively in the year, all of which has been utilised to provide additional support to our children as they begin the long journey to recover lost education time due to Covid. The Trust continues to fund circa £40k of School Led Tutoring provision and a further £85k of Pupil Counselling, Literacy improvement support and Special Educational Needs support to our children. Whilst there are very tangible benefits of this investment from school base budgets, the growing need for support will place future pressures on our schools to continue to fund, particularly against the backdrop of significant increases in staffing and other costs.

However, positively the underlying trend of operational financial performance continues to strengthen year on year, benefiting from improvements in procurement and financial control/visibility and cross-school resourcing.

During 2022 restructuring costs totalling £10k were incurred (2021: £16k).

Total income for the year was £14,353k (2021: £15,204k) including a decrease of capital grants of £1,547k reflecting completion of previous year Condition Improvement (CIF) projects in the year. The Trust has this year committed a further £270k from Reserves towards investment in our educational settings.

The Trust fully expects to benefit from operational efficiencies in future years as we lever benefits from better cross Trust working and continue to improve the level of value add we can create.

Cash balances remain strong for the Trust £3,217k (2021: £3,022k) including £502k on medium term deposit to enable us to earn a marginally better rate of interest income. The strong cash balances allow us to continue to make improvements in our financial processes and procurement/contractual decisions, leading to better use of cash balances. Those strong cash balances will also enable informed and well executed future decisions, particularly in the light of sharply rising staffing and other costs.

The Academy Trust closely tracks the level of Reserves across the individual schools within our Trust. The closing year end position, as at 31 August 2022, was that the level of Reserves not tied up in fixed assets and excluding Defined Benefit Pension balances are £1,970k (2021: £1,843k). This is, overall, better than expectation based upon Budget provisions at the outset of the year, largely due to the accounting treatment of infrastructure investment. The Trustees have reviewed the Reserves Policy and are confident that there is a sufficient level of reserves to meet current operating needs.

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

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**a. Reserves policy**

As part of the overall governance of the Trust, there exists transparency across the Trust in relation to the level of reserves that exist, how they are to be maintained and clear understanding around the capacity in which these reserves may be utilised.

The Trust can undertake a review of the continued pertinence of the judgement around the appropriate level of reserves to hold, should environmental circumstances necessitate this.

The Trust is also able to evidence how it maintains viability as a going concern and identifies those triggers that would prompt a significant review of reserves policy and/or requirement for intervention by the Board of Trustees. See further consideration regarding going concern in the accounting policy in note 1. The Trust can evidence, how as a charitable organisation, it takes responsibility for ensuring it can respond adequately to the risks identified within its Risk Strategy/Risk Management processes.

The Reserves Policy specifically details the parameters for the expected level of reserves for each school at the end of the financial year in question. The policy currently sets a fixed minimum amount, currently £20k, that each\* school must add to its reserves balance each year in addition to the amount required to meet CIF/Salix capital investment contributions. The Trust plans review this policy during 2023 with an increased focus on longer term strategy.

Reserves (being restricted income and unrestricted income funds) at 31 August 2022 are £1,970k (2021: £1,843k), have increased strongly during the year partly due to good financial controls, but also as a result of capital investment. As per the Going Concern view above, it is expected that unbudgeted and unfunded staff inflationary pay awards and other escalating costs during 2022/23 will have a substantial adverse effect on Reserves to avoid reduction in staffing which will detrimentally impact the quality of education we provide. Whilst we have addressed a commendable level of infrastructure improvements, the Trust is aware of the remaining substantial investment required in our estate and infrastructure, some of which will inevitably need to be funded from Reserves in due course.

\*unless by agreed exception supported by investment project expenditure and/or recovery plan to reposition any operating deficit that may arise.

Regular financial and resourcing monitoring reviews with our schools, together with robust forecasting, are enabling the Trust to identify at an early stage any concerns, opportunities or unexpected issues/challenges. This has enabled us to closely track progress towards the full year Budget position and agree use of Reserves to fund essential projects or support transition through any difficult period, whilst also planning for future required investment in equipment, staffing and/or infrastructure.

The Trust has liabilities in relation to the Local Government Pension Scheme (LGPS) which is a funded defined benefit pension scheme (see note 29). The full amount of the liability is not due, however, the position of the pension scheme will generally result in a cash flow effect for the Trust, with a deficit position usually necessitating an adverse cash flow impact with an increase in employers' contributions paid into the scheme over time. The triannual review of the pension scheme is due to complete during 2023 which may result in a further worsening of the liability of the defined benefit scheme and a resulting increase in employer contributions.

The Trust currently holds Free Reserves (Total funds less amounts held in fixed assets and restricted funds) of £814k (2021: £772k) and has budgets in place to add to Reserves. Income generation opportunities have begun to recover during the latter part of the year, although as noted earlier in this report general substantial cost increases are likely to limit the extent to which families are able to fund these. However, as the largest component of the Trust's operating expenses continue to be incurred in the provision of educational services, funded directly by the DfE, the Trustees are confident that the current level of Free Reserves is adequate to cover general operating expenses for an adequate period of time, most certainly currently in excess of nine months. The

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

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Finance, Audit and Risk Committee review Reserves levels on a termly basis, in line with budget monitoring presented to Trustees.

**b. Investment policy**

The Academy Trust has approved an Investment Policy that defines the risk tolerance of the Board of Trustees, emphasising that the Trustees place a high priority on the security of any investments which will override any other priorities. This is reflected in the Trust Risk Appetite against which key decisions are measured.

Any investment must permit the effective management of cash flow to service the Academy Trust outgoings, including ongoing and historical capital investment.

Key features of the policy are:

- To invest cash not needed for immediate day to day operations, with the Objective to achieve the highest rate of within specified risk levels; and
- To reinvest all investment income generated back into the Academy Trust; and
- To make cash investments to preserve the capital value; and
- All investments must be approved in writing and reviewed regularly by Trustees; and
- The Trust may appoint a suitably qualified financial expert to provide advice

Trustees consider the policy robust and requested that the policy be reviewed during 2023.

**c. Principal risks and uncertainties**

The Trust is mindful that continuing good financial management and effective financial controls lead to the Academy Trust remaining in a positive financial position. As with all Trusts, some higher risk areas require particularly close scrutiny so that a timely response can be made to ensure continued financial security. We indeed monitor financial outlook and risk, but these are not the only areas of attention.

Recent work to review and improve the Trusts risk management process will significantly improve the Trust's ability to identify and mitigate risk at all levels in the organisation.

The key strategic risks facing the Trust are:

- Pupil numbers — following a period where a bulge in population growth has benefited primary schools the current picture is for lower numbers coming into schools at Nursery and Early Years. This together with pressures coming from pupils leaving some Trust schools where local secondary education is not good enough means there is pressure on sustainable pupil numbers in some schools. There are some promising signs that the numbers of Reception pupils joining our schools is rising and some significant growth has been seen at Kenton Bar Primary School with families returning from overseas. The Kingston Park Primary expansion presents a huge opportunity for the Trust to grow its pupil numbers but also a risk if the yield of pupils from local housing developments is insufficient for the numbers of places created.
- Trust Estate — Despite significant capital investment in the buildings infrastructure there is a risk from historic underinvestment in the maintenance and upkeep of our school estate. Some schools require continued investment to enable them to provide a high quality and safe environment for pupils and staff.
- Trust Growth — As growth opportunities become a reality the Trust must carefully assess the capacity of the central team has for successfully onboarding new schools. The Trust's systems for supporting school improvement are in place but care must be taken to ensure we have the capacity to provide outreach to new schools whilst also ensuring the quality of provision remains high in our existing schools.
- We are currently expecting a significant rise in staffing costs due to announced pay awards. At the time of writing there has been no announcements of any funding increases to match these extra costs. Our reserves allow us to await a possible evolution of this situation but if it does not change in the coming weeks we shall need to assess what actions it may be necessary to take.

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

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All key areas are being strictly monitored, reviewed and continuously managed by the Trust with any financial related challenges regularly and promptly discussed with Trustees.

**d. Financial and Risk Management objectives and policies**

The Academy Trust has an approved Risk Management strategy. This strategy measures risk against the Trust Risk Appetite which forms part of the Strategy and Business Plan.

During the year ending 31 August 2022, the Risk Management Framework introduced in 2021 has been successfully rolled out to our schools with regular reviews of risk to ensure currency and appropriate mitigating actions are in place. The Risk Register is shared with and challenged regularly by Trustees during the year.

The Board of Trustees have maintained a clear Risk Appetite, providing a sound measure against which key Trust decisions can be assessed.

The Risk Management strategy achieves the following:

- Ensures that the Trust's risks are aligned with both the Trust's strategy and Business Plan
- Defines those risks that we are concerned about and, critically, also defines what specific impact this could have upon the operation of the Academy Trust; and
- Assesses that impact on the Academy Trust if that risk were to materialise to any extent. That impact may be evident within reputation; financial and/or service/outcome; and assesses the probability of that risk materialising and the extent to which it may materialise; and
- Assesses the extent to which the risk, or the impact thereof, can be mitigated through actions which the Academy Trust can affect and reassesses the impact upon the Academy Trust if these steps are effectively implemented; and
- Ensures the individual risks within the Risk Management Strategy and their associated management action plans are being reviewed by either Performance and Curriculum Committee or the Finance, Risk and Audit Committee dependent upon the nature of the risk.

The Risk Registers are reviewed regularly by the Trust Senior Leadership Team and Board of Trustees, including a review of the effectiveness of mitigations in practice.

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

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**e. KPI's**

In terms of key performance indicators, the level of staff costs as a % of total expenditure remains an important benchmark as the single largest category of our operating costs which we measure and plan carefully. For the year ended 31 August 2022, staff costs amounted to 76.8%/£11,704k of total costs (2021: £11,025k/78.1%) and this includes £909 of FRS102 LGPS costs (2021: £720k). Excluding the FRS102 adjustment, staffing costs account for 75.3% of total costs (2021: 76.9%) of total cost of the Academy Trust Operation. These figures include both supply cost, any staff restructure costs and the costs of the central team. The Trust also monitors staffing profiles and related cost per school and by Key Stage. The Trust closely monitors spend on non-staffing costs to ensure that General Annual Grant monies are being fully used for the purpose intended and to ensure parity for our children in all Trust schools.

The other key financial indicator is the number of individual schools who have met the requirements of the Board of Trustees in terms of expected levels of reserves balances at the end of the financial year, and this applied in six of our eight schools (2021: all schools). As previously highlighted, we expect Reserves balances held to substantially reduce in 2023 to absorb unfunded inflationary pay awards, plus further essential infrastructure investment projects.

Tracking school performance through outcomes, particularly groups of pupils most affected by covid, disadvantaged and vulnerable learners is back in focus following two years of disrupted assessment and unreported data. Currently, all Trust schools are judged as Good by Ofsted, ensuring that this is maintained is a key priority.

**Plans for future periods**

Maintaining the good standard of education at each of the Trust's schools despite the impact of the pandemic is of primary importance. Ensuring that the curriculum in each school represents a rich blend of core skill development together with opportunities for personal, creative and physical development is a priority.

Building capacity for growth and enabling the successful on-boarding of new schools to the Trust is an immediate priority since the trust signed a formal partnership agreement with two schools possibly wishing to join Smart. Other opportunities to sponsor schools are also presenting themselves which brings into sharp focus our plans to support school improvement beyond the current Trust schools. Growth is seen as huge opportunity for the Trust not only to provide a stronger more sustainable financial future but also to grow the network and partnerships that keep our schools performing at their best.

To do this the Trust must invest to ensure our current services to schools are scalable and will facilitate growth without detriment to our core purpose or any individual school.

**Fundraising**

The Academy Trust does not work with commercial participators or professional fundraisers and does not engage third parties to undertake fundraising activities on its behalf. Should individuals wish to complain about any fundraising activities conducted by the Academy Trust, they should follow the complaints or whistleblowing policy as appropriate.

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

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**Disclosure of information to auditor**

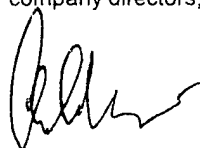
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

**Auditor**

The auditors, Armstrong Watson Audit Limited, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2022 and signed on its behalf by:



**C A Christie**  
Chair of Trustees

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**SMART MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Smart Multi Academy 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. In addition, the two main sub-committees of Performance and Curriculum and Finance Audit and Risk have also each met at least termly, moving to virtual meetings in line with DfE guidance.

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

Trustee	Meetings attended	Out of a possible
C A Christie, Chair of Trustees	7	7
A R Keenleyside, Vice Chair & Chair of Performance and Curriculum	7	7
J Quinn, Chair of Finance Audit and Risk	6	7
D J Carrs (appointed 4 April 2022)	1	3
J A Slider (appointed 28 April 2022)	2	2
J E Brown appointed 26 January 2002, resigned 6 December 2022)	1	4
K Stevens	6	7
M A A Anderson	7	7
M D E Stephenson	3	7
D Piggett (resigned 11 November 2021)	1	1
J Lawson (resigned 1 March 2022)	1	3

**Governance Reviews**

The work begun last year regarding strengthening governance throughout our structure has been continued.

Regular liaison between the executive and the schools' senior leadership teams has continued. Building on previous work, attention has continued to the management accounts and reporting process and to budget development. Significant further improvement in the success with which different parts of the organisation are working together has been recorded.

The review of governance was completed during the course of the year covered in this report and resulted in a new Scheme of Delegation being adopted on 13 July 2022. This reflected consultation with Local Governing Boards through the Chairs' Forum and LGB annual self-evaluation and is designed to deliver the most effective support and challenge at school level together with support for the Trust.

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**SMART MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The recruiting of new Governors from a diverse range of backgrounds has continued very effectively bringing new skills and perspective. In addition, the Governor Development Programme has been rolled out to an initial cohort of Governors.

Risk management has been an area of particular attention and is addressed further in the paragraphs which follow.

Statistical data gathering has continued to be well supported. The disruption due to Covid has been significant and means that progress measurement has been challenging. The whole topic has been an area of keen attention and we are pleased with the progress made in the circumstances.

In line with recommended practice, in early 2022 the Trust undertook a procurement exercise to appoint an external auditor for the year ending 31st August 2022 and thereafter. This appointment, approved by Members in an extraordinary general meeting, is to ensure that both continued strong quality of service and value for money are being achieved.

Finally, we have used outside contractors to undertake internal scrutiny studies completely independent from the financial statements and regularity audit. Trustees resolved to use a bought-in service to combine external objectivity with the requisite level of expertise. The activities involved at the Trustee level were managed by the Finance Audit and Risk committee. The topics addressed covered a broad spectrum of financial procedures, including accounting records and systems, bank processes, new supplier and supplier amendments procedures, procurement and tendering, monthly management reporting and KPIs, budgeting and cashflows, capital expenditure, income and VAT. The results were generally positive but also a number of useful points and action proposals were identified. Further details of this process are provided in the paragraphs which follow.

The Finance, Audit and Risk committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C A Christie, Chair of Trustees	4	4
J Quinn, Chair of Finance Audit and Risk	4	4
J A Slider	1	1
M D E Stephenson	4	4
K Stevens	3	4

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**SMART MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

The Accounting Officer considers how the Trust's use of its resources has again 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 available.

Within Smart Multi Academy Trust, we believe that effective delivery for money extends beyond specific procurement exercises, and we have endeavoured to deliver good value for money through:

- Ensuring that the level of our top-slice contribution is kept to the minimum necessary to deliver the essential central functions of a Multi Academy Trust, thus ensuring that the maximum resources are available to deliver high quality teaching and learning in our schools; and
- Encouraging our schools to deploy benchmarking data to inform the spending decisions taken within the annual budget setting round; and
- Supporting schools monthly monitoring and in the annual budget setting process to ensure that the resource setting aligns with the strategic objectives of the school and the Academy Trust; and
- Pursuing procurement exercises to secure better value for money – both in the central budget and taking advantage of our purchasing power across the Academy Trust.

During the year ending 31 August 2022, we have:

- Continued to operate with a top slice contribution of 5% meeting the first objective set out above; and
- Completed a substantial procurement project to move the provision of ICT Services resulting in the successful move to new supplier. This provides both forward thinking operating platform from which to continue to improve our organisation and sizeable costs savings through cost avoidance.
- Completed the transfer of Human Resources services to our schools, whilst adding a modest additional cost has ensured better employee and leader support, manifesting itself in cost avoidance/minimisation. We are now settled into a strong proactive relationship which also considers policy and process improvements.
- Agreed to begin data gathering/align processes in preparation to commence a further large procurement/tender exercise on one of our largest areas of spend to ensure value for money is being achieved and deliver pricing transparency for a longer period of time. The project was originally expected to deliver benefit early in the new 2020/21 academic year, but disappointingly Covid-19 restrictions forced the prolonged suspension of this project until now.
- Continued to work closely with the Local Authority to ensure the planned expansion of Kingston Park Primary does not place adverse value for money pressure on the Trust.
- Continued to review our contracts for the supply of goods and services across our schools to ensure best value.

The Trust recognises the importance of continually enhancing Value for Money and in 2022/23 we plan to embed further improved benchmarking processes and again extend the range of contracts operated on a Trust wide basis working collaboratively with our school leaders. We also hope to resume and conclude the currently suspended tender process.

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**SMART MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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

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

The Internal Scrutiny programme put in place by Trustees includes an independent external review during 2022 of the Key Financial Controls, which are part of the system of internal control.

**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 Trusts significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

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

The Board of Trustees has decided to employ Azets Holdings Limited as internal auditor.

A further programme of internal risk based scrutiny is already in place for 2022/23, formally agreed at the Board of Trustee meeting in September 2022.

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

The schedule of work has been undertaken for the period and there are no significant or material control issues arising as a result of this review to report.

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**SMART MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

- the checks performed by Azets
- the work of the Finance, Audit and Risk Committee
- the work of the external auditor; and
- the work of the executive managers within the Academy 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 committee and a plan to 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:



**C A Christie**  
Chair of Trustees

Date: 7 Dec 2022



**C A Lofthouse**  
Accounting Officer

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SMART MULTI ACADEMY TRUST  
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As Accounting Officer of Smart Multi Academy 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, dated 1st October 2016, 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 Academy Trust 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 Academy Trust Handbook 2021.

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

C A Lofthouse  
Accounting Officer

Date: 7 December 2022



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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

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

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

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

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

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

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



**C A Christie**  
Chair of Trustees  
Date: 7 December 2022

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Responsibilities of trustees**

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

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

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Auditor's responsibilities for the audit of the financial statements**

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise noncompliance with applicable laws and regulations, such as the Academies Accounts Direction 2021 to 2022 issued by ESFA, Health & Safety at Work Act 1974, Food Hygiene Regulations, Charities Act 2011 and Companies Act 2006;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of noncompliance throughout the audit.

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

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

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

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed the application of accounting policies including the application of capitalisation of intangible assets.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims

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

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Use of our report**

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



**Karen Rae (Senior Statutory Auditor)**  
for and on behalf of  
**Armstrong Watson Audit Limited**  
Chartered Accountants and  
Statutory Auditors  
Newcastle upon Tyne

**16** December 2022

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 10 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Smart Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Smart Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Smart Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**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.



**Armstrong Watson Audit Limited**  
Chartered Accountants  
Newcastle upon Tyne

Date: 16 December 2022

**SMART MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	3,998	14,019	154,293	172,310	1,833,686
Other trading activities		251,070	-	-	251,070	129,330
Investments	6	658	-	-	658	535
Charitable activities		173,018	13,756,455	-	13,929,473	13,240,664
<b>Total income</b>		<b>428,744</b>	<b>13,770,474</b>	<b>154,293</b>	<b>14,353,511</b>	<b>15,204,215</b>
<b>Expenditure on:</b>						
Raising funds	8	251,070	-	-	251,070	129,330
Charitable activities		135,675	14,386,296	469,004	14,990,975	13,993,311
<b>Total expenditure</b>		<b>386,745</b>	<b>14,386,296</b>	<b>469,004</b>	<b>15,242,045</b>	<b>14,122,641</b>
<b>Net income/(expenditure)</b>		<b>41,999</b>	<b>(615,822)</b>	<b>(314,711)</b>	<b>(888,534)</b>	<b>1,081,574</b>
Transfers between funds	21	-	(410,312)	410,312	-	-
<b>Net movement in funds before other recognised gains</b>		<b>41,999</b>	<b>(1,026,134)</b>	<b>95,601</b>	<b>(888,534)</b>	<b>1,081,574</b>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension schemes	29	-	8,681,000	-	8,681,000	68,000
<b>Net movement in funds</b>		<b>41,999</b>	<b>7,654,866</b>	<b>95,601</b>	<b>7,792,466</b>	<b>1,149,574</b>

**SMART MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	771,846	(8,692,773)	15,087,577	7,166,650	6,017,076
Net movement in funds	41,999	7,654,866	95,601	7,792,466	1,149,574
<b>Total funds carried forward</b>	<b>813,845</b>	<b>(1,037,907)</b>	<b>15,183,178</b>	<b>14,959,116</b>	<b>7,166,650</b>

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

The notes on pages 38 to 70 form part of these financial statements.

**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10257723**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

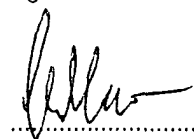
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	16	156,889	1,798
Tangible assets	17	15,849,666	14,712,532
		<u>16,006,555</u>	<u>14,714,330</u>
<b>Current assets</b>			
Debtors	18	767,297	1,671,759
Cash at bank and in hand		3,217,304	3,022,204
		<u>3,984,601</u>	<u>4,693,963</u>
Creditors: amounts falling due within one year	19	<u>(2,143,085)</u>	<u>(1,866,254)</u>
<b>Net current assets</b>		1,841,516	2,827,709
<b>Total assets less current liabilities</b>		<u>17,848,071</u>	<u>17,542,039</u>
Creditors: amounts falling due after more than one year	20	(736,955)	(611,389)
<b>Net assets excluding pension liability</b>		17,111,116	16,930,650
Defined benefit pension scheme liability	29	(2,152,000)	(9,764,000)
<b>Total net assets</b>		<u><u>14,959,116</u></u>	<u><u>7,166,650</u></u>

SMART MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 10257723

BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	15,183,178	15,087,577
Restricted income funds	21	1,114,093	1,071,227
Restricted funds excluding pension asset	21	16,297,271	16,158,804
Pension reserve	21	(2,152,000)	(9,764,000)
<b>Total restricted funds</b>	21	<b>14,145,271</b>	<b>6,394,804</b>
<b>Unrestricted income funds</b>	21	<b>813,845</b>	<b>771,846</b>
<b>Total funds</b>		<b>14,959,116</b>	<b>7,166,650</b>

The financial statements on pages 33 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....  
**C A Christie**  
Chair of Trustees

Date: 7 December 2022

The notes on pages 38 to 70 form part of these financial statements.

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**SMART MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	1,458,765	237,143
<b>Cash flows from investing activities</b>	25	(1,449,390)	(334,828)
<b>Cash flows from financing activities</b>	24	185,725	422,544
<b>Change in cash and cash equivalents in the year</b>		195,100	324,859
Cash and cash equivalents at the beginning of the year		3,022,204	2,697,345
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<u>3,217,304</u>	<u>3,022,204</u>

The notes on pages 38 to 70 form part of these financial statements

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies**

**General information**

SMART Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

**1.1 Basis of preparation of financial statements**

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

**1.2 Going concern**

The Trustees have given due consideration to the Balance Sheet position, the strength of financial controls, future financial forecasting together with a viable Strategy delivered by the Business Plan. Based on this consideration the Trustees are in full agreement that there are no material uncertainties in respect of the Trust's ability to continue as a going concern.

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the 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.

• **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.

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Academy'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 Taxation**

The Academy 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.

**1.6 Intangible assets**

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Development expenditure	-	20% straight line
Computer software	-	20% straight line

**1.7 Tangible fixed assets**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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**SMART MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	33% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

**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.

**1.11 Salix and CIF loans**

The Academy Trust has five nil interest Salix loans and fourteen CIF loans which have been agreed by the ESFA. The loans are recognised at the loan amount received less any amounts repaid. At the year end, the outstanding balance on the loans was recognised as a liability.

**1.12 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 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. 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.

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

**1.13 Leased assets**

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

**1.14 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.

**1.15 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.

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**1. Accounting policies (continued)**

**1.16 PFI**

The Academy Trust occupies a building under a PFI arrangement. The Academy Trust pays contributions in respect of facilities management. The Academy Trust does not have any rights or obligations of ownership in respect of these assets, and therefore they are not included on the Academy Trust's balance sheet. The Academy Trust's payment for service is recognised in the SoFA.

Where the Academy Trust procures and pays for additional furniture or equipment, the costs are capitalised and depreciated in accordance with the tangible fixed assets policy.

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

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

Critical accounting estimates and assumptions:

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

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Capital grants	-	-	154,293	154,293
Other donations	3,998	14,019	-	18,017
<b>Total 2022</b>	<b>3,998</b>	<b>14,019</b>	<b>154,293</b>	<b>172,310</b>

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**3. Income from donations and capital grants (continued)**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donated fixed assets	-	-	125,900	125,900
Capital grants	-	-	1,700,876	1,700,876
Other donations	1,598	5,312	-	6,910
<b>Total 2021</b>	<b>1,598</b>	<b>5,312</b>	<b>1,826,776</b>	<b>1,833,686</b>

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
<b>Donations and capital grants</b>			
<b>DfE/ESFA grants</b>			
General annual grant	-	10,154,708	10,154,708
Other DfE/ESFA grants			
Universal infant free school meals	-	186,817	186,817
Pupil premium	-	1,486,221	1,486,221
Teachers pay	-	10,023	10,023
Teachers pension	-	28,322	28,322
Others	-	338,892	338,892
	-	12,204,983	12,204,983
<b>Other Government grants</b>			
Local authority grants	-	1,479,170	1,479,170
	-	1,479,170	1,479,170
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Other DfE/EFSA Covid-19 funding	-	72,302	72,302
	-	72,302	72,302
<b>Other income</b>			
Other incoming resources	173,018	-	173,018
	173,018	-	173,018
	173,018	13,756,455	13,929,473
	173,018	13,756,455	13,929,473

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>Donations and capital grants</b>			
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	-	9,521,719	9,521,719
Other DfE/ESFA grants			
- Universal income free school meals	-	207,854	207,854
- Pupil premium	-	1,295,064	1,295,064
- Teachers pension	-	338,303	338,303
- Teachers pay	-	107,860	107,860
- Other grants	-	272,971	272,971
	-	11,743,771	11,743,771
<b>Other Government grants</b>			
Local authority grants	-	1,199,152	1,199,152
	-	1,199,152	1,199,152
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Other DfE/ESFA Covid-19 funding	-	195,281	195,281
	-	195,281	195,281
<b>Other income</b>			
Other incoming resources	102,460	-	102,460
	102,460	-	102,460
<b>Total Donations and capital grants</b>	102,460	13,138,204	13,240,664
	102,460	13,138,204	13,240,664

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Income from other trading activities**

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	43,849	43,849
Other income	207,221	207,221
<b>Total 2022</b>	<b>251,070</b>	<b>251,070</b>

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	41,489	41,489
Other income	87,841	87,841
<b>Total 2021</b>	<b>129,330</b>	<b>129,330</b>

**6. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income - from short term deposits	658	658

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - from short term deposits	535	535

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**7. Expenditure**

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on raising voluntary income:				
Direct costs	-	-	-	-
Expenditure on raising funds:				
Direct costs	-	-	251,070	251,070
Academies educational operations:				
Direct costs	9,031,434	469,006	617,084	10,117,524
Allocated support costs	2,513,001	955,592	1,404,858	4,873,451
<b>Total 2022</b>	<b>11,544,435</b>	<b>1,424,598</b>	<b>2,273,012</b>	<b>15,242,045</b>
	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising funds:				
Direct costs	-	-	129,330	129,330
Academy's educational operations:				
Direct costs	8,732,840	468,333	531,166	9,732,339
Allocated support costs	2,292,454	866,904	1,101,614	4,260,972
<b>Total 2021</b>	<b>11,025,294</b>	<b>1,335,237</b>	<b>1,762,110</b>	<b>14,122,641</b>

**8. Expenditure on raising funds**

**Fundraising trading expenses**

	Unrestricted funds 2022 £	Total funds 2022 £
Cost of raising funds	251,070	251,070

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**8. Expenditure on raising funds (continued)**

**Fundraising trading expenses (continued)**

	Unrestricted funds 2021 £	Total funds 2021 £
Cost of raising funds	129,330	129,330

**9. Charitable activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
<b>Educational Operations</b>			
Direct costs	41,134	11,195,075	11,236,209
Support costs	94,541	3,660,225	3,754,766
<b>Total 2022</b>	<b>135,675</b>	<b>14,855,300</b>	<b>14,990,975</b>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
<b>Educational Operations</b>			
Direct costs	17,434	9,714,905	9,732,339
Support costs	71,562	4,189,410	4,260,972
<b>Total 2021</b>	<b>88,996</b>	<b>13,904,315</b>	<b>13,993,311</b>

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**10. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Academy's educational operations	10,117,524	4,873,451	<b>14,990,975</b>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	9,732,339	4,260,972	13,993,311

**Analysis of support costs**

	Total funds 2022 £	Total funds 2021 £
Staff costs	2,513,010	2,281,999
Other support staff costs	-	10,455
Other support costs	1,029,309	779,310
Technology costs	232,560	216,338
Premises costs	955,592	866,904
Legal costs	89,352	64,396
Governance costs	53,628	41,570
	<b>4,873,451</b>	<b>4,260,972</b>

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

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	187,840	189,618
Depreciation of tangible fixed assets	467,207	457,745
Amortisation of intangible assets	1,798	10,788
Gain on disposal of fixed assets	-	(200)
Interest	3,663	688
Net interest on defined benefit pension liability	160,000	148,000
Fees paid to auditor for:		
- Audit	20,970	22,000
- Other services	4,870	17,750
	<u>187,840</u>	<u>189,618</u>

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	7,786,917	7,705,479
Social security costs	711,682	699,724
Pension costs	2,675,301	2,461,459
	<u>11,173,900</u>	<u>10,866,662</u>
Agency staff costs	336,832	118,986
Staff restructuring costs	9,892	15,994
Staff development costs	23,811	23,652
	<u>11,544,435</u>	<u>11,025,294</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	9,892	15,994
	<u>9,892</u>	<u>15,994</u>

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**12. Staff (continued)**

**b. Severance payments**

The Academy paid 2 severance payments in the year (2021 - 2), disclosed in the following bands:

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

**c. Staff numbers**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>125</b>	<b>130</b>
Administration and support	<b>234</b>	<b>233</b>
Management	<b>3</b>	<b>3</b>
	<b>362</b>	<b>366</b>

**d. Higher paid staff**

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

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

**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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £984,081 (2021 - £1,031,685).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Central services**

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

- human resources;
- financial services;
- legal services;
- educational support services and leadership;
- strategic leadership, guidance and support.

The Academy charges for these services on the following basis:

- 5% of GAG income (excluding high needs and early years funding).

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Wyndham Primary School	49,022	48,074
Stocksfield Avenue Primary School	89,595	90,052
Farne Primary School	54,200	53,549
Cheviot Primary School	57,496	57,403
Mountfield Primary School	48,841	48,705
Kenton Bar Primary School	68,706	72,215
Kingston Park Primary School	88,112	81,195
North Fawdon Primary School	45,646	47,165
<b>Total</b>	<b>501,618</b>	<b>498,358</b>

**14. Trustees' remuneration and expenses**

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The headteachers and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employments, and not in respect of their services as Trustees.

During the period ended 31 August 2022, travel and subsistence expenses totalling £903 (2021: £94) were reimbursed or paid directly to 3 Trustees (2021: 1).

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**15. Trustees' and Officers' insurance**

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

**16. Intangible assets**

	Project costs £	Computer software £	Total £
<b>Cost</b>			
At 1 September 2021	-	53,941	53,941
Additions	102,776	54,113	156,889
At 31 August 2022	<u>102,776</u>	<u>108,054</u>	<u>210,830</u>
<b>Amortisation</b>			
At 1 September 2021	-	52,143	52,143
Charge for the year	-	1,798	1,798
At 31 August 2022	<u>-</u>	<u>53,941</u>	<u>53,941</u>
<b>Net book value</b>			
At 31 August 2022	<u>102,776</u>	<u>54,113</u>	<u>156,889</u>
At 31 August 2021	<u>-</u>	<u>1,798</u>	<u>1,798</u>

Project costs relate to staff time capitalised in respect of intangibles development.

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**17. Tangible fixed assets**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	15,163,280	567,194	401,798	16,132,272
Additions	1,425,445	95,366	83,530	1,604,341
At 31 August 2022	16,588,725	662,560	485,328	17,736,613
<b>Depreciation</b>				
At 1 September 2021	900,257	264,143	255,340	1,419,740
Charge for the year	318,303	88,738	60,166	467,207
At 31 August 2022	1,218,560	352,881	315,506	1,886,947
<b>Net book value</b>				
At 31 August 2022	15,370,165	309,679	169,822	15,849,666
At 31 August 2021	14,263,023	303,051	146,458	14,712,532

**18. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	103,996	98,808
Prepayments and accrued income	584,308	1,445,407
Other debtors	78,993	127,544
	767,297	1,671,759

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**19. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other loans	119,583	55,534
Trade creditors	306,937	467,746
Other taxation and social security	168,038	165,124
Other creditors	206,403	191,796
Accruals and deferred income	1,342,124	986,054
	<u>2,143,085</u>	<u>1,866,254</u>
	2022 £	2021 £
Deferred income at 1 September 2021	298,013	345,784
Resources deferred during the year	421,375	298,013
Amounts released from previous periods	(298,013)	(345,784)
	<u>421,375</u>	<u>298,013</u>

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

	2022 £	2021 £
Other loans	<u>736,955</u>	<u>611,389</u>
Included within the above are amounts falling due as follows:		
	2022 £	2021 £
<b>Between one and two years</b>		
Other loans	<u>96,756</u>	<u>73,148</u>
<b>Between two and five years</b>		
Other loans	<u>277,293</u>	<u>215,397</u>
<b>Over five years</b>		
Other loans	<u>362,906</u>	<u>322,844</u>

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**21. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General Funds	771,846	428,744	(386,745)	-	-	813,845
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,071,227	10,193,053	(9,739,875)	(410,312)	-	1,114,093
Other DfE / ESFA grants	-	2,011,930	(2,011,930)	-	-	-
Other government grants	-	1,533,895	(1,533,895)	-	-	-
Other restricted funds	-	31,596	(31,596)	-	-	-
Pension reserve	(9,764,000)	-	(1,069,000)	-	8,681,000	(2,152,000)
	<u>(8,692,773)</u>	<u>13,770,474</u>	<u>(14,386,296)</u>	<u>(410,312)</u>	<u>8,681,000</u>	<u>(1,037,907)</u>
<b>Restricted fixed asset funds</b>						
Inherited on conversion	7,105,913	-	(144,750)	-	-	6,961,163
DfE group capital grants	3,762,526	154,293	(210,861)	-	-	3,705,958
Capital expenditure from GAG	739,077	-	(2,426)	410,312	-	1,146,963
Donated fixed assets	3,480,061	-	(110,967)	-	-	3,369,094
	<u>15,087,577</u>	<u>154,293</u>	<u>(469,004)</u>	<u>410,312</u>	<u>-</u>	<u>15,183,178</u>
<b>Total Restricted funds</b>	<u>6,394,804</u>	<u>13,924,767</u>	<u>(14,855,300)</u>	<u>-</u>	<u>8,681,000</u>	<u>14,145,271</u>
<b>Total funds</b>	<u><u>7,166,650</u></u>	<u><u>14,353,511</u></u>	<u><u>(15,242,045)</u></u>	<u><u>-</u></u>	<u><u>8,681,000</u></u>	<u><u>14,959,116</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Statement of funds (continued)**

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

**General Annual Grant**

General Annual Grant must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

**Other DfE/ESFA grants**

Other DfE/ESFA grants comprise pupil premium targeted at disadvantaged pupils, free school meals income, teachers pay and pension grants and other grants.

**Other government grants**

Other government grants include high needs funding, 2 year old grant income and Early Years funding.

**Other restricted funds**

Other restricted funds include funds given for a specific purpose.

**Pension reserve**

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 31.

**Inherited on conversion**

Transferred on conversion include the buildings of the Academy Trust. Depreciation will be charged to the fund over the life of the related assets.

**DfE group capital grants**

Capital grants have been received for utilisation on building improvements and refurbishments. Costs incurred have been charged to the fund.

**Capital expenditure from GAG**

This represents the total capital expenditure from the GAG. Depreciation will be charged to the fund over the life of the related assets.

**Donated fixed assets**

This represents donated land and buildings from the DfE. Depreciation will be charged to the fund over the life of the related assets.

**Unrestricted funds**

General funds can be used for any purpose, at the discretion of the Trustees, within the objectives of the Academy Trust.

**Transfers**

Transfers between funds represent amounts financed from Trust restricted reserves.

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>					
General Funds - all funds	756,249	233,923	(218,326)	-	771,846
<b>Restricted general funds</b>					
General Annual Grant (GAG)	532,903	9,521,719	(8,946,185)	(37,210)	1,071,227
Other DfE / ESFA grants	-	2,222,052	(2,222,052)	-	-
Other government grants	-	1,394,433	(1,394,433)	-	-
Other restricted funds	-	5,312	(5,312)	-	-
Pension reserve	(8,964,000)	-	(868,000)	68,000	(9,764,000)
	(8,431,097)	13,143,516	(13,435,982)	30,790	(8,692,773)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	7,274,512	-	(168,599)	-	7,105,913
DfE group capital grants	2,676,508	1,700,876	(191,626)	(423,232)	3,762,526
Capital expenditure from GAG	290,904	-	(12,269)	460,442	739,077
Donated fixed assets	3,450,000	125,900	(95,839)	-	3,480,061
	13,691,924	1,826,776	(468,333)	37,210	15,087,577
<b>Total Restricted funds</b>	5,260,827	14,970,292	(13,904,315)	68,000	6,394,804
<b>Total funds</b>	6,017,076	15,204,215	(14,122,641)	68,000	7,166,650

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wyndham Primary School	<b>105,187</b>	93,900
Stocksfield Avenue Primary School	<b>607,239</b>	589,927
Farne Primary School	<b>381,883</b>	275,272
Cheviot Primary School	<b>434,689</b>	274,740
Mountfield Primary School	<b>124,153</b>	118,927
Kenton Bar Primary School	<b>256,211</b>	214,778
Kingston Park Primary School	<b>365,266</b>	280,748
North Fawdon Primary School	<b>32,029</b>	135,396
Central services	<b>(378,719)</b>	(140,615)
Total before fixed asset funds	<b>1,927,938</b>	1,843,073
Restricted fixed asset fund	<b>15,183,178</b>	15,087,577
Pension reserve	<b>(2,152,000)</b>	(9,764,000)
<b>Total</b>	<b>14,959,116</b>	7,166,650

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Wyndham Primary School	722,107	165,962	50,679	230,179	1,168,927
Stocksfield Avenue Primary School	1,467,057	154,572	120,066	502,323	2,244,018
Farne Primary School	859,114	119,546	111,055	187,765	1,277,480
Cheviot Primary School	1,121,563	132,680	83,255	214,371	1,551,869
Mountfield Primary School	898,457	105,018	46,551	243,304	1,293,330
Kenton Bar Primary School	1,359,259	132,132	71,220	267,867	1,830,478
Kingston Park Primary School	1,705,723	266,752	93,305	358,492	2,424,272
North Fawdon Primary School	860,941	139,652	99,513	169,996	1,270,102
Central Services	37,213	387,687	49,978	168,678	643,556
<b>Academy</b>	<b>9,031,434</b>	<b>1,604,001</b>	<b>725,622</b>	<b>2,342,975</b>	<b>13,704,032</b>

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

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Wyndham Primary School	786,671	141,095	36,330	221,150	1,185,246
Stocksfield Avenue Primary School	1,450,713	148,792	69,855	500,745	2,170,105
Farne Primary School	802,675	128,989	68,942	198,301	1,198,907
Cheviot Primary School	1,088,325	154,282	64,528	275,601	1,582,736
Mountfield Primary School	888,332	83,640	36,240	255,466	1,263,678
Kenton Bar Primary School	1,318,605	146,955	48,507	274,130	1,788,197
Kingston Park Primary School	1,551,937	248,384	64,775	377,422	2,242,518
North Fawdon Primary School	809,846	131,471	113,953	252,185	1,307,455
Central services	35,736	388,846	28,036	93,206	545,824
<b>Academy</b>	<b>8,732,840</b>	<b>1,572,454</b>	<b>531,166</b>	<b>2,448,206</b>	<b>13,284,666</b>

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

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	15,849,666	<b>15,849,666</b>
Intangible fixed assets	-	-	156,889	<b>156,889</b>
Current assets	606,733	3,166,893	210,975	<b>3,984,601</b>
Creditors due within one year	207,112	(2,052,800)	(297,397)	<b>(2,143,085)</b>
Creditors due in more than one year	-	-	(736,955)	<b>(736,955)</b>
Provisions for liabilities and charges	-	(2,152,000)	-	<b>(2,152,000)</b>
<b>Total</b>	<b>813,845</b>	<b>(1,037,907)</b>	<b>15,183,178</b>	<b>14,959,116</b>

**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	-	-	14,712,532	<b>14,712,532</b>
Intangible fixed assets	-	-	1,798	<b>1,798</b>
Current assets	771,846	2,725,843	1,196,274	<b>4,693,963</b>
Creditors due within one year	-	(1,654,616)	(211,638)	<b>(1,866,254)</b>
Creditors due in more than one year	-	-	(611,389)	<b>(611,389)</b>
Provisions for liabilities and charges	-	(9,764,000)	-	<b>(9,764,000)</b>
<b>Total</b>	<b>771,846</b>	<b>(8,692,773)</b>	<b>15,087,577</b>	<b>7,166,650</b>

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(888,534)</b>	1,081,574
<b>Adjustments for:</b>		
Amortisation	1,798	10,788
Depreciation	467,207	457,745
Capital grants from DfE and other capital income	(310,955)	(1,826,776)
Interest receivable	(658)	(535)
Interest payable	3,663	688
Defined benefit pension scheme cost less contributions payable	909,000	720,000
Defined benefit pension scheme finance cost	160,000	148,000
Profit on disposal of fixed assets	-	(200)
Decrease in debtors	904,462	79,272
Increase/(decrease) in creditors	212,782	(433,413)
<b>Net cash provided by operating activities</b>	<b>1,458,765</b>	<b>237,143</b>

**24. Cash flows from financing activities**

	2022 £	2021 £
New other loan	233,991	440,353
Repayments of other loan	(44,603)	(17,121)
Finance costs	(3,663)	(688)
<b>Net cash provided by financing activities</b>	<b>185,725</b>	<b>422,544</b>

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**25. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	658	535
Purchase of tangible fixed assets	(1,604,341)	(1,788,544)
Proceeds from the sale of tangible fixed assets	-	8,682
Capital grants from DfE Group	154,293	1,444,499
<b>Net cash used in investing activities</b>	<b>(1,449,390)</b>	<b>(334,828)</b>

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

	2022 £	2021 £
Cash in hand and at bank	3,217,304	3,022,204
<b>Total cash and cash equivalents</b>	<b>3,217,304</b>	<b>3,022,204</b>

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

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	3,022,204	195,100	3,217,304
Debt due within 1 year	(55,534)	(64,049)	(119,583)
Debt due after 1 year	(611,389)	(125,566)	(736,955)
	<b>2,355,281</b>	<b>5,485</b>	<b>2,360,766</b>

**28. Capital commitments**

	2022 £	2021 £
Expenditure contracted for but not provided in these financial statements	-	1,474,252

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**29. 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 Newcastle City Council. 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 £127,678 were payable to the schemes at 31 August 2022 (2021 - £190,576) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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

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**29. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £1,121,433 (2021 - £1,132,459).

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.

**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 £808,000 (2021 - £767,000), of which employer's contributions totalled £641,000 (2021 - £609,000) and employees' contributions totalled £ 167,000 (2021 - £158,000). The agreed contribution rates for future years are 23.3% per cent for employers and 5.5% - 9.9% per cent for employees. There is a 0.5% admin charge included within the employer contribution.

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	4.2	4.1
Rate of increase for pensions in payment/inflation	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.7	2.6

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	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

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**29. Pension commitments (continued)**

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate +0.1%	11,454	18,438
Discount rate -0.1%	12,053	19,403
Mortality assumption - 1 year increase	11,419	18,211
Mortality assumption - 1 year decrease	12,077	19,630
CPI rate +0.1%	11,995	19,308
CPI rate -0.1%	11,501	18,514

**Share of scheme assets**

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	5,162,000	5,085,000
Government bonds	154,000	192,000
Corporate bonds	1,785,000	1,839,000
Property	1,065,000	732,000
Cash and other liquid assets	173,000	366,000
Multi Asset Credit	422,000	-
Other assets	835,000	933,000
<b>Total market value of assets</b>	<b>9,596,000</b>	<b>9,147,000</b>

The actual return on scheme assets was £(152,000) (2021 - £1,332,000).

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

	2022 £	2021 £
Current service cost	1,550,000	1,329,000
Net interest cost	160,000	148,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>1,710,000</b>	<b>1,477,000</b>

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**29. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>18,911,000</b>	16,236,000
Current service cost	1,550,000	1,329,000
Interest cost	321,000	276,000
Employee contributions	167,000	158,000
Actuarial (gains)/losses	(8,994,000)	1,136,000
Benefits paid	(207,000)	(224,000)
<b>At 31 August</b>	<b>11,748,000</b>	18,911,000

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

	2022 £	2021 £
<b>At 1 September</b>	<b>9,147,000</b>	7,272,000
Interest income	161,000	128,000
Actuarial (losses)/gains	(313,000)	1,204,000
Employer contributions	641,000	609,000
Employee contributions	167,000	158,000
Benefits paid	(207,000)	(224,000)
<b>At 31 August</b>	<b>9,596,000</b>	9,147,000

Potential pension increases from 1 April 2023 of the order of 10% aligned with CPI have not been reflected in the pension valuation presented, given that decision on the pension increase is a future and highly uncertain event. The expected impact is 5.5%-6% adjustment, which would see an additional liability of c550k.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. 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	210,202	189,618
Later than 1 year and not later than 5 years	601,386	583,689
Later than 5 years	784,232	972,020
	<u>1,595,820</u>	<u>1,745,327</u>

**31. Members' liability**

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

**32. Related party transactions**

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

There were no related parties transactions with the Academy Trust in the year.