CENTRAL RSA ACADEMIES TRUST

Annual Report and Financial Statements
Year ended 31 August 2019

Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE
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CENTRAL RSA ACADEMIES TRUST
Reference and Administrative Details
Year ended 31 August 2019

Members
W Adams
M Forbes
E Griffiths (resigned 28/11/18)
S Hind-Woodward
S Horner
P Slough (appointed 06/06/19)

Trustees
W Adams
S Bates
W Chikowore (appointed 02/10/19)
E Griffiths (Chair) (appointed 20/03/19)
J Howard
J Howells
E Keates
O MacSherry (resigned 03/02/19)
P Nash

Senior Management Team
- Executive Principal (CEO) G Shears
- Finance Director (CFO) P Harvey; P Harrison (resigned 31/12/18; appointed 01/01/19)
- Principal N Beech
- Executive Head Teacher D Smith
- Principal I Mellor
- Principal P Hammond
- Principal A Crawley

Academies operated
RSA Academy Arrow Vale
Ipsley CE RSA Academy
Church Hill Middle School RSA Academy
Abbeywood First School RSA Academy
RSA Academy at Tipton
Sutton Park Primary RSA Academy
(from 01/01/19)

Principal and Registered Office
B06 Assay Studios
Newhall Street
Birmingham
B3 1SF

Company Registration Number
08166526 (England and Wales)

Independent Auditors
Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Birmingham
B15 3BE

Bankers
Lloyds Bank plc
19 Church Green East
Redditch
Worcestershire
B98 8BZ

Solicitors
Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Browne Jacobson
Victoria Square
Birmingham
B4 4BU
The Trustees present their annual report together with the financial statements and auditor’s reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees’ Report and a Directors’ Report under company law.

Structure, Governance and Management

Constitution
The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company’s memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Central RSA Academies Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Central RSA Academies Trust (herein it may be referred to as “CRSAAT”, “the Charitable Company”, “the Academy Trust” or “the Trust”).

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

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 provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which may be guilty in relation to the Academy Trust.

Principal Activities
The Trust’s object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Trustees
The number of Trustees shall be not less than three but shall not be subject to any maximum. Subject to Articles 45-46 and 59-62, the Academy Trust shall have the following Trustees:

(a) Up to 6 Directors appointed by the Principal Sponsor
(b) Academy Directors appointed under Article 52
(c) Any additional Directors, if appointed under Article 59,60A or 61A
(d) Any Further Directors, if appointed under Article 62 or Article 67A
(e) Up to 2 Directors, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate the Relevant Funding Agreement.

The Trust works closely with the RSA to recruit Trustees from a wide variety of backgrounds.

Policies and Procedures Adopted for the Induction and Training of Trustees.
The Academies continue to procure Governor Support services provided by the National Governors Association. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary. A Governors’ handbook and dedicate portal are provided.

Organisational Structure
Central RSA Academies Trust is a Multi Academy Trust with six independent schools forming that Trust; RSA Academy Arrow Vale, Ipsley CE RSA Academy, Church Hill Middle school RSA Academy, Abbeywood First School RSA Academy, RSA Academy (Tipton) and Sutton Park Primary RSA Academy which joined the Trust on 1 January 2019.

The Trust has a Governance structure which consists of The Trust Board, Finance and Resources and Audit committees, Health & Safety sub-committee and Local Academy Governing Boards for Arrow Vale, Ipsley, Sutton Park and Tipton; and a Joint Board for Church Hill and Abbeywood. Each school has a Senior Leadership Team and Department/Phase Leads. The aim of the leadership structure is to distribute responsibility and accountability, encouraging involvement in decision making at all levels so that the Trust raises the achievement of all through quality learning.
Structure, Governance and Management - continued

Organisational Structure - continued
The Trust Board is responsible for setting the strategy for the schools via the Trust’s Strategic Plan 2018-22, which is driven through an annual Development and Investment Plan, trust policies, adopting the School Improvement Plans, Raising Attainment Plans and budgets. The Trust monitors performance against these plans and makes major decisions about the direction of the Academies including their curriculums and the achievement and welfare of students and staffing.

The Trust Board normally meets six times a year. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings.

The Executive Principal (Chief Executive Officer) is the Accounting Officer. The Trust has a C-Suite Team consisting of the Chief Executive, the Chief Finance Officer and the Chief Operating Officer, with a central team with leads for School Improvement, Estates, IOT, Data, Finance, with outsources Human Resources.

The governance structure for 2018-19 is published on the Central RSA Academies Trust website.

Groups of governors may be formally organised outside of the sub-committee structure to support the Academies as required. The scheme of delegation for governance is published on the Central RSA Academies Trust website.

Arrangements for setting pay and remuneration of key management personnel
A Trustees’ Remuneration Committee is established to advise on key management personnel salaries. This is done using benchmarking and market equivalent salary levels according to the size of the Trust.

Trade union facility time
The regulations regarding Trade Union facility time do not currently apply to the Trust, however, should any employee become a Union representative in the future, the Trust will report facility time in accordance with the regulations. Staff representation is maintained on all Local Academy Governing Boards and the Trust Health & Safety Committee.

Related Parties and other Connected Charities and Organisations
The Trust has a Principal Sponsor, the Royal Society of Arts who works closely with the Trust to enable the students within the Academies to gain experiences. The Academies within the Trust also undertake many activities with other Academies within the RSA family of schools and work closely to enhance the students’ opportunities.

School improvement is driven through our Educational Improvement Team, who evaluate capacity and risk, and drive investment in improvement on behalf of the Trust Board.

Ipsley CE RSA Academy, as a faith school, has a relationship with the Diocese and embodies the objectives of the Church of England within its teaching curriculum.

RSA Academy Arrow Vale is a National Teaching School and a National Support School, part of the RSA Academies Teaching School Alliance. Abbeywood First School is a National Teaching School.

The Executive Principal (Chief Executive Officer) and the Executive Head Teacher at Church Hill & Abbeywood are National Leaders of Education. Other staff are Specialist Leaders of Education.

Any related party relationships or transactions are acknowledged at the Trustees’ meetings through the minutes and pecuniary interest forms where relevant and any financial transactions are disclosed in the notes to the accounts.
Objectives and Activities

Central RSA Academies Trust has a clear vision and mission of social justice through exceptional schools, creating and sustaining the best schools in which to learn and work by pursuing social justice for all.

Vision statement
Social justice through exceptional schools

In detail:
Working together as part of the RSA Family of Academies, our exceptional schools create learning that is inspirational for all: igniting imagination, enabling creativity and curiosity which results in the highest achievement. People are valued and happy, developing the skills and networks for success and fulfilment. In our powerful communities, everything is possible, and aspirations are high.

Outcomes are highly impressive.

Strategic objectives

Power to Create....

1. **Outstanding professionals**: Winning teams of Governors, leaders, staff and other stakeholders who are forward thinking, highly skilled, open, hard-working and determined to enable the success of others;

2. **Innovative systems enabling creative schools**: Innovative and sustainable schools that are creative, vibrant, safe, compliant, financially healthy, well resourced, and exceptionally well governed and led.

3. **Strong partnerships & communities**: Working closely with our local communities and parents to secure the best outcomes and opportunities. The RSA, and a wide network of links across all phases and across local authority boundaries, are powerful in supporting the development of all.

...which enables...

**Exceptional learners**: Learners who are highly successful with the attributes, skills and qualifications for a fulfilling life. They have a high-quality school experience and enjoy an abundance of opportunities.

Public Benefit
The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission and consider all the activities undertaken to further the Academy Trust’s purposes to be of public benefit.

Strategic Report

Achievement and performance

In a period of financial real-term reductions for our schools, with the schools all improving in terms of performance, the trust is increasingly successful.

Central RSA Academies Trust
2018/19 was the second full year of the Central Office operation with excellent staff training and conference facilities has been very successful. The venue remains heavily booked by different leadership groups and the Teaching School Alliance from across our schools. The Trust has continued to invest in the potential for growth with the appointment of internal staff to interim positions to enable centralisation and standardisation of specific areas, whilst enabling appropriate autonomy at local level.

The central school improvement team leads cross-school priori.

**Abbeywood First School RSA Academy** was inspected by Ofsted in November 2018 under Section 8 of the inspection framework. A section 5 inspection was recommended within two years as the school might be ‘outstanding’. With the school deemed to continue to deliver ‘good’ education. It has an innovative curriculum that continues to challenge and excite pupils which enables them to make strong progress from their starting points, indeed the number of pupils working at greater depth is above the National data.
Achievement and performance - continued

The school is committed to the RSA commitments and this is reflected in the unique curriculum that is supported by the distinctiveness framework that the RSA provide.

The school is a National Teaching School, with the Executive Headteacher a National Leader of Education. Senior leaders have successfully contributed to of the work of the TSA by providing Primary expertise. Four members of the teaching team are SLEs for the Teaching School Alliance, and are supporting primary school improvement within and beyond the Trust.

Arrow Vale RSA Academy was inspected by Ofsted in December 2018, and retained the overall 'outstanding' judgement. The sixth form, designated 'good' in the previous inspection, was graded 'outstanding in this inspection, recognising ongoing improvement of the school.

The school continues to add value to student progress throughout the five years students spend at the school. GCSE results in context provide significantly better than national progress. Progress in mathematics remains particularly strong. 99% of students left with at least five qualifications. In school progress from Year 9 to 13 is outstanding. In the sixth form students' progress continues to be strong, and the broad curriculum offer, with academic and vocational offers of high quality, led to students all progressing to their chosen destinations.

The school is committed to the RSA commitments and this is reflected in the unique curriculum that is supported by the distinctiveness framework that the RSA provide.

Church Hill Middle School RSA Academy was inspected by Ofsted in January 2019 and was graded as 'good' in all areas. This shows dramatic improvement since the school joined the trust in March 2016. The school has undergone a transformation during the last year. Pupils are proud of their school and KS2 SATs results continue to rise steeply, with the school achieving well above national for the first time for combined age-related expectations, having been well below the floor previously. Improvement in progress in year 7 and 8 has been good, and the number of pupils achieving greater depth, for instance in mathematics by the end of Year 8 is strong.

The school buildings have continued to benefit from a phased significant refurbishment programme including ongoing decoration throughout the buildings.

The school is committed to the RSA commitments and this is reflected in the unique curriculum that is supported by the distinctiveness framework that the RSA provide.

Ipsley CE RSA Academy was inspected in November 2018 by Ofsted and was graded 'good' in all categories. The sustained improvement shown in its Key Stage 2 SATs outcomes for 2019 following the step-change in performance achieved in 2018 and very good progress was made by pupils who left the school, in relation to their starting points. The school was oversubscribed for entry into Year 5 entry again. This reflects the school's growing reputation and community confidence.

The school is committed to the RSA commitments and this is reflected in the unique curriculum that is supported by the distinctiveness framework that the RSA provide.

Ipsley achieved an Outstanding grade in its SIAMS (Statutory Inspection of Anglican and Methodist Schools) inspection in the autumn 2017 having previously been judged as Good. This continues to be a great strength of the school.

The RSA Academy, Tipton joined the Trust in October 2017. The school has undergone significant structural changes in order to address the considerable school improvement challenges that the school faced upon joining the Trust.

The school is now rapidly improving in all areas, including clear improvements in attendance, behaviour and teaching and learning. The outcomes at key stage 4 declined as legacy impact of inadequacies before the school joined the trust remains high for the outgoing cohort, with progress of current groups in year showing rapid progress, but their starting points on entry to the trust being exceedingly low.

The school is committed to the RSA commitments and this is reflected in the unique curriculum that is supported by the distinctiveness framework that the RSA provide.

Sutton Park Primary RSA Academy, based in Kidderminster, joined the trust on 1 January 2019. The school performed very well in key stage 2 SATs, with results being well above national, and progress being strong. The school has demonstrated being strongly committed to the values of the RSA in the two terms it has been in the Trust.
Achievement and performance - continued

Key Performance indicators

The strategic plan outlines the KPIs that the Board and Local Academy Governing Boards monitor.

The Academy Trust uses the attainment and achievement measures in EYFS, KS1, KS2, KS4 and KS5 as the main KPIs for the delivery of its primary objective, together with retaining and improving judgements from Ofsted visits. Financially the Academy Trust uses number of students in the Academy as a KPI along with staff numbers and costs and the level of reserves available to continue the improvements of the site and facilities. The Trust commissioned an Integrated curriculum financial planning review of 2018/19 data which is forming the basis of in-depth critical analysis and benchmarking of its operations.

Going Concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements. In common with many schools and Academy Trusts, the Trustees recognise the challenges of funding and increasing costs particularly with regard to employer contributions to teachers’ pensions and will plan accordingly.

Financial Review

The accounting period covers from 1 September 2018 to the year end of 31 August 2019. The majority of the Trust’s income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

As shown in the Statement of Financial Activities and the Balance Sheet, the net movement in the Trust’s total funds was an increase of £142,000 from £38,308,000 at the beginning of the year to £38,450,000 at the end of the year. Behind this overall increase were the following movements on each component fund:

<table>
<thead>
<tr>
<th>2018/19</th>
<th>Surplus/(deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted funds</td>
<td>£301,000</td>
</tr>
<tr>
<td>Restricted funds – general</td>
<td>(44,000)</td>
</tr>
<tr>
<td>Restricted funds – pension deficit</td>
<td>(4,010,000)</td>
</tr>
<tr>
<td>Restricted fixed asset funds</td>
<td>4,497,000</td>
</tr>
<tr>
<td>Net movement</td>
<td>142,000</td>
</tr>
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</table>

General funds

The aggregate movement on the Unrestricted Funds and the Restricted General Funds shows that the year produced an operating deficit across the Trust of £345,000. This was after a contribution of £35,000 towards capital costs in the year, but is inclusive of the general funds balance of £56,000 inherited on the transfer of Sutton Park Primary RSA Academy into the Trust on 1 January 2019. The operating deficit was in line with the budget set at the beginning of the year as the Trust continues to manage its reserves through the challenge of growth with lagged funding.

LGPS pension fund

The pension deficit liability recognised in the Balance Sheet represents an actuarial valuation of the Trust’s share of the deficit in the Local Government Pension Schemes to which its support staff belong. This deficit, as notified by the schemes’ actuaries, increased by a further £4,010,000 in the year due a number of factors: a further deficit share of £613,000 was inherited on Sutton Park Primary Academy joining the Trust on 1 January; and across the Trust, the total employer contributions of £628,000 paid into the schemes during the year were outweighed by the notional operating charges of £1,327,000 together with actuarial losses of some £2,698,000. Further details on the LGPS deficit valuation and movements in the year are given in note 20 to the financial statements.

Fixed asset funds

The increase in the fixed asset funds of £4,497,000 was principally due to the value of the land and buildings transferred into the Trust with Sutton Park Primary Academy. These were independently valued at £5,225,000. Unspent capital funds of £32,000 were also inherited on transfer. During the year, the Trust also received the benefit of capital improvement works undertaken by Sandwell MBC at RSA Academy Tipton. The work done was valued at £360,000 and is shown in capital income as donated fixed assets. Capital grants totalling £230,000 were received during the year, which, together with the contribution of £35,000 from the Trust’s own reserves, funded the Trust’s capital spend in the year.
Financial Review - continued

Reserves Policy
The Board of Trustees has agreed a Reserves Policy. The reserves will be held in line with DfE guidelines. The policy aims to carry forward sufficient funds to meet the Trust’s long term aims and objectives, ensuring that this does not affect its current operational activities. The medium term projections of income and expenditure recognise funding challenges that will require use of reserves to support its operational activities. Two of the Trust’s schools have seen rapid pupil growth and lagged funding which will continue until 2020/21.

Investment Policy
Apart from the cash held for the operation of the school the Trust has no investments. The schools have notice accounts for depositing short term surplus funds. The Trustees are satisfied that the amounts held in reserves at the end of the period are at an appropriate level. The Trust will ensure that these funds are deposited as part of a safe and secure investment strategy whilst maximising interest received.

Principal Risks and Uncertainties
The Trust continues to undertake a comprehensive assessment of possible risks to the future of the Academies (Risk Register). The MAT uses online risk management software. The potential risks identified are:

- Student numbers
- Funding lag due to pupil growth
- Ongoing capital investment needed for the maintenance of the buildings
- The large deficits in the Local Government Pension Fund inherited on conversion
- Unconfirmed increases in employer contributions to pensions
- Teachers Pension Grant discontinued.

These factors and corresponding financial impact are included wherever possible in the medium term projections for the Trust. Systems and procedures to manage these risks are constantly being reviewed and updated by the Principals, Leadership teams, Trustees and committees in the form of the Risk Register.

Fundraising
Under the provisions of the Charities (Protection and Social Investment) Act 2016 the trustees have a duty to report information on fundraising practices. The majority of the income of the Academy is GAG funding from the ESFA to provide education. The Trust does not use professional fundraisers or work with commercial participants except seeking specialist consultation support where required in preparation for grant applications. The Central RSA Academies Trust and its member academies are committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, to ensure that no child is discriminated against by our offering of school trips, activities and educational extras, and there are appropriate policies in place. All of the fundraising activities are voluntary in nature, ensuring that there is no undue pressure on parents and stakeholders to donate. No complaints regarding fundraising activities have been received by the Academy.

Plans for Future Periods
The Trust will take every opportunity to improve the schools’ environments to enhance the atmosphere for pupils. The growth in pupil numbers requires appropriate levels of capital expenditure and there is a prioritised schedule of expenditure agreed by the Finance & Resources committee informed by detailed suitability surveys.

Funds held as Custodian Trustee on behalf of others
At 31 August 2019, the Trust held funds of £609 (2018: £609) on behalf of the Redditch School to School Support Key Area Project and £13,501 (2018: £13,967) on behalf of the Redditch school sports partnership.
Central RSA Academies Trust

Trustees' Report
Year ended 31 August 2019

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 charitable company's Directors, on 4 December 2019 and signed on its behalf by:

[Signature]
E Griffiths
Chair of Trustees
Scope of Responsibility
As Trustees, we acknowledge we have overall responsibility for ensuring that Central RSA Academies 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 Guy Shears, as Accounting Officer, for ensuring financial controls conform to 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 Central RSA Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance
The information on Governance included here supplements that described in the Trustee’s report and in the Statement of Trustees’ Responsibilities. The Trust Board met 5 times in the year and also held a strategy day; the Finance & Resources, and Audit & Risk Committees meet 3 times per year. The Local Academy Governing Boards meet 4 times per year. No business shall be transacted at any meeting unless a quorum is present.

Record of Trust Board meetings:

<table>
<thead>
<tr>
<th>Meetings attended</th>
<th>Out of a possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>W Adams</td>
<td>4</td>
</tr>
<tr>
<td>S Bates</td>
<td>4</td>
</tr>
<tr>
<td>E Griffiths</td>
<td>5</td>
</tr>
<tr>
<td>J Howard</td>
<td>2</td>
</tr>
<tr>
<td>E Keates</td>
<td>3</td>
</tr>
<tr>
<td>O Macsherry</td>
<td>3</td>
</tr>
<tr>
<td>P Nash</td>
<td>1</td>
</tr>
<tr>
<td>J Howells</td>
<td>2</td>
</tr>
</tbody>
</table>

The Trust has the following committees:

- Local Academy Governing Boards
- Finance & Resources committee
- Audit & Risk committee (with H&S sub-committee)
- Remuneration committee

Each committee has an area of responsibility as detailed in the terms of reference for each committee. The minutes from each committee meeting are reported at every Full Local Governing Board meeting. Decisions made at committee meetings are ratified at the Full Local Governing Board meeting and Trust Board meeting dependent on the delegation of powers.

Attendance at committees for the trustees during the year is as follows:

<table>
<thead>
<tr>
<th>Meetings attended</th>
<th>Out of a possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Howard (Rem Com)</td>
<td>2</td>
</tr>
<tr>
<td>O MacSherry (F&amp;R)</td>
<td>4</td>
</tr>
</tbody>
</table>
Review of Value for Money
As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust’s use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year.

The Trust has an established an Audit Committee which reviews the termly report of the Internal Auditor on the effectiveness of the internal controls operating at the Trust.

There is continued and careful review of service level agreements and contracts to deliver best value across the Trust for our academies. This is in line with the Finance Policy in place across the Trust which includes a managed scheme of delegation ensuring value limits are placed at local level to reveal economies of scale opportunities.

The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Central RSA Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements. The process has been significantly enhanced with the introduction of an online Risk management system.

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 on-going process for identifying, evaluating and managing the Trust’s significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

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

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

The Board of Trustees has considered the need for a specific internal audit function as has decided to continue to use the services of Mrs Teresa Kristunas as internal auditor.

The internal auditor’s role includes giving advice on financial matters and performing a range of checks on the Trust’s financial systems to complement those of the external auditor. In particular, the checks carried out in the current period included:

- Governance, financial reporting and financial oversight
- Special leave and sickness absence management
- GDPR compliance

The internal auditor reports three times a year to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees’ financial responsibilities. The auditor has delivered this work as planned.
Review of Effectiveness
As Accounting Officer, The Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Teams 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 reviews of the system of internal control by the Audit Committee and appropriate responses and plans to address these findings and ensure continuous improvement of the system have been put in place.

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on its behalf by:

E Griffiths
Chair of Trustees

G Shears
Accounting Officer
As Accounting Officer of Central RSA Academies Trust I have considered my responsibility to notify the Trust’s Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2018.

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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.

G Shears
Accounting Officer

4 December 2019
The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and Financial Statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on its behalf by:

E Griffiths
Chair of Trustees
Opinion
We have audited the financial statements of Central RSA Academies Trust ("the Trust") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:
- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information
The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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. We have nothing to report in this regard.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Page 14
Responsibilities of Trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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


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

Kevin Hodgetts FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 12 December 2019
In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central RSA Academies Trust during the period 1 September 2018 to 31 August 2019 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 Central RSA Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Central RSA Academies Trust and the 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 Central RSA Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Central RSA Academies Trust's Accounting Officer and the Reporting Accountant
The Accounting Officer is responsible, under the requirements of Central RSA Academies Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 Academies Accounts Direction 2018 to 2019 issued by the 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.

The work undertaken to draw to our conclusion includes:
- An assessment of the risk of material irregularity and impropriety across the Trust's activities;
- A review of the Trust's accounting and internal control procedures; and
- Consideration and review of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 12 December 2019
### CENTRAL RSA ACADEMIES TRUST

**Statement of Financial Activities**

*for the year ended 31 August 2019*

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted fund £'000</th>
<th>Restricted funds £'000</th>
<th>Restricted fixed asset funds £'000</th>
<th>2019 Total funds £'000</th>
<th>2018 Total funds £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income and endowments from</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and capital grants 2</td>
<td>-</td>
<td>25</td>
<td>590</td>
<td>615</td>
<td>242</td>
</tr>
<tr>
<td>Transfer in - schools joining the trust 22</td>
<td>56</td>
<td>(613)</td>
<td>5,257</td>
<td>4,700</td>
<td>18,081</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding for the academies’ educational operations</td>
<td>3</td>
<td>-</td>
<td>17,392</td>
<td>-</td>
<td>17,392</td>
</tr>
<tr>
<td>Teaching schools 23</td>
<td>-</td>
<td>112</td>
<td>-</td>
<td>112</td>
<td>226</td>
</tr>
<tr>
<td>Other trading activities 4</td>
<td>626</td>
<td>-</td>
<td>-</td>
<td>626</td>
<td>598</td>
</tr>
<tr>
<td>Investment income 5</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>691</strong></td>
<td><strong>16,916</strong></td>
<td><strong>5,847</strong></td>
<td><strong>23,454</strong></td>
<td><strong>34,191</strong></td>
</tr>
</tbody>
</table>

**Expenditure on**

-Raising funds 361

| Charitable activities | 361 | - | - | 361 | 265 |
| Academies’ educational operations | - | 18,712 | 1,385 | 20,097 | 18,183 |
| Teaching schools 23 | - | 156 | - | 156 | 134 |
| **Total** | **6** | **361** | **18,868** | **1,385** | **20,614** | **18,582** |

Net income/(expenditure) 330<br>(1,952) 4,462 2,840 15,609

Transfers between funds 19<br>(631) 596 35 - -

Other recognised gains/(losses)

- Actuarial (losses)/gains - (2,698) - (2,698) 1,847

Net movement in funds (301) (4,054) 4,497 142 17,456

Reconciliation of funds

Total funds brought forward 1,594 (4,867) 41,581 38,308 20,852

Total funds carried forward 1,293 (8,921) 46,078 38,450 38,308

All of the Trust’s activities derive from continuing operations in the current year.

The notes form part of these financial statements

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### CENTRAL RSA ACADEMIES TRUST

**Statement of Financial Position**  
**At 31 August 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>46,000</td>
<td>41,581</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>1,121</td>
<td>729</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>1,713</td>
<td>2,244</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>(1,415)</td>
<td>(1,287)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>1,419</td>
<td>1,686</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>47,419</td>
<td>43,267</td>
</tr>
<tr>
<td>Pension liability</td>
<td>(8,969)</td>
<td>(4,959)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>38,450</td>
<td>38,308</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>1,293</td>
<td>1,594</td>
</tr>
<tr>
<td>Restricted funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General restricted fund</td>
<td>48</td>
<td>92</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>(8,969)</td>
<td>(4,959)</td>
</tr>
<tr>
<td>Restricted fixed asset funds</td>
<td>46,078</td>
<td>41,581</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>38,450</td>
<td>38,308</td>
</tr>
</tbody>
</table>

The financial statements were approved by the Board of Trustees and authorised for issue on 4 December 2019 and are signed on its behalf by:

![Signature]

E Griffiths - Chair of Trustees

Company Number: 08166526
<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>24</td>
<td>(574)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>(574)</td>
<td>(548)</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(219)</td>
<td>(488)</td>
</tr>
<tr>
<td>Capital grants from DfE/ESFA</td>
<td>262</td>
<td>236</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>43</td>
<td>(252)</td>
</tr>
<tr>
<td>Cash transferred with schools joining the trust</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Change in cash and cash equivalents in the reporting period</td>
<td>(531)</td>
<td>1,013</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the reporting period</td>
<td>2,244</td>
<td>1,231</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the reporting period</td>
<td>1,713</td>
<td>2,244</td>
</tr>
</tbody>
</table>

The notes form part of these financial statements
1. Accounting policies

Basis of preparing the financial statements
The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Central RSA Academies Trust meets the definition of a public benefit entity under FRS 102.

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

Income
All income is recognised in the Statement of Financial Activities once the Trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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 expanded.

Donations
Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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

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

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

Raising funds
Raising funds 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
Costs of charitable activities are incurred on the Trust’s educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Governance costs
These include the costs attributable to the Trust’s compliance with constitutional and statutory requirements, including audit, strategic management and trustees’ meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust’s depreciation policy.

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/reducing balance basis over its expected useful lives, as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long leasehold buildings</td>
<td>2% straight line basis</td>
</tr>
<tr>
<td>Fixtures, fittings and equipment</td>
<td>33.3% straight line basis</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>33.3% straight line basis</td>
</tr>
<tr>
<td>Leasehold land</td>
<td>Not depreciated</td>
</tr>
</tbody>
</table>

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity’s wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.
CENTRAL RSA ACADEMIES TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2019

1. Accounting policies - continued

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.

Transfer of schools into the Trust
Where assets and liabilities are received on the transfer of either a converter academy or an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within Donations and capital grant income to the net assets acquired.

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

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/Department for Education.

Pension 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 so as to spread the cost of pensions over employees’ working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.
1. Accounting policies - 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.

The present value of the Local Government Pension Scheme defined 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 (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 2019. 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.

2. Donations and capital grants

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Capital grants</td>
<td>-</td>
<td>230</td>
<td>230</td>
<td>236</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>25</td>
<td>25</td>
<td>6</td>
</tr>
<tr>
<td>Fixed assets donated by local authority</td>
<td>-</td>
<td>360</td>
<td>360</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>615</td>
<td>615</td>
<td>242</td>
</tr>
</tbody>
</table>

3. Funding for the academies’ educational operations

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>General Annual Grant (GAG)</td>
<td>-</td>
<td>14,926</td>
<td>14,926</td>
<td>13,331</td>
</tr>
<tr>
<td>Start-up grants</td>
<td>-</td>
<td>80</td>
<td>80</td>
<td>8</td>
</tr>
<tr>
<td>Other DfE/ESFA grants</td>
<td>-</td>
<td>1,939</td>
<td>1,939</td>
<td>1,418</td>
</tr>
<tr>
<td>Local authority grants</td>
<td>-</td>
<td>447</td>
<td>447</td>
<td>281</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17,392</td>
<td>17,392</td>
<td>15,038</td>
</tr>
</tbody>
</table>

4. Other trading activities

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Hire of facilities</td>
<td>138</td>
<td>-</td>
<td>138</td>
<td>135</td>
</tr>
<tr>
<td>Catering Income</td>
<td>170</td>
<td>-</td>
<td>170</td>
<td>141</td>
</tr>
<tr>
<td>Teaching &amp; consultancy income</td>
<td>93</td>
<td>-</td>
<td>93</td>
<td>47</td>
</tr>
<tr>
<td>Nursery and WAC income</td>
<td>37</td>
<td>-</td>
<td>37</td>
<td>25</td>
</tr>
<tr>
<td>School trip income</td>
<td>27</td>
<td>-</td>
<td>27</td>
<td>78</td>
</tr>
<tr>
<td>Other income</td>
<td>161</td>
<td>-</td>
<td>161</td>
<td>172</td>
</tr>
<tr>
<td></td>
<td>626</td>
<td>-</td>
<td>626</td>
<td>598</td>
</tr>
</tbody>
</table>
5. Investment income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Restricted</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Bank interest received</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>

6. Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff costs</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Premises</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Other costs</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Raising funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Costs of fundraising</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td>302</td>
<td>265</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Academies educational operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td>12,653</td>
<td>12,101</td>
</tr>
<tr>
<td>Allocated support costs</td>
<td>3,039</td>
<td>6,836</td>
</tr>
<tr>
<td><strong>Teaching schools</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Allocated support costs</td>
<td>82</td>
<td>71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income/(expenditure) is stated after charging/(crediting):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Auditors' remuneration for non-audit work</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Internal audit services</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Depreciation - owned assets</td>
<td>1,385</td>
<td>1,315</td>
</tr>
<tr>
<td>Other operating leases</td>
<td>105</td>
<td>92</td>
</tr>
</tbody>
</table>

7. Charitable activities – academies' educational operations

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Direct costs</td>
<td>-</td>
<td>13,261</td>
</tr>
<tr>
<td>Direct costs - teaching schools</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Support costs</td>
<td>-</td>
<td>6,836</td>
</tr>
<tr>
<td>Support costs - teaching schools</td>
<td>-</td>
<td>141</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total costs support</strong></td>
<td>20,253</td>
<td>18,317</td>
</tr>
</tbody>
</table>
8. Trustees’ remuneration and benefits

The Chief Executive Officer, who is also the Accounting Officer is considered to be, ex officio, a Trustee of the Multi Academy Trust. Remuneration is only received in respect of the services provided undertaking the role of Chief Executive Officer and Accounting Officer and not in respect of services as a Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees’ remuneration was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer’s Remuneration:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G Shears (Chief Executive Officer, Accounting Officer)</td>
<td>£130,000 - £140,000</td>
<td>£130,000 - £140,000</td>
</tr>
<tr>
<td><strong>Employer’s pension contributions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G Shears (Chief Executive Officer, Accounting Officer)</td>
<td>£20,000 - £25,000</td>
<td>£20,000 - £25,000</td>
</tr>
</tbody>
</table>

**Trustees’ expenses**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustees’ expenses</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The above travel and subsistence expenses were reimbursed to 4 (2018: 5) trustees.

Other related party transactions are set out in note 21.

9. Staff costs

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wages and salaries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Social security costs</strong></td>
<td>11,386</td>
<td>9,533</td>
</tr>
<tr>
<td><strong>Operating costs of defined benefit pension schemes</strong></td>
<td>2,579</td>
<td>2,260</td>
</tr>
<tr>
<td><strong>Apprenticeship levy</strong></td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td><strong>Supply teacher costs</strong></td>
<td>494</td>
<td>423</td>
</tr>
<tr>
<td><strong>Compensation payments</strong></td>
<td>14</td>
<td>103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,476</td>
<td>13,240</td>
</tr>
</tbody>
</table>

Included in compensation payments is one non-statutory severance payment totalling £14,367 (2018: seven statutory payments totalling £102,948).

The average number of persons (including senior management team) employed by the Trust during the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers (FTE 2019 - 166; 2018 - 158)</td>
<td>176</td>
<td>164</td>
</tr>
<tr>
<td>Admin and support (FTE 2019 - 151; 2018 - 145)</td>
<td>285</td>
<td>213</td>
</tr>
<tr>
<td>Management (FTE 2019 - 9; 2018 - 24)</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>470</td>
<td>401</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,001 - £70,000</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>£70,001 - £80,000</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>£80,001 - £90,000</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>£110,001 - £120,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£130,001 - £140,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17</td>
<td>9</td>
</tr>
</tbody>
</table>

All of the above employees participated in the Teachers’ Pension Scheme. During the year ended 31 August 2019 pension contributions for these employees amounted to £72,024 (2018: £73,078).
9. Staff costs - continued

**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) received by key management personnel for their service to the Trust was £646,123 (2018: £587,775).

10. 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 academy 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.

11. Comparatives for the statement of financial activities - 31 August 2018

<table>
<thead>
<tr>
<th>Unrestricted fund</th>
<th>Restricted funds</th>
<th>Restricted fixed asset funds</th>
<th>2018 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

**Income and endowments from**
- Donations and capital grants - 6 236 242
- Transfer from Local Authority on conversion 1,764 (3,274) 19,591 18,081

**Charitable activities**
- Funding for the academy's educational operations - 15,038 - 15,038
- Teaching schools - 226 - 226
- Other trading activities 552 46 - 598
- Investment income 6 - - 6

**Total**
2,322 12,042 19,827 34,191

**Expenditure on**
- Raising funds 265 - - 265

**Charitable activities**
- Academy's educational operations - 16,867 1,316 18,183
- Teaching schools - 134 - 134

**Total**
265 17,001 1,316 18,582

**Net income/(expenditure)**
2,057 (4,959) 18,511 15,609

**Transfers between funds**
-(850) 586 264 -

**Other recognised gains/(losses)**
- Actuarial (losses)/gains - 1,847 - 1,847

**Net movement in funds**
1,207 (2,526) 18,775 17,456

**Reconciliation of funds**
- Total funds brought forward 387 (2,341) 22,806 20,852

**Total funds carried forward**
1,594 (4,867) 41,581 38,308

Page 26
12. Central services

The Trust has provided the following central services to its academies during the year:
> human resources
> financial services
> legal services
> educational support services

The Trust charges for these services at the following rates which are based on the number of pupils at each school:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>RSA Academy Arrowvale</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Ipsley CE RSA Academy</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Church Hill Middle School RSA Academy</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Abbeywood First School RSA Academy</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>RSA Academy Tipton</td>
<td>7.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Sutton Park Academy</td>
<td>3.0</td>
<td>-</td>
</tr>
</tbody>
</table>

The actual amounts charged during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>RSA Academy Arrowvale</td>
<td>182</td>
<td>139</td>
</tr>
<tr>
<td>Ipsley CE RSA Academy</td>
<td>90</td>
<td>84</td>
</tr>
<tr>
<td>Church Hill Middle School RSA Academy</td>
<td>43</td>
<td>53</td>
</tr>
<tr>
<td>Abbeywood First School RSA Academy</td>
<td>36</td>
<td>26</td>
</tr>
<tr>
<td>RSA Academy in Tipton</td>
<td>333</td>
<td>199</td>
</tr>
<tr>
<td>Sutton Park Academy</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>702</td>
<td>501</td>
</tr>
</tbody>
</table>

13. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Long leasehold £'000</th>
<th>Fixtures and fittings £'000</th>
<th>Motor vehicles £'000</th>
<th>Computer equipment £'000</th>
<th>Totals £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>At 1 September 2018</td>
<td>60,228</td>
<td>2,148</td>
<td>-</td>
<td>64,445</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>421</td>
<td>87</td>
<td>3</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>Transfer (see note 22)</td>
<td>5,225</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>At 31 August 2019</td>
<td>65,874</td>
<td>2,235</td>
<td>3</td>
<td>70,249</td>
</tr>
</tbody>
</table>

Depreciation

|                          | At 1 September 2018  | 19,344                      | 1,700               | -                       | 22,864       |
|                          | Charge for year      | 1,051                       | 195                 | 1                       | 138          |
|                          | At 31 August 2019    | 20,395                      | 1,895               | 1                       | 24,249       |

Net book value

|                          | At 31 August 2019    | 45,479                      | 340                 | 2                       | 179          |
|                          | At 31 August 2018    | 40,884                      | 448                 | -                       | 249          |

Included in the cost or valuation of land and buildings is land of £8,308,340 (2018 - £7,765,840) which is not depreciated.
14. Debtors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Other debtors</td>
<td>64</td>
<td>51</td>
</tr>
<tr>
<td>VAT</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>410</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td>647</td>
<td>569</td>
</tr>
<tr>
<td></td>
<td>1,121</td>
<td>729</td>
</tr>
</tbody>
</table>

15. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Social security and other taxes</td>
<td>600</td>
<td>673</td>
</tr>
<tr>
<td>Other creditors</td>
<td>273</td>
<td>232</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>359</td>
<td>148</td>
</tr>
<tr>
<td></td>
<td>183</td>
<td>234</td>
</tr>
<tr>
<td></td>
<td>1,415</td>
<td>1,287</td>
</tr>
</tbody>
</table>

Deferred income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income at 1 September</td>
<td>51</td>
<td>42</td>
</tr>
<tr>
<td>Resources deferred in the year</td>
<td>9</td>
<td>51</td>
</tr>
<tr>
<td>Amounts released from previous years</td>
<td>(51)</td>
<td>(42)</td>
</tr>
<tr>
<td>Deferred income at 31 August</td>
<td>9</td>
<td>51</td>
</tr>
</tbody>
</table>

At the balance sheet date the Trust was holding funding that had been received in advance that specifically relates to the 2019/20 academic year.

16. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>95</td>
<td>93</td>
</tr>
<tr>
<td>In more than five years</td>
<td>186</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>304</td>
<td>345</td>
</tr>
</tbody>
</table>

17. Members' liability

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

18. Analysis of net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted fund</th>
<th>Restricted funds</th>
<th>Restricted fixed asset</th>
<th>2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>-</td>
<td>-</td>
<td>46,000</td>
<td>46,000</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,318</td>
<td>1,438</td>
<td>78</td>
<td>2,834</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(25)</td>
<td>(1,390)</td>
<td>-</td>
<td>(1,415)</td>
</tr>
<tr>
<td>Pension liability</td>
<td>-</td>
<td>(8,969)</td>
<td>-</td>
<td>(8,969)</td>
</tr>
<tr>
<td></td>
<td>1,293</td>
<td>(8,921)</td>
<td>46,078</td>
<td>38,450</td>
</tr>
</tbody>
</table>

Page 28
18. Analysis of net assets between funds - continued

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

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted fund</th>
<th>Restricted funds</th>
<th>Restricted fixed asset funds</th>
<th>2018 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>-</td>
<td>-</td>
<td>41,581</td>
<td>41,581</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,594</td>
<td>1,301</td>
<td>78</td>
<td>2,973</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>(1,209)</td>
<td>(78)</td>
<td>(1,287)</td>
</tr>
<tr>
<td>Pension liability</td>
<td>-</td>
<td>(4,959)</td>
<td>-</td>
<td>(4,959)</td>
</tr>
<tr>
<td></td>
<td>1,594</td>
<td>(4,867)</td>
<td>41,581</td>
<td>38,308</td>
</tr>
</tbody>
</table>

19. Movement in funds

<table>
<thead>
<tr>
<th></th>
<th>Balance at 1 September 2018 £'000</th>
<th>Incoming Resources £'000</th>
<th>Resources Expended £'000</th>
<th>Gains, losses and Transfers £'000</th>
<th>Balance at 31 August 2019 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted general funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Annual Grant</td>
<td>-</td>
<td>14,926</td>
<td>(15,522)</td>
<td>596</td>
<td>-</td>
</tr>
<tr>
<td>Start up</td>
<td>-</td>
<td>80</td>
<td>(80)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other DIE/ESFA Grants</td>
<td>-</td>
<td>1,939</td>
<td>(1,939)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local authority</td>
<td>-</td>
<td>447</td>
<td>(447)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other restricted</td>
<td>-</td>
<td>25</td>
<td>(25)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Teaching school</td>
<td>92</td>
<td>112</td>
<td>(156)</td>
<td>-</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>92</td>
<td>17,529</td>
<td>(18,169)</td>
<td>596</td>
<td>48</td>
</tr>
<tr>
<td><strong>Restricted pension fund</strong></td>
<td>(4,959)</td>
<td>(613)</td>
<td>(699)</td>
<td>(2,698)</td>
<td>(8,969)</td>
</tr>
<tr>
<td></td>
<td>(4,867)</td>
<td>16,916</td>
<td>(18,868)</td>
<td>(2,102)</td>
<td>(8,921)</td>
</tr>
<tr>
<td><strong>Restricted fixed asset funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer on joining the trust</td>
<td>39,551</td>
<td>5,257</td>
<td>(1,050)</td>
<td>-</td>
<td>43,758</td>
</tr>
<tr>
<td>Donated assets</td>
<td>-</td>
<td>360</td>
<td>-</td>
<td>360</td>
<td>-</td>
</tr>
<tr>
<td>DIE/ESFA capital grants</td>
<td>1,585</td>
<td>230</td>
<td>(235)</td>
<td>-</td>
<td>1,580</td>
</tr>
<tr>
<td>Capital expenditure from GAG</td>
<td>445</td>
<td>-</td>
<td>(100)</td>
<td>35</td>
<td>380</td>
</tr>
<tr>
<td></td>
<td>41,581</td>
<td>5,847</td>
<td>(1,385)</td>
<td>35</td>
<td>46,078</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>36,714</td>
<td>22,763</td>
<td>(20,253)</td>
<td>(2,067)</td>
<td>37,157</td>
</tr>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td>1,594</td>
<td>691</td>
<td>(361)</td>
<td>(631)</td>
<td>1,293</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>38,308</td>
<td>23,454</td>
<td>(20,614)</td>
<td>(2,698)</td>
<td>38,450</td>
</tr>
</tbody>
</table>
19. Movement in funds - continued

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department of Education, or other funders.

Restricted Fixed Asset Funds are resources which are applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education, or other funders where the asset acquired or created is held for a specific purpose.

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

Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of GAG that could be carried forward at 31 August 2019 or 31 August 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>Balance at 1 September 2017 £'000</th>
<th>Incoming Resources £'000</th>
<th>Resources Expended £'000</th>
<th>Gains, losses and Transfers £'000</th>
<th>Balance at 31 August 2018 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted general funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Annual Grant</td>
<td>455</td>
<td>13,374</td>
<td>(14,415)</td>
<td>586</td>
<td>-</td>
</tr>
<tr>
<td>Start up</td>
<td>-</td>
<td>8</td>
<td>(8)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other DIE/ESFA Grants</td>
<td>-</td>
<td>940</td>
<td>(940)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local authority</td>
<td>-</td>
<td>758</td>
<td>(758)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from RSA Academy at Tipton</td>
<td>-</td>
<td>124</td>
<td>(124)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other restricted</td>
<td>-</td>
<td>10</td>
<td>(10)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Teaching school</td>
<td>-</td>
<td>226</td>
<td>(134)</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td><strong>Total Restricted general funds</strong></td>
<td>455</td>
<td>15,440</td>
<td>(16,389)</td>
<td>586</td>
<td>92</td>
</tr>
<tr>
<td><strong>Restricted pension fund</strong></td>
<td>(2,796)</td>
<td>(3,398)</td>
<td>(612)</td>
<td>1,847</td>
<td>(4,959)</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>(2,341)</td>
<td>12,042</td>
<td>(17,001)</td>
<td>2,433</td>
<td>(4,867)</td>
</tr>
<tr>
<td><strong>Restricted fixed asset funds</strong></td>
<td>20,950</td>
<td>19,591</td>
<td>(990)</td>
<td>-</td>
<td>39,551</td>
</tr>
<tr>
<td>Transfer on conversion</td>
<td>1,568</td>
<td>236</td>
<td>(219)</td>
<td>-</td>
<td>1,585</td>
</tr>
<tr>
<td>DIE/ESFA capital grants</td>
<td>288</td>
<td>-</td>
<td>(107)</td>
<td>264</td>
<td>445</td>
</tr>
<tr>
<td>Capital expenditure from GAG</td>
<td>22,806</td>
<td>19,827</td>
<td>(1,316)</td>
<td>264</td>
<td>41,581</td>
</tr>
<tr>
<td><strong>Total restricted funds</strong></td>
<td>20,465</td>
<td>31,869</td>
<td>(18,317)</td>
<td>2,697</td>
<td>36,714</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>387</td>
<td>2,322</td>
<td>(265)</td>
<td>(850)</td>
<td>1,594</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>20,852</td>
<td>34,191</td>
<td>(18,582)</td>
<td>1,847</td>
<td>38,308</td>
</tr>
</tbody>
</table>
19. **Movement in funds - continued**

**Analysis of academies by fund balance**

Fund balances at 31 August 2019 were allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSA Academy Arrow Vale</td>
<td>(682)</td>
<td>(335)</td>
</tr>
<tr>
<td>Ipsley CE RSA Academy</td>
<td>128</td>
<td>148</td>
</tr>
<tr>
<td>Church Hill Middle School RSA Academy</td>
<td>318</td>
<td>210</td>
</tr>
<tr>
<td>Abbeywood First School RSA Academy</td>
<td>183</td>
<td>121</td>
</tr>
<tr>
<td>RSA Academy Tipton</td>
<td>1,720</td>
<td>1,519</td>
</tr>
<tr>
<td>Sutton Park Primary Academy</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td>Teaching School Alliance</td>
<td>48</td>
<td>92</td>
</tr>
<tr>
<td>Central MAT</td>
<td>(401)</td>
<td>(70)</td>
</tr>
</tbody>
</table>

Total before fixed assets and pension reserve: 1,341 1,686

Restricted fixed asset fund: 46,078 41,581

Pension reserve: (8,969) (4,959)

Total: 38,450 38,308

**Analysis of academies by cost**

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

<table>
<thead>
<tr>
<th></th>
<th>Teaching and educational support staff costs</th>
<th>Other support staff costs</th>
<th>Educational supplies</th>
<th>Other (excluding depreciation)</th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSA Academy Arrow Vale</td>
<td>2,961</td>
<td>567</td>
<td>347</td>
<td>490</td>
<td>4,365</td>
<td>4,340</td>
</tr>
<tr>
<td>Ipsley CE RSA Academy</td>
<td>1,982</td>
<td>299</td>
<td>84</td>
<td>447</td>
<td>2,812</td>
<td>2,682</td>
</tr>
<tr>
<td>Church Hill Middle School &amp; Abbeywood First School</td>
<td>2,109</td>
<td>316</td>
<td>93</td>
<td>411</td>
<td>2,929</td>
<td>2,769</td>
</tr>
<tr>
<td>RSA Academy Tipton</td>
<td>4,158</td>
<td>853</td>
<td>416</td>
<td>840</td>
<td>6,287</td>
<td>6,145</td>
</tr>
<tr>
<td>Sutton Park Primary Academy</td>
<td>555</td>
<td>86</td>
<td>25</td>
<td>124</td>
<td>790</td>
<td>-</td>
</tr>
<tr>
<td>Teaching School Alliance</td>
<td>82</td>
<td>-</td>
<td>-</td>
<td>74</td>
<td>156</td>
<td>134</td>
</tr>
<tr>
<td>Central MAT</td>
<td>469</td>
<td>1,057</td>
<td>5</td>
<td>379</td>
<td>1,910</td>
<td>1,217</td>
</tr>
</tbody>
</table>

Total: 12,316 3,178 970 2,765 **19,229** 17,267
20. **Pension and similar obligations**

The Trust’s employees belong to two principal pension schemes: the Teacher’s Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council and, in respect of the RSA Academy at Tipton, the West Midlands Pension Fund. Both are Multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £218,900 were payable to the schemes at 31 August 2019 (2018: £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’ Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a ‘pay as you go’ basis these contributions along with those made by employers 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation are:

- employer contribution rates would be increased from 16.48% to 23.68% of pensionable pay from 1 September 2019 (inclusive of 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 £218.1 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion giving a notional past service deficit of £22.0 billion.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the ‘McClymont/Sargeant case’. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers’ Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal’s judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court’s decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal’s ruling in the McClymont/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.
20. Pension and similar obligations - continued

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The pension costs paid to TPS in the period amounted to £1,182,000 (2018: £1,069,000).

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.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £804,000 (2018: £727,000), of which employer’s contributions totalled £628,000 (2018: £655,000), and employees’ contributions totalled £176,000 (2018: £162,000). The agreed contribution rates for future years for employers are 19.6% and 17.0% for the West Midlands and Worcestershire Pension Funds respectively and a range of 5.5% to 12.5% for employees.

In October 2019, the Trust was notified that additional employer’s contributions were to be introduced from 2020/21 over a 3 year period. These are phased lump sum contributions and the amounts notified as payable for future tax years are: for the Worcestershire Pension Fund, 2020/21 - £514,000, 2021/22 - £535,000 and 2022/23 - £556,000; and for the West Midlands Pension Fund, 2020/21 - £17,200, 2021/22 - £17,900 and 2022/23 - £18,500.

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

The amounts recognised in the balance sheet are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Defined benefit pension plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Present value of funded obligations</td>
<td>(19,261)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>10,292</td>
</tr>
<tr>
<td>Deficit</td>
<td>(8,969)</td>
</tr>
<tr>
<td>Liability</td>
<td>(8,969)</td>
</tr>
</tbody>
</table>
20. Pension and similar obligations - continued

The amounts recognised in the statement of financial activities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit pension plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current service cost</td>
<td>976</td>
<td>1,020</td>
</tr>
<tr>
<td>Net interest from net defined benefit asset/liability</td>
<td>139</td>
<td>148</td>
</tr>
<tr>
<td>Past service cost</td>
<td>201</td>
<td>-</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>523</td>
<td>292</td>
</tr>
</tbody>
</table>

Changes in the present value of the defined benefit obligation are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit pension plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligation - brought forward</td>
<td>14,061</td>
<td>6,187</td>
</tr>
<tr>
<td>Current service cost</td>
<td>976</td>
<td>1,020</td>
</tr>
<tr>
<td>Past service cost</td>
<td>201</td>
<td>-</td>
</tr>
<tr>
<td>Contributions by scheme participants</td>
<td>176</td>
<td>162</td>
</tr>
<tr>
<td>Interest cost</td>
<td>398</td>
<td>382</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(125)</td>
<td>(117)</td>
</tr>
<tr>
<td>Business combinations</td>
<td>613</td>
<td>8,215</td>
</tr>
<tr>
<td>Actuarial losses/(gains) from changes in financial assumptions</td>
<td>2,961</td>
<td>(1,768)</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>523</td>
<td>292</td>
</tr>
</tbody>
</table>

Changes in the fair value of scheme assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit pension plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of scheme assets - brought forward</td>
<td>9,102</td>
<td>3,391</td>
</tr>
<tr>
<td>Assets interest on plan assets</td>
<td>259</td>
<td>214</td>
</tr>
<tr>
<td>Assets re-measurement gains</td>
<td>263</td>
<td>79</td>
</tr>
<tr>
<td>Contributions by employer</td>
<td>626</td>
<td>565</td>
</tr>
<tr>
<td>Contributions by scheme participants</td>
<td>176</td>
<td>162</td>
</tr>
<tr>
<td>Assets administration expenses</td>
<td>(11)</td>
<td>(9)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(125)</td>
<td>(117)</td>
</tr>
<tr>
<td>Business combinations</td>
<td>-</td>
<td>4,817</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>523</td>
<td>292</td>
</tr>
</tbody>
</table>
20. Pension and similar obligations - continued

The amounts recognised in other recognised gains and losses are as follows:

<table>
<thead>
<tr>
<th>Defined benefit pension plans</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial (losses)/gains from changes in financial assumptions</td>
<td>(2,961)</td>
<td>1,768</td>
</tr>
<tr>
<td>Gains on re-measurement of assets</td>
<td>263</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(2,698)</strong></td>
<td><strong>1,847</strong></td>
</tr>
</tbody>
</table>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

<table>
<thead>
<tr>
<th>Worcestershire County Council Pension Fund:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>71%</td>
</tr>
<tr>
<td>77%</td>
</tr>
<tr>
<td><strong>Government Bonds</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>7%</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td><strong>Other Bonds</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>5%</td>
</tr>
<tr>
<td>5%</td>
</tr>
<tr>
<td><strong>Property</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>5%</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>2%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>West Midlands Pension Fund:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>60%</td>
</tr>
<tr>
<td>63%</td>
</tr>
<tr>
<td><strong>Government Bonds</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>9%</td>
</tr>
<tr>
<td>7%</td>
</tr>
<tr>
<td><strong>Other Bonds</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>4%</td>
</tr>
<tr>
<td>4%</td>
</tr>
<tr>
<td><strong>Property</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>24%</td>
</tr>
<tr>
<td>4%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>15%</td>
</tr>
<tr>
<td>14%</td>
</tr>
</tbody>
</table>

Principal actuarial assumptions at the balance sheet date for Worcestershire County Council pension fund:

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.8%</td>
</tr>
<tr>
<td>Future salary increases</td>
<td>3.6%</td>
</tr>
<tr>
<td>Future pension increases</td>
<td>2.2%</td>
</tr>
<tr>
<td>Inflation assumption (CPI)</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Principal actuarial assumptions at the balance sheet date for West Midlands Pension Fund:

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.90%</td>
</tr>
<tr>
<td>Future salary increases</td>
<td>3.65%</td>
</tr>
<tr>
<td>Future pension increases</td>
<td>2.15%</td>
</tr>
</tbody>
</table>

The current mortality assumptions include sufficient allowance for future improvement in mortality rates. The assumed life expectations on retirement age 65 for the Worcestershire County Council pension scheme are:

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiring today</td>
<td></td>
</tr>
<tr>
<td>Males</td>
<td>22.8</td>
</tr>
<tr>
<td>Females</td>
<td>25.8</td>
</tr>
</tbody>
</table>

| Retiring in 20 years |
| Males | 25.1 | 24.9 |
| Females | 28.2 | 28 |
20. Pension and similar obligations - continued

The assumed life expectations on retirement age 65 for the West Midlands Pension Fund pension scheme are:

<table>
<thead>
<tr>
<th>Retiring today</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>20.9</td>
<td>21.9</td>
</tr>
<tr>
<td>Females</td>
<td>23.2</td>
<td>24.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retiring in 20 years</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>22.6</td>
<td>24.1</td>
</tr>
<tr>
<td>Females</td>
<td>25.1</td>
<td>26.7</td>
</tr>
</tbody>
</table>

Sensitivity analysis for the year ended 31 August 2019 for the Worcestershire County Council authority:

<table>
<thead>
<tr>
<th>Disclosure Item</th>
<th>Central £’000</th>
<th>Sensitivity 1 £’000</th>
<th>Sensitivity 2 £’000</th>
<th>Sensitivity 3 £’000</th>
<th>Sensitivity 4 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+0.1% p.a. discount rate</td>
<td>+0.1% p.a. inflation</td>
<td>+0.1% p.a. pay growth</td>
<td>1 year increase in life expectancy</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>9,739</td>
<td>9,543</td>
<td>9,940</td>
<td>9,766</td>
<td>9,914</td>
</tr>
<tr>
<td>Assets</td>
<td>(4,691)</td>
<td>(4,691)</td>
<td>(4,691)</td>
<td>(4,691)</td>
<td>(4,691)</td>
</tr>
<tr>
<td>Deficit/(Surplus)</td>
<td>5,048</td>
<td>4,852</td>
<td>5,249</td>
<td>5,075</td>
<td>5,223</td>
</tr>
<tr>
<td>Projected Service Cost for next year</td>
<td>845</td>
<td>823</td>
<td>868</td>
<td>845</td>
<td>862</td>
</tr>
<tr>
<td>Projected Net Interest</td>
<td>87</td>
<td>88</td>
<td>91</td>
<td>88</td>
<td>90</td>
</tr>
</tbody>
</table>

Sensitivity analysis for the year ended 31 August 2019 for the West Midlands Pension Fund authority:

<table>
<thead>
<tr>
<th>Sensitivity analysis</th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment to discount rate</td>
<td>+0.1%</td>
<td>0.0%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Present value of total obligation</td>
<td>9,522</td>
<td>9,256</td>
<td>9,796</td>
</tr>
<tr>
<td>Projected service cost</td>
<td>415</td>
<td>402</td>
<td>428</td>
</tr>
<tr>
<td>Adjustment to long term salary increase</td>
<td>+0.1%</td>
<td>0.0%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Present value of total obligation</td>
<td>9,522</td>
<td>9,560</td>
<td>9,485</td>
</tr>
<tr>
<td>Projected service cost</td>
<td>415</td>
<td>415</td>
<td>415</td>
</tr>
<tr>
<td>Adjustment to pension increases and deferred revaluation</td>
<td>+0.1%</td>
<td>0.0%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Present value of total obligation</td>
<td>9,522</td>
<td>9,758</td>
<td>9,293</td>
</tr>
<tr>
<td>Projected service cost</td>
<td>415</td>
<td>428</td>
<td>463</td>
</tr>
<tr>
<td>Adjustment to life expectancy assumptions</td>
<td>+1 Year</td>
<td>None</td>
<td>-1 Year</td>
</tr>
<tr>
<td>Present value of total obligation</td>
<td>9,522</td>
<td>9,862</td>
<td>9,194</td>
</tr>
<tr>
<td>Projected service cost</td>
<td>415</td>
<td>429</td>
<td>401</td>
</tr>
</tbody>
</table>

21. Related party disclosures

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 the trust has an interest.

All transactions involving such organisations are conducted at arm’s length and in accordance with the Trust’s financial regulations, the Academies Financial Handbook and normal procurement procedures.

There were no related party transactions for the year ended 31 August 2019 other than certain Trustees’ remuneration and expenses already disclosed in note 8.
22. Transfer of schools into the Trust

On 1 January 2019 Sutton Park Community Primary School converted to academy status under the Academies Act 2010 and all of the operations, assets and liabilities of Sutton Park Academy were transferred on this date into the Central RSA Academies Trust.

There was no consideration paid or payable for this transaction. The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as transfer from Sutton Park Academy.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds £'000</th>
<th>Restricted General Funds £'000</th>
<th>Restricted Fixed Asset Funds £'000</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold land and buildings</td>
<td>-</td>
<td>-</td>
<td>5,225</td>
<td>5,225</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors due in less than one year</td>
<td>56</td>
<td>-</td>
<td>32</td>
<td>88</td>
</tr>
<tr>
<td><strong>Pensions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGPS pension (deficit)</td>
<td>-</td>
<td>(613)</td>
<td>-</td>
<td>(613)</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>(613)</td>
<td>5,257</td>
<td>4,700</td>
</tr>
</tbody>
</table>

23. Teaching school trading account

<table>
<thead>
<tr>
<th></th>
<th>2018/19 £'000</th>
<th>2017/18 £'000</th>
<th>2018/19 £'000</th>
<th>2017/18 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCTL income</td>
<td>109</td>
<td>-</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>Schools Direct income</td>
<td>-</td>
<td>121</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other direct income</td>
<td>83</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funds transferred to partner schools</td>
<td>(99)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funds transferred from previous lead school</td>
<td>-</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and other trading activities</td>
<td>19</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>112</td>
<td>226</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff development</td>
<td>-</td>
<td>68</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other direct costs</td>
<td>13</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total direct costs</strong></td>
<td>(13)</td>
<td>(75)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other support costs</td>
<td>143</td>
<td></td>
<td>59</td>
<td></td>
</tr>
<tr>
<td><strong>Total other costs</strong></td>
<td>(143)</td>
<td>(59)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>(156)</td>
<td>(134)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit)/surplus from all sources</td>
<td>(44)</td>
<td>92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 September 2018</td>
<td>92</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 August 2019</strong></td>
<td>48</td>
<td>92</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Page 37
### 24. Reconciliation of net income to net cash flow from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income for the reporting period (as per the statement of financial activities)</td>
<td>£2,840</td>
<td>£15,609</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,385</td>
<td>1,314</td>
</tr>
<tr>
<td>Capital grants from DfE/ESFA</td>
<td>(262)</td>
<td>(236)</td>
</tr>
<tr>
<td>Transfer from Local Authority re school joining the Trust</td>
<td>(4,700)</td>
<td>(18,081)</td>
</tr>
<tr>
<td>Donated fixed assets</td>
<td>(360)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>(315)</td>
<td>234</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>139</td>
<td>-</td>
</tr>
<tr>
<td>Difference between pension charge and cash contributions</td>
<td>699</td>
<td>612</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(574)</td>
<td>(548)</td>
</tr>
</tbody>
</table>