

Annual Report &
Financial Statements
for the Year Ended 31
August 2022



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REFERENCE AND ADMINISTRATIVE DETAILS

Members

L Abbotts
J Chambers
J Gainsborough
A Cojocar (Appointed 20 September 2022)
C Pattinson (Appointed 16 December 2021)

Trustees

M Sumner (Chair of Trustees)
J Adu-Gyamfi (Vice Chair of Trustees) (Appointed 1 September 2021)
C Adams
T Castle
J Dilger
M Gichaara (Appointed 22 October 2021)
A Cojocar (Joint Vice Chair of Trustees) (Resigned 12 July 2022)
J Twentyman (Resigned 22 October 2021)
O Majid (Resigned 13 December 2021)
L Abbotts (Chair of Trustees) (Resigned 19 May 2022)
A Sallu (Appointed 1 September 2021 and resigned 19 September 2022)
A Alam (Appointed 18 November 2022)
S Burney (Appointed 18 November 2022)
V Gandhi (Appointed 18 November 2022)

Senior management team

- Chief Executive	A Billings
- Headteacher	E Roberts
- Headteacher	L Santi
- Deputy Headteacher	M Williams
- Deputy Headteacher	P Bower
- Deputy Headteacher	E Georgiades
- Deputy Headteacher	H Levis
- Chief Finance Officer	S Dougall

Company secretary

N Rennard

Company registration number

08482398 (England and Wales)

Registered office

Station Road
Wood Green
London N22 7ST

Academies operated

Heartlands High School
The Grove

Location

Station Road, Wood Green, London
Downhills Park Road, Tottenham, London

Heads of School

E Roberts
L Santi

Independent auditor

Alliotts LLP
Imperial House
8 Kean Street
London WC2B 4AS

Solicitors

Veale Wasbrough Vizards
86 Fetter Lane
London EC4A 1AD

TRUSTEES' REPORT

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates two schools. Heartlands High School is a non-selective academy for pupils aged 11 to 16 serving a catchment area in Wood Green, North London, with admission criteria based on catchment area. The Grove is a special school serving predominantly the Haringey Local Authority, for pupils aged 5-19 with an Education, Health and Care Plan and a primary diagnosis of autism.

The Trust had on roll 1,319 students (October 2022 school census) comprising 1,198 in Heartlands High School and 121 in The Grove.

Structure, governance and management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Search Education 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 to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Trust has joined the Government's Risk Protection Arrangement. Trustees are covered for the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. Details are included in note 12.

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

Trust members, Trustees, the Chair and Vice-Chair of the Board of Trustees are elected or appointed as set out in the Articles of Association as follows:

- Trust Members: a minimum of three Trust Members to be appointed. Trust Members may agree by passing a special resolution to appoint such additional Trust Members as they see fit;
- Trustees: a minimum of three Trustees and a maximum of ten Trustees are to be appointed by an ordinary resolution by the Trust Members;

at least two Parent Trustees elected by the Parent Local Governors, unless there are two Parent Local Governors sitting on each Local Governing Committee; the Chief Executive Officer may be appointed as Trustee by the Members (provided that a total number of Trustees including the Chief Executive Officer who are employees of the Trust must not exceed one third of the total number of Trustees

- co-opted Trustees (appointed by Trustees who are not themselves co-opted)
- Chair and Vice Chair: Trustees will elect a Chair and Vice-Chair each year from the Board of Trustees (Staff Trustees are not eligible)

Trustee appointments are for four years. Eligible trustees may be appointed at general meetings.

The Board of Trustees are responsible for ensuring that:

- skills of any new Trustees fit in with the Trust's requirements in the short, medium and longer term
- each Trustee is eligible to become a Trustee and is not disqualified from doing so (including the requirement that they are not disqualified from being a Charity Trustee, Company Director or from the provisions of the Trust's Articles)
- all relevant checks are made including an enhanced Disclosure and Barring Service check; Trustees are also asked to sign a Trustee Declaration of Eligibility and a Declaration of Business Interests
- Trustees understand their role and responsibilities they are taking on and consent to act as Trustees

Trustee recruitment has been supported by Inspiring Governance.

One of the key areas of development for the governing body this year was to continue to widen the diversity of the Board of Trustees and Local Governing Committees. A highly successful recruitment campaign was launched in summer 2022, supported by Inspiring Governance. Three new Trustees were appointed in November 2022 bringing new skills, knowledge and experience to the Trust.

Policies and procedures adopted for the induction and training of Trustees

A Training and Induction Policy is in place, adopted by the Board of Trustees. This sets out the framework for the induction and the ongoing training and development of the Governing Body.

Each new Trustee completes an induction programme. The induction programme provides an understanding of:

- the strategy, vision, ethos and values of the trust
- their legal responsibilities and accountabilities as a trustee
- the values, mindset and behaviours of effective trustees
- an overview of trust and school funding and its relationship to the curriculum
- the principles of financial oversight and risk management and where accountabilities and responsibilities lie
- their responsibilities for safeguarding
- the principles of quality teaching and learning and how to interpret information and how to monitor progress
- the role of trustees in ensuring the quality of teaching and learning across the trust
- the role of trustees in monitoring the wider performance of the trust: reporting, KPIs & benchmarking
- an overview of current trends and policy issues for the trust sector
- how to relate the principles of effective governance in practice

TRUSTEES' REPORT (CONTINUED)

All trustees are required to complete safeguarding training.

The induction also includes a tour of the schools and a meeting with the Headteachers and the chance to observe lessons.

Relevant trust documents are provided such as the Articles of Association; Scheme of Governance; copies of the past three years annual report and financial statements; past meeting papers; school(s) prospectus and a copy of the Trust's strategic plan.

The Trust employs a professional clerk. Further support, advice and information has been secured through Gold Membership with the National Governance Association; Learning Link governance a-learning modules; The Key and Haringey Education Partnership. Trustees have access to events, briefings, advice and guidance through these routes. Ongoing training and development are supported and encouraged; with Trustees attending training provided internally and externally. Trustees are asked to complete a skills audit identifying potential gaps in skills and experience, helping to inform recruitment as well as individual and collective training needs. An annual development day is held for all members of the Governing Body.

Organisational structure

Member's responsibilities are to:

- oversee the achievement of the Trust's objectives
- appoint and remove Trustees, as required
- make amendments to the Trust's Memorandum and Articles of Association that determine the constitution and governance arrangements of the Trust

The Board of Trustees' responsibilities are to:

- determine the vision and values, strategic plan, annual objectives and targets for the Trust, and to monitor achievement against these
- ensure that the business and finances of the Trust are well led and managed
- ensure probity and fulfilment of statutory and regulatory responsibilities
- appoint members of the Local Governing Committee(s)
- determine the arrangements for the setting of key policies
- appoint the Chief Executive Officer, Chief Finance Officer, Headteachers and set arrangements for their performance management

The Finance & Resources Committee's responsibilities are:

- Finance - oversee, and give advice and support to the Board of Trustees on:
 - matters relating to financial management, strategy and policies (including setting of annual budgets and detailed oversight of in-year financial performance)
 - the safeguarding and use of assets/resources; ensuring that the Trust operates within the law and regulatory environment in relation to its finances and its role as an employer; and compliance with legislation relating to Health & Safety
- Audit - oversee, and give advice to the Board on:
 - the adequacy and effectiveness of systems of risk management and internal control;
 - the Trust's audit strategy and annual plan
 - the appointment, dismissal and remuneration of internal auditors and financial statements auditors
 - monitoring of actions to address audit findings and ensuring that all allegations of fraud and irregularity are appropriately investigated
 - ensure control weaknesses are addressed
- Resources: Human Resources, Facilities and Information and Communication Technology

TRUSTEES' REPORT (CONTINUED)

The Local Governing Committee(s) responsibilities are to:

- carry forward the Trust's vision in a way that is appropriate to the specific qualities and community characteristics of the school
- ensure that standards of achievement are high
- monitor and evaluate the work of the school systematically in relation to student performance, student behaviour, self-evaluation and improvement
- act in an advisory capacity to the school and Headteachers / Head of School(s)

In order to ensure the proper management of the Trust, the Trustees have delegated specific responsibilities and tasks. Where it is practical, the Trustees ensure that their non-executive powers are exercised by themselves personally and are not delegated. When it is impracticable to do so, those powers are delegated to the Chief Executive Officer, Headteachers / Heads of School and the Chief Finance Officer.

Delegation from strategic governance through to the operational management within the Trust is as follows:

- Chief Executive Officer – to provide professional leadership, strategic management and direction for the Trust including:
 - internal organisation, management and control of the academies
 - advising on and implementing the Trust's strategic framework
 - implementation of all policies approved by the Trustees
 - directing the Headteacher(s) / Head of School(s) in operational and educational standard matters
 - formulating aims and objectives, policies and targets for the Trustees to consider and report on progress
 - preparation of the annual curriculum policy and the review
- The Chief Executive also has responsibility as the Accounting Officer for ensuring:
 - financial regularity and propriety
 - legal compliance
 - prudent and economical administration
 - efficient and effective use of resources
 - day to day organisation, staffing and management of the Trust
- Chief Finance Officer – to guide the Trustees on all financial, audit and resource matters and operational management of the financial position including:
 - day to day management of financial and resource issues
 - preparation and management of the Trust's budgets
 - maintenance of effective systems of internal control
 - ensuring the annual accounts are presented and adequately supported by the processing systems and reporting frameworks
- Headteacher(s) / Head of School(s) – responsible for the day to day operational management of their school including:
 - internal organisation, management and control of his or her respective school
 - implementation of all relevant policies approved by the Trustees
 - direction of the teaching and implementation of the curriculum

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprise the Trustees and Senior Management Team as listed on page 1. None of the Trustees of the Trust receive any remuneration for their services as Trustees.

The Trustees determine a structure of posts paid on the leadership scale to meet the strategic needs of the Trust. Teachers paid on the leadership spine will have their salaries set, having regard to consideration of comparability with Part 2 of the School Teachers Pay and Conditions Document, (STPCD), prudent use of Trust resources and market factors.

The performance management and remuneration of the CEO is reviewed annually and undertaken by a Pay and Performance Committee comprised of three Trustees, with support from an external professional consultant to manage the process, reviewing the CEO performance based upon agreed aims, objectives and performance indicators set the previous year. The Pay and Performance Committee receive a report from the external consultant then meet with the CEO and external consultant to discuss the outcomes of that report and to review supporting evidence of performance. Recommendations for pay and remuneration are considered and put forward to the Finance and Resources (including Audit) Committee.

The remuneration of other staff in the Trust's Central Team is delegated to the CEO, with oversight of the Finance and Resources Committee, and further delegated to senior post holders and made in accordance with the Trust's Pay Policy, Pay Scales and Performance Management/ Appraisal Policy.

The Performance Management and Appraisal process of the Head Teacher/ Head of School's is undertaken by the appropriate Local Governing Body, supported by the CEO and suitably qualified external advisor, in accordance with the Trust's Pay Policy, Pay Scales and Performance Management/ Appraisal Policy. The Pay of school/ academy leaders is based on the size and nature of their school. These salaries are based on an appropriate pay range.

Other senior leaders within each of the schools are remunerated in accordance with the Trust's Performance Management/ appraisal process and approved Pay and PM/ Appraisal policies.

Employees and persons with disabilities

The Trustees recognises Equal opportunities should be an integral part of good practice in the workplace. The Trust is committed to promoting equality of opportunity for all employees and job applicants to create a supportive and inclusive working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. The Trust will:

- establish equal opportunity in all areas of its activities including creating a culture and a working environment in which the contribution and needs of all people are fully valued.
- not discriminate against employees/applicants on the basis of age; race; sex; disability; sexual orientation; gender reassignment; marriage and civil partnership; pregnancy and maternity; religion, faith or belief. (Equality Act 2010 protected characteristics). The principles of non-discrimination and equality of opportunity also apply to the way in which employees and Trustees treat visitors, volunteers, contractors and former employees
- ensure candidates shortlisted as part of the recruitment process meet the essential criteria listed in the Person Specification of the Job Description.
- where candidates have indicated that they have a disability which requires reasonable adjustment to be made, candidates are asked in advance how the process can be made more accessible for them and timely plans must be made for adjustment.
- ensure posts short listed as part of the recruitment process is based on qualifications and experience which match the specification of the job
- regularly review its practices and procedures to make sure that the equal opportunities policy is embedded; recognising that more than a formal statement is required to make the policy work. Duly, the Trust expects each employee to make their own contribution, and makes all applicants/employees aware of this policy
- encourage all employees to take advantage of the opportunities it provides for training and development

TRUSTEES' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

With regard to persons with disabilities, the Trust recognises some people with disabilities will require reasonable adjustments in order to do their job. The Trust will:

- monitor all applications for employment from persons with disabilities via a declaration section within the application form
- monitor the physical features of its premises to consider whether they place persons with disabilities, job applicants at a substantial disadvantage compared to other employees. Where reasonable, the Trust will take steps to improve access for persons with disabilities ensuring appropriate risk assessments are in place.
- assess any employee who may become disabled during their employment. Where possible a reasonable adjustment will be made which may be physical training (i.e. adaptation), or adjustments to working practices, methods of working or by finding another suitable role for him/ her
- not discriminate in the career development and promotion of persons with disabilities

With regard to employee consultation the Trust consults with its employees and trade union representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests. The trust holds regular meetings with the Joint Consultative Committee.

This allows the Trust to maintain good employment practice and industrial relations, and complements constructive communication with employees placing a high value on communication with employees which can be evidenced over the last year by: Staff consultation on revised policies (including, Pay Policy, Equality and Diversity, Flexible working). Other example of communication with staff would be through the schools weekly staff bulletins, HR Portal - news section and staff surveys.

Throughout 2020-21 the Trust has sent regular updates and communications to Headteachers and staff relating to the updates on DfE guidance and PHE guidance on the COVID-19 pandemic, providing support to schools leaders and staff ensuring a consistent approach to the guidance from across the Trust.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	3.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	2,941
Total pay bill	11,100,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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TRUSTEES' REPORT (CONTINUED)

Related parties and other connected charities and organisations

There are no transacting connected organisations or related party relationships.

Objectives and activities

Objects and aims

The Trust's principal aim is to grow a network of strong, sustainable and successful schools, which serve the needs of local communities and promote an inclusive education – for life, for the common good of society, and for human flourishing. The trust promotes mutual collaboration with a strong focus on continual school improvement through the provision of support and challenge in equal measure. Each school is asked to:

- Stretch the imagination of learners and teachers through and inspirational curriculum and excellent strategies for teaching and learning
- Empower young people to be entrepreneurial and creative leaders of the future
- Aspire for young people to discover how they can be the best they can be
- Reach out to everyone, celebrate diversity, and leave no one behind
- Collaborate to develop community of shared practice and effective partnerships for school improvement.
- Help and support our learners, staff and families to have a voice in the community; to be actively involved, happy, safe, resilient and healthy.

This is described in the Trust's Memorandum and Articles of Association as:

- advancing for the public benefit education, by establishing, maintaining, carrying on, managing and developing school
- promoting for the benefit of the inhabitants of the London Borough of Haringey and the surrounding area, the provision of facilities for recreation or other leisure time occupation

Objectives, strategies and activities

- ensure a balanced budget across the Trust
- ensure that The Grove achieves outstanding in its first Ofsted
- ensure that all staff see themselves as part of one family of schools
- build and retain a highly skilled and effective workforce
- lift progress to 0.4 at Heartlands High School
- maintain high expectations of behaviour and reduce exclusions
- ensure all students find the appropriate next stage of their education
- improve collaboration across the Trust
- develop effective and efficient central services that support all schools and create value for money

The Trust objectives for the next period are to:

- Ensure high standards in the quality of education in all schools and good progress
- Grow inclusive schools with happy and safe young people
- Ensure the Trust is well placed to face the future
- Develop good quality central services that support all schools effectively and create value for money

Vision

The Trustees aim to provide a world class quality of provision, transforming the lives of young people through great schools in a collaborative Multi Academy Trust. We aim to deliver excellence in teaching and learning, the curriculum, approaches to behaviour and personal development.

Public benefit

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

TRUSTEES' REPORT (CONTINUED)

Strategic report

Achievements and performance

The Trust is performing strongly in its Key Performance Indicators. Individual school positions are strong. The Central Services team is now in place with better processes and systems in place to provide for existing a future schools who may wish to join the Trust family.

The Grove is a free school specialising in supporting students with autism and is consistently successful in ensuring that its pupils make the best possible progress and are well equipped and prepared for the next stage of their education and for adult life. Fundamental to the school's well-designed and personalised curriculum is its highly effective focus on developing pupils' personal development, communication skills, pupil voice and self-regulation alongside their academic abilities. The school's capacity for growth and sustained improvement is outstanding. The school implemented a well-coordinated school response to the COVID-19 crisis, in particular taking advantage of the different working ways to further develop school improvements including the curriculum and staff professional training. Of those not attending school-based learning there was a 96% engagement in home learning.

The impact of the curriculum is excellent. The large majority of pupils make at least good progress in English (87%) and Maths (83%) with a significant proportion of these making outstanding progress.

The school has not yet had its first Ofsted inspection but has received numerous awards for its work. Successful School Improvement Partner visits and Challenge Partner review have provided external validation. The school has received advanced autism accreditation from the National Autistic Society.

During the year works were completed on The Grove's Sixth Form building which then opened in September 2022. This project has been realised by converting a 'caretaker's cottage' to a bespoke and fully functional learning environment with the support of Haringey Local Authority. Though students already at The Grove are prioritised for places, external referrals are also welcomed where needs meet the admissions criteria.

Heartlands High School (HHS) is an average sized 11-16 school with 1,200 planned places; the school is oversubscribed with a waiting list in every year. There is a gender imbalance with 2.0% more boys (51%) than girls (49%). Heartlands High School is a school full of aspiration, energy and drive. The Leadership of the school, at all levels, are committed and passionate about improving the life chances of the students we serve.

Our ethos is pinned on our SEARCH values: School matters, Effort, Achievement, Responsibility, Character and High Aspirations. On indicators of deprivation, HHS is in the highest percentiles with FSM6/Pupil Premium significantly above the national average of 22% at 40% and the school deprivation is in the 5th quintile (most deprived). In addition there are higher than average numbers of SEND students, 4.9% of pupils in the school have EHCP and 9.5% require SEN support both significantly above the national average as well as 49% of students with a first language other than English. Students enter the school significantly below national averages.

Outcomes at HHS exceed those of national averages with the last provisional results in 2022 putting the school above average for progress with a P8 figure of +0.40. In 2019 the P8 figure was +0.26. In 2020 with the centrally a government allocated grades the school we estimate our P8 would have been +0.33 and in 2021 with teacher assessed grades +0.44. Our English and Maths good pass rate was 56% in 2022 (2019 pass rate for EM5+ was 39%) Attendance at Heartlands High School for 2021-22 was 91.1% which is significantly above national average The school was inspected by Ofsted in the Summer of 2019. It retains a 'good' judgement from Ofsted. Continued external quality assurance of the school validates this judgement and outstanding benchmarks are being set.

The two schools are working closely together, learning from and benefitting from each other's practice. There is an enhanced emphasis on collaboration, which will enable other schools to join and benefit from the strength of the existing partnership.

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

The 2022 results of Heartlands High School pupils were in line with national averages (NA) for progress. The overall key headline figures are:

- Grade 4 or more in English and Maths 70% (NA 2019 = 65%)
- Grade 5 or above in English and Maths 56% (NA 2019 = 43%)
- % Ebacc 29% (NA 2019 = 25%)
- Attainment 49.09 (NA 2019 = 46.69%)
- Progress 8 +0.40 (NA 2019 = -0.03)

NB: 2019 national results are the latest validated figures

Finance and resourcing

The Trust's unrestricted income - primarily of lettings and catering – have recovered following being negatively impacted in the preceding academic years without a corresponding negation of costs. Historic erosion of unrestricted reserves balances were addressed in the prior year and the fair allocation of cost for the portions of catering spend that are not funded by unrestricted income remains. As a result, the change in restricted reserves is appropriate.

While absence and also cover costs remained high throughout 2021-22, this is consistent with the wider sector experience following the experience of the prior two years. Additional premises and pastoral staff added during preceding years remain. The overall cost of staffing was on budget during the year. Targeted interventions such as School-led Tuition flourished in year. A reduction in staff development spend has continued – reflecting courses being often online and some provided at a reduced cost or without charge.

Some impacts on non-staff costs from the Covid-19 pandemic remain as standard – such as higher than historic cleaning costs. Further pressures on Trust finances have crystallised in the year including significant rates of inflation. This further highlights the need for robust and prudent budgeting as government finances rebalance, with an expectation that schools will be required to deliver more from existing resources, as was made clear in the year in respect of an unfunded pay award in 2022/23.

Governance

All governance meetings continue to be held remotely as Trustees believe that this allows for inclusion and better attendance. These meetings are supplemented by visits to the schools by the governing body during the school day as well as in person induction/training and social events.

Going concern

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

TRUSTEES' REPORT (CONTINUED)

Financial review

Most of the Trust's recurrent income is obtained from the DfE via the Education Skills and Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to delivering the objectives of the Trust. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust's total income for the period ended 31 August 2022 amounted to £15,681,487 (2021: £14,677,027) of which £10,079,910 (2021: £9,302,804) related to the ESFA General Annual Grant.

Total expenditure was £17,310,773 (2021: £15,821,202), resulting in net expenditure of £1,629,286 (2021: net expenditure £1,144,175) before an actuarial gain in the defined benefit pension scheme of £6,735,000.

The Trust held fund balances of £41,056,056 at 31 August 2022 (2021: £35,950,342) .

The Trust accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trust collectively, whilst more minor risks are dealt with by senior officers.

Reserves policy

The Trust has formulated a reserves policy for building and maintaining reserves. This policy assists the Trust in its strategic planning on either long term or short term goals. Accordingly, as per policy, the appropriate level of free reserves held should be equivalent to four weeks of the Trust's annual expenditure, which equates to £1,250,000.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements (note 18).

At 31 August 2022 the total funds comprised of:

Unrestricted		£86,616
Restricted:	Fixed asset funds	£38,580,163
	Pension reserve	(£47,000)
	Restricted income fund	£2,436,277

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 20. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Trust, at the discretion of the Trustees. The aim of the Trust is to increase this reserve to meet future working capital requirements.

Trustees can review the reserves amount at any time and why they are held. Reports should identify the value of free reserves held (being the income funds that are freely available for general purposes and may also disclose information on the policy and level of other reserves (e.g. unrestricted funds).

Investment policy

The Trust has formulated a new investment policy, and has adopted principles where:

- the Trust will only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than twelve weeks
- risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation
- funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings

Principal risks and uncertainties

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

TRUSTEES' REPORT (CONTINUED)

The principal risks facing the Trust are:

- **Reputational risk** – mitigated by marketing strategy, active and experienced Trustees and a clear strategic plan
- **Performance risk** – mitigated by clear strategic plan, robust self-evaluation and KPI analysis at Board level, strong reporting systems and an experienced leadership group
- **Financial risk** – the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by having a clear marketing strategy for the Trust, ensuring that Trust School remain oversubscribed on preferences. In addition, robust financial regulations and a strong process of budget monitoring ensures appropriate scrutiny of finances. There are effective external and internal controls in place. At budget setting, the Trust produces a three-year budget and forecast
- **Personnel risks** – mitigated by clear succession planning for leadership and governance roles and a renewed emphasis on growing our own teachers nurturing support staff through training and clear career progression routes

Risk management principles are applied by the Trust's staff, Board, and the constituted committees. Risks are associated to directorates and ultimately flows through the CEO. Any major risks highlighted are brought to the main Board of Trustees with proposed mitigating actions and will continue to be reported until the risk is adequately mitigated.

Fundraising

The Trust fundraising function continues and is now fulfilled from existing resources to ensure value for money in line with the Trust's strategic objectives. The Trust encourages and supports schools with fundraising initiatives and projects specific to each school's requirements. However, the Trust will continue to support bespoke projects for each school and the Trust as a whole.

Accordingly, the governance entails:

- **Approach to fundraising.** Fundraising falls into two distinct areas: 1) proactive - fundraising needed for larger school projects e.g. site improvements and development, larger bids; and 2) reactive - fundraising driven by Teaching and Learning e.g. musical instruments books etc. Notwithstanding, fundraising outputs are realised via securing funds or benefits in kind, e.g. access to third party venues in support of the curriculum (e.g. tickets to Theatre shows, or access to the High Court, books donations in support of new subjects)
- **Work with, and oversight of, any commercial participators/professional fundraisers.** As above the Trust has employed a professional fundraiser who has put together a fundraising programme. Work to develop commercial supporters has been undertaken but there is always further relationships to explore.
- **Fundraising conforming to recognised standards.** The fundraiser ensures that all current recognised standards are followed and complied with. The fundraiser follows Institute of Fundraising guidelines (advice and information) and attends relevant seminars as required
- **Monitoring of fundraising carried out on its behalf.** The Trust has established a fundraising database. This is shared with the Director of Operations and other senior staff to monitor activity on an ongoing basis
- **Fundraising complaints.** None
- **Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.** The Trust does not approach the public, but has adopted a commercial approach, and engages with Trusts and Foundations (organisations/donors), philanthropists and commercial bodies

TRUSTEES' REPORT (CONTINUED)

Streamlined energy and carbon reporting

	2022	2021
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year	1,798,427	1,731,708
	2022	2021
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	154.56	159.98
- Fuel consumed for owned transport	2.45	1.69
	157.01	161.67
Scope 2 - indirect emissions		
- Electricity purchased	182.32	199.12
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Trust	0.05	-
Total gross emissions	339.38	360.79
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.26	0.28

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have changed lights to LED where possible and ensured sensors are working throughout our sites - these sensors altered depending on seasonal changes. Video conferencing technology is utilised for many meetings to reduce the need for travel between sites. PCs are set to shut down over night. Regular maintenance inspections and monitoring of usage is carried out to ensure anomalies are spotted and addressed quickly. Bulletins are used to maintain awareness of measures within the staff body.

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The vision for the Trust leading up to 2023 is to provide a world class quality of provision to students; transforming the lives of young people through great schools in a collaborative Multi Academy Trust. We place young people at the centre of what we do delivering excellence in teaching and learning, the curriculum, approaches to behaviour and personal development.

Our mission is to Search for Success. The Trust has now determined its intent, vision and principles to drive its growth and development over the next 5 years:

The Search Intent

Strong, successful, sustainable schools

The Search Vision

The Search Education Trust is founded upon the importance of providing an excellent education for all our young people so they can live happy, successful lives making a positive difference within the community. Our vision is to grow strong, sustainable, successful school communities which:

Stretch the imaginations of learners and teachers through an inspirational curriculum, and strategies for teaching and learning.

Empower young people to be entrepreneurial and creative leaders of the future

Aspire for young people to discover how they can be the best they can be

Reach out to everyone, celebrate diversity, and leave no one behind

Collaborate to develop a community of shared practice and effective partnerships for school improvement

Help and support our learners, staff and families to have a voice in the community; to be actively involved, happy, safe, resilient and healthy.

The Search Principles

We work *for Children and for Schools* and we run on the principle of *by Schools for Schools* listening to the needs of each local school and its leadership in order to create excellent educational provision and **success for all**.

The Trust works to the values and principles of:

Subsidiarity - the Central Trust performs only those functions which are better undertaken together to improve quality, efficiency and sustainability.

Empowerment - of schools and young people to overcome the disadvantages resulting from background, personal circumstances or characteristics; helping them to become leaders and courageous advocates of justice, fairness and equity.

Autonomy - which is aligned and accountable within a framework of shared understanding and which balances freedom and independence, with unity of purpose.

Resilience - the ability to adapt and recover quickly from challenging situations and see problems as opportunities to build something better.

Community - a focus on people working together for the good of each other, celebrating difference and diversity and seeing the humanity which unites us all.

Honesty - the quality of being open and transparent which enables good listening, fosters mutual trust and supports good decision making.

TRUSTEES' REPORT (CONTINUED)

The Trust is consolidating its plans and ensuring that it develops outstanding schools that are efficiently run. The Trust objectives over the next period are to:

- Ensure high standards in the quality of education in all schools and good progress
- Grow inclusive schools with happy and safe young people
- Ensure the Trust is well placed to face the future and grow a family of schools benefiting from mutual support and economies of scale
- Further develop good quality central services that support all schools effectively and deliver value for money

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ^{14/12/2022}..... and signed on its behalf by:

Margaret Sumner

Margaret Sumner (Dec 14, 2022 11:39 GMT)

.....
M Sumner

Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Search Education Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees held five scheduled meetings this year.

Attendance:

Trustees	Meetings attended	Out of possible
M Sumner (Chair of Trustees)	4	5
J Adu-Gyamfi (Vice Chair of Trustees) (Appointed 1 September 2021)	5	5
C Adams	5	5
T Castle	2	5
J Dilger	4	5
M Gichaara (Appointed 22 October 2021)	5	5
A Cojocararu (Joint Vice Chair of Trustees) (Resigned 12 July 2022)	4	5
J Twentyman (Resigned 22 October 2021)	1	1
O Majid (Resigned 13 December 2021)	1	2
L Abbotts (Chair of Trustees) (Resigned 19 May 2022)	4	4
A Sallu (Appointed 1 September 2021 and resigned 19 September 2022)	4	5
A Alam (Appointed 18 November 2022)	0	0
S Burney (Appointed 18 November 2022)	0	0
V Gandhi (Appointed 18 November 2022)	0	0

GOVERNANCE STATEMENT (CONTINUED)

Priorities for the Board of Trustees this year have been:

- recruiting, establishing and developing a strong Governing Body (Trustees and Local Governors) across the Trust with a wide range of skills and experience to provide effective challenge and support the CEO, Headteacher(s) | Head of School(s) and Senior Leadership Team
- ensuring there is constant and sufficient experience, knowledge and skills across the Governing Body to ensure effective succession planning for Chair and Vice Chair positions across the governing body
- ensuring that the governing body is diverse, reflecting the communities of the schools
- ensuring that the Trust and school's meet their statutory obligations; to be made aware of the operational decisions being taken by the school or trust's senior leaders; provide re-assurance that risk assessments have been conducted and protective measures are in place, reducing risks to children and staff and ensuring pupil and staff wellbeing
- ensuring that Covid management and recovery is in place, monitoring performance and management
- ensuring that the Trust has in place proper and robust structures, systems and processes in place to support both Heartlands High School, The Grove and future schools joining the Trust developing the vision and values, strategic plan, annual objectives and targets for the Trust monitoring the Trust's performance against those objectives and targets
- developing the reporting processes and key performance indicators ensuring there is robust challenge and monitoring
- ensuring continued probity and the fulfilment of statutory and regulatory responsibilities such as the maintenance of strong GDPR principles across the Trust
- maintaining an effective Chair's committee to share expertise throughout the Trust reviewing and developing the risk strategy and risk management processes.

Conflicts of interest

During the year the Trust has continued to maintain an up to date and complete register of interests utilising this to monitor and manage any possible conflicts of interest.

To ensure good governance is in place, where necessary Trustees and key management personnel are required to absent themselves where discussions and decisions are being made that would otherwise result in a conflict of interest.

Governance reviews

Following a review of their skills and their performance as a Board, Trustees believe that:

- they strongly and extensively share a vision for SEARCH Education Trust that is clear, well understood and well communicated
- that vision underpins the discussions and decisions that they make
- they have developed clear and ambitious long term priorities that take into account internal and external contexts and hold a clear and good understanding of the challenges facing the Trust - and its strengths
- they provide high levels of professional challenge to the CEO and Senior Leadership Team and agree that their work has a positive impact upon the development of the Trust

The Board of Trustees are confident that the data presented is sufficiently robust to ensure they are able to fulfil their roles and responsibilities effectively. This is evidenced by the annual governing body survey completed by the trustees. The Board with the CEO and CFO continue to refine the data and key performance indicators in line with the Trust's priorities to establish a rigorous approach to monitoring - enabling reflection and learning; monitoring the impact of actions taken ensuring that progress within the Trust is made. The Board are utilising the skills and knowledge of the new Trustees from other sectors to further develop and establish best practice in this area.

Key areas for Board development are to:

- ensure a clear succession plan is in place for key roles across the Trust
- develop the trust strategy, vision and values that is welcoming to others to join the trust ensure that trust services provide value for money and quality services
- continue to establish greater clarity on the range and format of information and data required to hold leaders and Local Governing Committees to account including sector benchmarking
- increase individual and collective knowledge about curriculum development; school assessment, progress and attainment

GOVERNANCE STATEMENT (CONTINUED)

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its principle function is to maintain effective oversight over the Trust's finances. The committee's duties include:

- reviewing the indicative funding from the ESFA and the implications for the ensuing financial year
- recommending the annual budget
- monitoring expenditure and cash flow
- reviewing, approving and monitoring the implementation of the financial procedures

The committee held four meetings in the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Adu-Gyamfi (Vice Chair of Trustees) (Appointed 1 September 2021)	2	2
C Adams	4	4
J Dilger	4	4
A Cojocar (Joint Vice Chair of Trustees) (Resigned 12 July 2022)	4	4
O Majid (Resigned 13 December 2021)	0	2

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by continuing high investment in staff development and training, linked to promoters of best practice nationally rigorous performance management - self-review and regular external evaluation improved assessment for learning. The Trust has also audited and reviewed the roles, responsibilities and effectiveness of its central services and the use of the Trust share to support the ongoing development of each school. A part time assistant Director of Education has been appointed and the Trust is reviewing its support for policy development and governance. A Central Services Directory clearly articulates what is provided to schools within the context of key performance indicators which are regularly reported to Trustees.

The purpose of the system of internal control

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

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

Internal Scrutiny

The Trust values the role of independent assurance provision.

In accordance with the requirements of the Academy Trust Handbook 2021 the Trust commissioned an internal scrutiny review from an independent firm of auditors, Beever and Struthers.

The internal scrutiny role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a termly basis, reports are issued to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Scrutiny review for 2021-2022 showed no major areas of concern. It made a few minor recommendations which are being implemented. During the period, reviews were carried out in the areas of governance and admissions.

The internal scrutiny programme for 2022-23, which will be performed by the independent auditor, is expected to include reviews of anti-fraud arrangements and pupil number forecasting.

Review of effectiveness

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

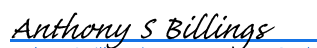
- the work of the internal scrutineer
- the work of the external auditors
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the Board of Trustees on^{14/12/2022} and signed on its behalf by:


Margaret Sumner (Dec 14, 2022 11:39 GMT)

M Sumner
Chair of Trustees


Anthony S Billings (Dec 14, 2022 13:38 GMT)

A Billings
Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that 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.

Anthony S Billings

Anthony S Billings (Dec 14, 2022 13:38 GMT)

A Billings
Accounting Officer

14/12/2022
.....

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Search Education Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 14/12/2022 and signed on its behalf by:


Margaret Sumner (Dec 14, 2022 11:39 GMT)

M Sumner
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEARCH EDUCATION TRUST

Opinion

We have audited the accounts of Search Education Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEARCH EDUCATION TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the accounts

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEARCH EDUCATION TRUST (CONTINUED)

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, the Academy Financial Handbook 2021, the Academies Accounts Direction 2021 to 2022, safeguarding prevent/protect, Ofsted, taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

Audit response to risk identified

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of governors;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with ESFA and HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEARCH EDUCATION TRUST (CONTINUED)

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

Use of our report

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

Christopher Mantel

Christopher Mantel (Dec 14, 2022 17:48 GMT)

**Christopher Mantel (Senior Statutory Auditor)
for and on behalf of Alliotts LLP**

14/12/2022

.....

**Chartered Accountants
Statutory Auditor**

Imperial House
8 Kean Street
London
WC2B 4AS

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

In accordance with the terms of our engagement letter dated 18 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Search Education Trust during the period 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 Search Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Search Education 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 Search Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Search Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Search Education Trust's funding agreement with the Secretary of State for Education dated 28 March 2012 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 period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- analytical review of the Trust's general activities to ensure that they are within the Trust's framework of authorities;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the Trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the Trust's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the Trust's delegated authorities;
- formal representations obtained from the governing body and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Executive Headteacher (CEO) or Trustees;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Executive Headteacher (CEO) or Trustees;
- review of income received in accordance with the activities permitted within the Trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Alliotts LLP
Alliotts LLP (Dec 14, 2022 17:49 GMT)

Reporting Accountant
Alliotts LLP

Dated: 14/12/2022.....

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

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	-	610	13,392	14,002	12,935
Charitable activities:						
- Funding for educational operations	4	-	15,349,755	-	15,349,755	14,379,020
Other trading activities	5	210,042	107,230	-	317,272	284,653
Investments	6	458	-	-	458	419
Total		<u>210,500</u>	<u>15,457,595</u>	<u>13,392</u>	<u>15,681,487</u>	<u>14,677,027</u>
Expenditure on:						
Raising funds	7	-	54,426	-	54,426	63,687
Charitable activities:						
- Educational operations	9	525,755	15,776,071	954,521	17,256,347	15,757,515
Total	7	<u>525,755</u>	<u>15,830,497</u>	<u>954,521</u>	<u>17,310,773</u>	<u>15,821,202</u>
Net expenditure		(315,255)	(372,902)	(941,129)	(1,629,286)	(1,144,175)
Transfers between funds	18	304,297	(1,593,737)	1,289,440	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	6,735,000	-	6,735,000	(1,313,000)
Net movement in funds		(10,958)	4,768,361	348,311	5,105,714	(2,457,175)
Reconciliation of funds						
Total funds brought forward		97,574	(2,379,084)	38,231,852	35,950,342	38,407,517
Total funds carried forward		<u>86,616</u>	<u>2,389,277</u>	<u>38,580,163</u>	<u>41,056,056</u>	<u>35,950,342</u>

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

Comparative year information Year ended 31 August 2021	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2021
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	250	-	12,685	12,935
Charitable activities:					
- Funding for educational operations	4	-	14,379,020	-	14,379,020
Other trading activities	5	224,795	59,858	-	284,653
Investments	6	419	-	-	419
Total		<u>225,464</u>	<u>14,438,878</u>	<u>12,685</u>	<u>14,677,027</u>
Expenditure on:					
Raising funds	7	-	63,687	-	63,687
Charitable activities:					
- Educational operations	9	249,758	14,507,292	1,000,465	15,757,515
Total	7	<u>249,758</u>	<u>14,570,979</u>	<u>1,000,465</u>	<u>15,821,202</u>
Net expenditure		(24,294)	(132,101)	(987,780)	(1,144,175)
Transfers between funds	18	116,100	(291,924)	175,824	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,313,000)	-	(1,313,000)
Net movement in funds		91,806	(1,737,025)	(811,956)	(2,457,175)
Reconciliation of funds					
Total funds brought forward		5,768	(642,059)	39,043,808	38,407,517
Total funds carried forward		<u>97,574</u>	<u>(2,379,084)</u>	<u>38,231,852</u>	<u>35,950,342</u>

BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		38,580,163		38,231,852
Current assets					
Stocks	14		36,196		36,925
Debtors	15		832,148		557,504
Cash at bank and in hand			3,268,273		3,596,217
			<u>4,136,617</u>		<u>4,190,646</u>
Current liabilities					
Creditors: amounts falling due within one year	16		<u>(1,613,724)</u>		<u>(1,054,156)</u>
Net current assets			<u>2,522,893</u>		<u>3,136,490</u>
Net assets excluding pension liability			<u>41,103,056</u>		<u>41,368,342</u>
Defined benefit pension scheme liability	20		<u>(47,000)</u>		<u>(5,418,000)</u>
Total net assets			<u><u>41,056,056</u></u>		<u><u>35,950,342</u></u>
Funds of the Trust:					
Restricted funds	18				
- Fixed asset funds			38,580,163		38,231,852
- Restricted income funds			2,436,277		3,038,916
- Pension reserve			(47,000)		(5,418,000)
Total restricted funds			<u>40,969,440</u>		<u>35,852,768</u>
Unrestricted income funds	18		<u>86,616</u>		<u>97,574</u>
Total funds			<u><u>41,056,056</u></u>		<u><u>35,950,342</u></u>

The accounts on pages 28 to 51 were approved by the Trustees and authorised for issue on 14/12/2022 and are signed on their behalf by:

Margaret Sumner
Margaret Sumner (Dec 14, 2022 11:39 GMT)

M Sumner
Chair of Trustees

Company registration number 08482398

STATEMENT OF CASH FLOWS

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		961,038		(117,560)
Cash flows from investing activities					
Dividends, interest and rents from investments		458		419	
Capital grants from DfE Group		13,392		12,685	
Purchase of tangible fixed assets		(1,318,943)		(188,509)	
Proceeds from sale of tangible fixed assets		16,111		-	
Net cash used in investing activities			(1,288,982)		(175,405)
Net decrease in cash and cash equivalents in the reporting period			(327,944)		(292,965)
Cash and cash equivalents at beginning of the year			3,596,217		3,889,182
Cash and cash equivalents at end of the year			3,268,273		3,596,217

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Search Education Trust is a charitable company limited by guarantee. 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

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

Search Education Trust is a multi academy trust. Heartlands High School and The Grove are currently the member schools of the multi academy trust. Central services were provided in the year and are disclosed in note 8.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed assets category and depreciated over the useful economic life in accordance with the Trust's policies.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies

(Continued)

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

Long-term leasehold buildings	2% - 10% straight line
Long-term leasehold land	over the term of the lease
Plant and machinery	10% - 33.3% straight line
Computer equipment	33.3% straight line
Office equipment	20% - 33% straight line
Motor vehicles	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies

(Continued)

1.10 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Critical accounting estimates and areas of judgement

(Continued)

Critical accounting estimates and assumptions

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

Valuation of Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Estimated useful economic life of tangible fixed assets

Tangible fixed assets, other than freehold land, are depreciated on a straight line basis over their estimated useful economic life. The estimated useful economic life is the expected period of time during which an asset is considered useable.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	13,392	13,392	12,685
Other donations	-	610	610	250
	-----	-----	-----	-----
	-	14,002	14,002	12,935
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Funding for the Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	10,079,910	10,079,910	9,302,804
Other DfE/ESFA grants:				
- Pupil premium	-	515,939	515,939	524,535
- Others	-	602,313	602,313	786,162
	-	11,198,162	11,198,162	10,613,501
Other government grants				
Local authority grants	-	3,984,577	3,984,577	2,994,260
Special educational projects	-	18,557	18,557	671,481
	-	4,003,134	4,003,134	3,665,741
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	81,166	81,166	102,243
Non-DfE/ESFA				
Other COVID-19 funding	-	26,217	26,217	-
	-	107,383	107,383	102,243
Other incoming resources	-	41,076	41,076	(2,465)
Total funding	-	15,349,755	15,349,755	14,379,020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Lettings income	69,855	-	69,855	13,469
Catering income	140,187	-	140,187	156,378
Department income	-	12,850	12,850	9,816
Uniform sales	-	44,797	44,797	45,132
Other income	-	49,583	49,583	59,858
	210,042	107,230	317,272	284,653

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	458	-	458	419

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	54,426	54,426	63,687
Academy's educational operations					
- Direct costs	10,359,652	954,521	1,146,925	12,461,098	11,192,746
- Allocated support costs	2,971,017	920,698	903,534	4,795,249	4,564,769
	<u>13,330,669</u>	<u>1,875,219</u>	<u>2,104,885</u>	<u>17,310,773</u>	<u>15,821,202</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	14,250	9,650
- Other services	4,980	4,055
Operating lease rentals	756	-
Depreciation of tangible fixed assets	954,521	1,000,465
Net interest on defined benefit pension liability	100,000	62,000

8 Central services

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

- management and financial services;
- audit and accountancy;
- legal and professional services;
- educational support services.

The Trust charges for these services in order to run a balanced budget. The Trust charges each school on the basis of income received.

The amounts charged during the year were as follows:

	2022 £	2021 £
Heartlands High School	781,356	920,724
The Grove	318,252	338,124
	<u>1,099,608</u>	<u>1,258,848</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	-	12,461,098	12,461,098	11,192,746
Support costs				
Educational operations	525,755	4,269,494	4,795,249	4,564,769
	<u>525,755</u>	<u>16,730,592</u>	<u>17,256,347</u>	<u>15,757,515</u>
			2022	2021
			£	£
Analysis of support costs				
Support staff costs			3,042,544	2,333,255
Technology costs			15,321	294,173
Premises costs			920,698	1,184,966
Legal costs			118,222	140,346
Other support costs			676,225	595,442
Governance costs			22,239	16,587
			<u>4,795,249</u>	<u>4,564,769</u>

10 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	8,935,896	8,339,459
Social security costs	937,348	798,685
Pension costs	2,819,604	2,210,433
Staff costs - employees	<u>12,692,848</u>	<u>11,348,577</u>
Agency staff costs	637,821	475,533
	<u>13,330,669</u>	<u>11,824,110</u>
Staff development and other staff costs	136,308	195,230
Total staff expenditure	<u><u>13,466,977</u></u>	<u><u>12,019,340</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Staff (Continued)

Staff numbers

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

	2022 Number	2021 Number
Teachers	97	98
Administration and support	154	136
Management	14	10
	<u>265</u>	<u>244</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	11	10
£70,001 - £80,000	5	5
£80,001 - £90,000	2	2
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
	<u>21</u>	<u>21</u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £964,233 (2021: £1,066,513).

11 Trustees' remuneration and expenses

There were no Trustees who have been paid remuneration or have received other benefits from an employment with the Trust. The Executive Headteacher (CEO) and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher (CEO) and staff members under their contracts of employment, and not in respect of their services as Trustees.

During the year, no travel and subsistence payments (2021: £nil) were reimbursed or paid directly to Trustees.

Other related party transactions involving the Trustees are set out within note 24.

12 Trustees' and officers' insurance

The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Tangible fixed assets	£	£	£	£	£	£	£	£
	Long-term leasehold property	Plant and machinery	Assets under construction	Computer equipment	Office equipment	Motor vehicles	Total	Total
Cost								
At 1 September 2021	43,066,378	274,039	128,878	388,311	214,248	117,496	44,189,350	-
Transfer on conversion	112,767	-	(112,767)	-	-	-	-	-
Additions	1,125,666	97,814	-	69,468	-	25,995	1,318,943	-
Disposals	-	-	(16,111)	-	-	-	(16,111)	-
At 31 August 2022	44,304,811	371,853	-	457,779	214,248	143,491	45,492,182	-
Depreciation								
At 1 September 2021	5,142,087	178,557	-	373,329	187,709	75,816	5,957,498	-
Charge for the year	884,258	19,351	-	25,518	12,394	13,000	954,521	-
At 31 August 2022	6,026,345	197,908	-	398,847	200,103	88,816	6,912,019	-
Net book value								
At 31 August 2022	38,278,466	173,945	-	58,932	14,145	54,675	38,580,163	-
At 31 August 2021	37,924,291	95,482	128,878	14,982	26,539	41,680	38,231,852	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Tangible fixed assets

(Continued)

Finance leases and hire purchase contracts

Included in long-term leasehold property is leasehold land at valuation of £6,720,000, which is depreciated over the term of the lease. The long-term leasehold property held at Heartlands High School was valued on conversion to academy status and the property held at The Grove School was valued in the prior year on transfer from the ESFA by FHP Property Consultants, a firm of RICS registered surveyors. The trustees consider that the valuation remains appropriate.

The Freehold land and buildings are owned by Haringey Council. The academy trust holds a 125 year lease on the land and buildings with no rental charge being payable.

14 Stocks

	2022 £	2021 £
School uniform	36,196	36,925

15 Debtors

	2022 £	2021 £
Trade debtors	39,484	3,326
VAT recoverable	340,129	179,860
Other debtors	80,461	33,583
Prepayments and accrued income	372,074	340,735
	<u>832,148</u>	<u>557,504</u>

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	561,810	448,141
Other taxation and social security	244,455	226,023
Other creditors	204,670	195,639
Accruals and deferred income	602,789	184,353
	<u>1,613,724</u>	<u>1,054,156</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	460,433	41,748
Deferred income at 1 September 2021	41,748	639,103
Released from previous years	(41,748)	(639,103)
Resources deferred in the year	460,433	41,748
Deferred income at 31 August 2022	460,433	41,748

At the balance sheet date the Academy Trust was holding funds received in advance for Devolved Formula Capital (DFC) grants and Special Educational Needs (SEN) grants for the 2022-23 academic year.

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	3,038,916	10,079,910	(9,088,812)	(1,593,737)	2,436,277
Pupil premium	-	515,939	(515,939)	-	-
Other DfE/ESFA COVID-19 funding	-	81,166	(81,166)	-	-
Other Coronavirus funding	-	26,217	(26,217)	-	-
Other DfE/ESFA grants	-	602,313	(602,313)	-	-
Other government grants	-	4,003,134	(4,003,134)	-	-
Other restricted funds	-	148,916	(148,916)	-	-
Pension reserve	(5,418,000)	-	(1,364,000)	6,735,000	(47,000)
	(2,379,084)	15,457,595	(15,830,497)	5,141,263	2,389,277
Restricted fixed asset funds					
DfE group capital grants	23,926,597	13,392	(629,954)	-	23,310,035
Capital expenditure from GAG	847,255	-	(91,647)	1,289,440	2,045,048
Donated fixed assets	13,458,000	-	(232,920)	-	13,225,080
	38,231,852	13,392	(954,521)	1,289,440	38,580,163
Total restricted funds	35,852,768	15,470,987	(16,785,018)	6,430,703	40,969,440
Unrestricted funds					
General funds	97,574	210,500	(525,755)	304,297	86,616
Total funds	35,950,342	15,681,487	(17,310,773)	6,735,000	41,056,056

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Funds

(Continued)

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

General Annual Grant: This fund is for the purpose of running the Trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

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

Pupil Premium: This is additional funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other DfE/ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other government grants: This fund has also arisen from funding received for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other restricted fund: This restricted fund has arisen from other income that the Trust has received. The monies have to be used for the benefit of the Trust but there are no restrictions on when these monies can be spent.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the Trust on conversion. See note 20 for further details on this liability.

Restricted fixed asset funds: These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

Unrestricted funds: These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of government assistance and therefore the Trust can choose to spend it however it chooses.

Within the year there was a transfer from restricted funds to unrestricted funds of £304,297 in relation to the reallocation of catering costs. The trustees have assessed that the costs relating to free school meals should be recognised within the restricted funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	2,639,941	9,302,804	(8,611,905)	(291,924)	3,038,916
Pupil premium	-	524,535	(524,535)	-	-
Other DfE/ESFA COVID-19 funding	-	102,243	(102,243)	-	-
Other DfE/ESFA grants	-	786,162	(786,162)	-	-
Other government grants	-	3,665,741	(3,665,741)	-	-
Other restricted funds	-	57,393	(57,393)	-	-
Pension reserve	(3,282,000)	-	(823,000)	(1,313,000)	(5,418,000)
	<u>(642,059)</u>	<u>14,438,878</u>	<u>(14,570,979)</u>	<u>(1,604,924)</u>	<u>(2,379,084)</u>
Restricted fixed asset funds					
DfE group capital grants	24,914,377	12,685	(1,000,465)	-	23,926,597
Capital expenditure from GAG	671,431	-	-	175,824	847,255
Donated fixed assets	13,458,000	-	-	-	13,458,000
	<u>39,043,808</u>	<u>12,685</u>	<u>(1,000,465)</u>	<u>175,824</u>	<u>38,231,852</u>
Total restricted funds	<u>38,401,749</u>	<u>14,451,563</u>	<u>(15,571,444)</u>	<u>(1,429,100)</u>	<u>35,852,768</u>
Unrestricted funds					
General funds	5,768	225,464	(249,758)	116,100	97,574
	<u>5,768</u>	<u>225,464</u>	<u>(249,758)</u>	<u>116,100</u>	<u>97,574</u>
Total funds	<u>38,407,517</u>	<u>14,677,027</u>	<u>(15,821,202)</u>	<u>(1,313,000)</u>	<u>35,950,342</u>

Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Heartlands High School	1,399,830	1,736,430
The Grove	814,142	1,044,636
Central services	308,921	355,424
	<u>2,522,893</u>	<u>3,136,490</u>
Total before fixed assets fund and pension reserve	2,522,893	3,136,490
Restricted fixed asset fund	38,580,163	38,231,852
Pension reserve	(47,000)	(5,418,000)
	<u>38,533,163</u>	<u>32,813,852</u>
Total funds	<u>41,056,056</u>	<u>35,950,342</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Heartlands High School	7,131,338	521,006	809,089	1,470,483	9,931,916	9,467,412
The Grove	3,246,774	224,597	142,528	300,323	3,914,222	3,378,390
Central services	176,036	658,927	128,028	183,124	1,146,115	1,151,938
	<u>10,554,148</u>	<u>1,404,530</u>	<u>1,079,645</u>	<u>1,953,930</u>	<u>14,992,253</u>	<u>13,997,740</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	38,580,163	38,580,163
Current assets	86,616	4,050,001	-	4,136,617
Current liabilities	-	(1,613,724)	-	(1,613,724)
Pension scheme liability	-	(47,000)	-	(47,000)
Total net assets	<u>86,616</u>	<u>2,389,277</u>	<u>38,580,163</u>	<u>41,056,056</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	38,231,852	38,231,852
Current assets	97,574	4,093,072	-	4,190,646
Current liabilities	-	(1,054,156)	-	(1,054,156)
Pension scheme liability	-	(5,418,000)	-	(5,418,000)
Total net assets	<u>97,574</u>	<u>(2,379,084)</u>	<u>38,231,852</u>	<u>35,950,342</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £190,174 were payable to the schemes at 31 August 2022 (2021: £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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% employer administration charge)
- 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. The 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,198,451 (2021: £ 1,084,000).

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.90% for employers and 5.5% - 12.5% for employees.

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

Total contributions made	2022 £	2021 £
Employer's contributions	399,000	359,000
Employees' contributions	167,000	154,000
	<u> </u>	<u> </u>
Total contributions	566,000	513,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.05	3.90
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90
	<u> </u>	<u> </u>

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

	2022 Years	2021 Years
Retiring today		
- Males	21.5	21.7
- Females	24.0	24.2
Retiring in 20 years		
- Males	22.9	23.1
- Females	25.8	26.0
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Pension and similar obligations

(Continued)

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

	2022	2021
	£	£
Discount rate + 0.1%	(190,000)	(67,000)
Discount rate - 0.1%	190,000	(67,000)
Mortality assumption + 1 year	259,000	457,000
Mortality assumption - 1 year	(259,000)	(457,000)
CPI rate + 0.1%	185,000	63,000
CPI rate - 0.1%	(185,000)	(63,000)

Defined benefit pension scheme net liability

	2022	2021
	£	£
Scheme assets	6,438,000	6,017,000
Scheme obligations	(6,485,000)	(11,435,000)
Net liability	(47,000)	(5,418,000)

The Trust's share of the assets in the scheme

	2022	2021
	Fair value	Fair value
	£	£
Equities	4,378,000	4,091,000
Bonds	1,030,000	1,264,000
Property	837,000	602,000
Other assets	193,000	60,000
Total market value of assets	6,438,000	6,017,000

The actual return on scheme assets was £(40,000) (2021: £953,000).

Amount recognised in the statement of financial activities

	2022	2021
	£	£
Current service cost	1,663,000	1,120,000
Interest income	(103,000)	(82,000)
Interest cost	203,000	144,000
Total operating charge	1,763,000	1,182,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations

	2022 £	2021 £
At 1 September 2021	11,435,000	7,852,000
Current service cost	1,663,000	1,120,000
Interest cost	203,000	144,000
Employee contributions	167,000	154,000
Actuarial (gain)/loss	(6,878,000)	2,184,000
Benefits paid	(105,000)	(19,000)
	<u>6,485,000</u>	<u>11,435,000</u>
At 31 August 2022	<u>6,485,000</u>	<u>11,435,000</u>

Changes in the fair value of the Trust's share of scheme assets

	2022 £	2021 £
At 1 September 2021	6,017,000	4,570,000
Interest income	103,000	82,000
Actuarial loss/(gain)	(143,000)	871,000
Employer contributions	399,000	359,000
Employee contributions	167,000	154,000
Benefits paid	(105,000)	(19,000)
	<u>6,438,000</u>	<u>6,017,000</u>
At 31 August 2022	<u>6,438,000</u>	<u>6,017,000</u>

21 Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)	(1,629,286)	(1,144,175)
Adjusted for:		
Capital grants from DfE and other capital income	(13,392)	(12,685)
Investment income receivable	6 (458)	(419)
Defined benefit pension costs less contributions payable	20 1,264,000	761,000
Defined benefit pension scheme finance cost	20 100,000	62,000
Depreciation of tangible fixed assets	954,521	1,000,465
Decrease/(increase) in stocks	729	(13,210)
(Increase)/decrease in debtors	(274,644)	23,275
Increase/(decrease) in creditors	559,568	(793,811)
	<u>961,038</u>	<u>(117,560)</u>
Net cash provided by/(used in) operating activities	<u>961,038</u>	<u>(117,560)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	3,596,217	(327,944)	3,268,273

23 Long-term commitments

Operating leases

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	3,337	-
Amounts due in two and five years	11,839	-
Amounts due after five years	3,700	-
	<u>18,876</u>	<u>-</u>

24 Related party transactions

Owing to the nature of the Trust's operations 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 Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Other than those disclosed in note 11, no related party transactions took place in the current or previous year.

25 Members' liability

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

26 Agency arrangements

The Trust manages the DfE's 16-19 Bursary Fund. In the year ended 31 August 2022 the Trust received £2,092 (2021: £1,743) and distributed £2,092 (2021: £1,743) of this to vulnerable and discretionary applicants. At 31 August 2022, no balance remained to be disbursed to students.