

Company Registration Number: 10354924 (England & Wales)

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	I Bruce T Davies C Green J Whetter
Trustees	M Hosking, Chair of Trustees T Briant-Evans N Lake K Tipler J Whetter K Brokenshire N Butcher (appointed 14 September 2021) P Sheppard (appointed 19 July 2022) R Cowen (appointed 13 October 2022) K Harris (appointed 25 October 2022)
Company registered number	10354924
Company name	Crofty Multi Academy Trust
Principal and registered office	No 2 The Seatons Tolvaddon Energy Park Tolvaddon Camborne TR14 0HX
Company secretary	J Alder
Chief executive officer	S Hague
Senior management team	S Hague, Chief Executive Officer T Lamb, Director of Education S Eva, Estates Manager C Thomas, Finance Manager M Post, ICT Network Manager R Jewell, Strategic Planning Manager
Independent auditors	Griffin Chartered Accountants Silverdown Office Park Exeter Airport Business Park Exeter EX5 2UX

CROFTY MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The Trust operates 9 academies for primary aged pupils in Camborne, Pool and Redruth. Its academies have a combined pupil capacity of 2607 and had a roll of 2519 pupils in the school census on September 1st 2022.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Crofty Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Crofty Multi Academy Trust.

Details of the Trustees who served during the year ending 31 August 2022, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

On 1st September 2016 the Members appointed the Trustees of the newly formed Multi Academy Trust.

At present the Board has seven Member-appointed Trustees and three co-opted Trustee. The CEO of the Trust is not a Trustee.

The Board regularly updates and reviews the skills register to assist with identifying future recruitment requirements.

Vacancies/new posts may be advertised within the Trust and externally, as well as with the Academy Ambassador's programme. Potential candidates provide a CV and complete a skills audit and have an informal meeting with the Chair and CEO.

Recommendations for appointment are shared with the Trustees and the final decision is made by the Members (Member-appointed Trustee) or the full Board (Co-opted Trustee).

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their knowledge of governance and education and previous experience but may include any of the following:

- Visit to the Trust office and opportunity to meet the central team
- Visit to one or more of the Trust's schools
- Documentation pack including Articles of Association, Academy Trust Handbook, Governance Scheme of Delegation, Charity Commission guidance on being a Trustee, Trust policies
- Presentations by lead officers to Board meetings
- Trust's internal governance training programme

e. Organisational structure

The Trust Board has developed an overall framework for the governance of the Trust which includes a Governance scheme of delegation, Audit and Risk committee, Lead Trustee roles, Local Governance Committees (LGCs) at each school, terms of reference and procedures, and a Governance Support team providing clerking.

It monitors activity by receiving feedback forms following Local Governance Committee meetings and holding regular meetings with committee chairs. It may from time to time establish working groups to perform specific tasks over a limited timescale.

The functions of Finance and Resources, School Improvement, Safeguarding, Personnel and Governance are monitored and overseen by named Lead Trustees who work with relevant officers to oversee the progress and improvements of the Trust, challenging and supporting as required.

The Trust Board operates the principle of 'reporting by exception' for its committees and Lead Trustees in order to ensure appropriate time and energy is spent on the most relevant strategic areas.

There is currently one Trustee committee:

- Audit and Risk - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to compliance with reporting and regulatory requirements. The committee receive reports from internal and external audit and any external reports. It regularly reviews risk management arrangements
- The establishment of two further committees is currently under consideration and is likely to be achieved in 22/23

The Trustees have devolved responsibility for day to day operations of every school to the CEO. The Trust CEO holds to account the Headteachers in the Trust for the performance and outcomes of their school via the Director of Education's reporting systems. The LGCs and SLT implement the policies set out by the Trustees and report back to them on performance. The aim of the leadership and governance structure is to devolve responsibility and facilitate involvement in decision making at all levels. Details of this are set out in the Governance Scheme of Delegation.

The term of office for any Trustee or Local Governor is four years. Trustees and Local Governors may be re-appointed or re-elected.

The appointment of chair of a LGC is subject to ratification by the Trust Chair and the Board of Trustees.

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

Structure, governance and management (continued)

The Chief Executive Officer is the Accounting Officer.

f. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the key management personnel of the Trust and its academies to be those in charge of directing and controlling, running and operating the Trust on a day to day basis.

The Trustees benchmark against pay levels in other trusts of a similar size and consider pay scales in Local Authority maintained schools when setting the pay of key management personnel.

The Chair and Vice Chair of the Trust Board act as required as the CEO Pay and Progression sub committee, reporting to the board.

All Trustees give their time freely and no Trustee received remuneration in the year for their role as a Trustee. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

Structure, governance and management (continued)

h. Engagement with employees (including disabled persons)

Crofty Multi Academy Trust is committed to maintaining good industrial relations and actively seeks to maintain good working relationships with staff and trade unions.

The Trust operates a JCNC (Joint Consultative and Negotiating Committee) attended by teaching and support staff union representatives which has met termly. Typically, the JCNC support the Trust in implementing changes to policies related to pay and conditions.

The usual timetable of meetings continued to be disrupted by the Covid 19 pandemic, however there has been constructive dialogue between unions and the Trust using alternative methods of communication.

In all its employee relations activities the Trust is fully committed to its duties under the equalities act. The Trust aims to meet its obligations by having due regard to the need to:

- Eliminate discrimination and other conduct that is prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations across all characteristics – between people who share a protected characteristic and people who do not share it

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

Objectives and activities

a. Objects and aims

The objects of the Trust are 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 schools offering a broad and balanced curriculum.

The aims of the Trust are to be a group of schools

- To give our children the best possible start in life, unlocking possibilities and enabling them to make choices about their future.
- Create the highest quality learning for staff and children alike.
- Created a culture of shared responsibility for all children in our schools; Sharing resources to maximise opportunities, innovate and pursue equity for our learners.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

Key priorities for the year are contained in our Trust Development Plan which is available from the Trust Office. Development focuses identified for this year include:

School Improvement - Further develop systems of monitoring and support to ensure the continued improvement in key outcomes for pupils:

- Highly effective CPPD that continuously improves the effectiveness of leadership and the quality of Teaching & Learning
- Curriculum provision that meets the needs of all learners.

Operations - Refine and improve the Trust's operational effectiveness and sustainability:

- Finance - Strategic planning and management leads to greater efficiency and improved outcomes – Payroll / HR systems are increasingly effective and efficient
- Business and procurement – Contracts, tendering and management, internal processes and use of reserves ensure all schools get quality service and value for money
- HR - Recruitment and induction that is increasingly effective and efficient
- Highly effective system of CPD for administrators that continuously improves the effectiveness of administration.
- Coherent, unified ICT and communications.
- A coherent estates maintenance strategy that ensures compliance and effectively invests in premises to ensure safe, high quality learning environments and long-term value for money
- The trust grows at a sustainable rate, securing a long-term future.

Culture - Further develop Culture: Purpose & Values, Communication to stakeholders, Reputation:

- Staff and governance that share a clarity of purpose and belief in our values
- Key policy and practice are founded in and reinforce shared values
- Coherent communication strategy promotes the positive impact of the work of the trust to both internal and external stakeholders.

Governance - Develop effective trust governance through appropriate structures and systems:

- Open and effective communication between all parts of trust governance
- Increasing diversity and skills base within the trustees and LGCs
- Increasingly effective structure, including Audit & Risk committee
- Termly "Management report to governance" promotes and supports governance to be effective in their roles

School Improvement Activities

The trust has enjoyed a mutually beneficial partnership with Connect Multi Academy Trust, engaging in trust wide peer review activities. This partnership came about through both trusts' participation in the SW Regional Schools Commissioners' Learning Network. This has allowed the trust to refine and improve its model of school improvement. The effectiveness of the trust's school improvement was recognised by an external review of school improvement by leaders of Wimborne Academy Trust in May 2022.

Strong Ofsted inspections this year at two of the trust's academies further confirm the effectiveness of its school improvement model.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Achievements and performance

The Trust is in its sixth year of operation.

Whilst day to day disruption from Covid-19 was reduced in comparison to previous years the impact of Covid-19 related absences on learners' outcomes became increasingly clear.

The National testing and assessment timetable was reintroduced, although results are not planned to be published as they were pre pandemic.

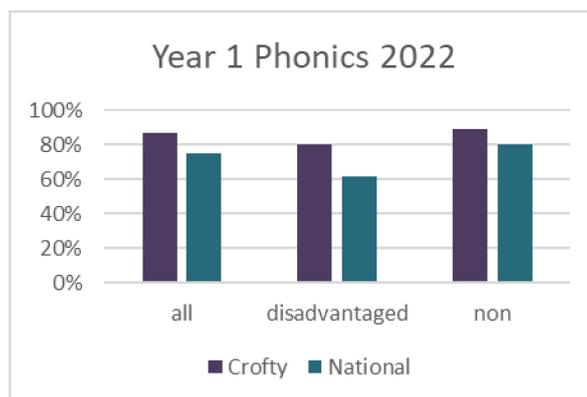
In the year 2021 – 22 Crofty Multi Academy Trust achievements include:

- The implementation of a sequenced and progressive curriculum across all Trust schools. Every school has developed a curriculum using the Crofty small steps approach which ensures that learning is carefully sequenced and pupils learn and remember more. This will be an ongoing piece of work and the further development of this will be a priority for 2022-23.
- Delivery of targeted teaching and interventions to address gaps in learning due to the disruptions of Covid19. Investment in training for teachers to support vocabulary acquisition for pupils across the whole curriculum, coupled with improved systems to identify and address specific gaps in learning supported accelerated pupil progress. Although 'closing the gap' continues to be a significant focus for all Crofty Schools the work started this year has ensured that skilled teachers alongside a forensic approach will bring about significant impact in years to come.
- The development of the teaching of reading and early language acquisition was a particular focus. All Crofty Schools use a structured synthetic phonics approach, resulting in end of year outcomes which were at least in line with National results in all schools and a Crofty average which was significantly above National. At the end of KS1 and KS2, although lower than pre-pandemic, results have remained in line with National for reading

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

Strategic report (continued)

Achievements and performance (continued)



- Over the last two years we have reviewed and developed a new approach to performance management, securely linking the principles of continuing professional development within the process. Staff have responded well to the 'improve not prove' ethos and as a result opportunities to work collaboratively within and across trust schools have increased. In turn this has brought about improvements in quality of teaching without impacting negatively on teacher workload.
- Two successful Ofsted inspections with the good quality of education provided by both schools was recognized.
- Recruitment of a specialist Speech and language therapist to support the identification of and planning for the targeted provision for pupils who need it.

Crofty School Improvement priorities for 2022 – 23

- Ensure every pupil benefits from an ambitious, sequenced and progressive curriculum with clearly defined outcomes.
- Further develop teachers and support staff to secure high quality first teaching for all, including pupils who are disadvantaged and have SEND needs.
- To ensure leadership at all levels works coherently to develop a continuously improving system.

b. Key performance indicators

The Trust's key performance indicators and their results for 2022 are as follows:

- Staff costs as a % of income - 79.9% (2021: 75.7%)
- Teacher costs as a % of income - 44.4% (2021: 46.3%)
- Staff costs as a % of overheads - 76.6% (2021: 78.4%)
- Surplus as a % of revenue - 0.7% (2021: -1.5%)

c. Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Financial review

The Trusts main funding stream is from the DFE in the form of GAG funding. Other significant funding includes CIF funding, Nursery funding, Pupil premium, Sports premium, and DFC.

All funding is carefully budgeted and planned for to ensure it can support the Trusts objectives and strategies. These spending plans are monitored monthly with key Senior Leaders and Trustees.

The total in year income is £17,415,070 (2021: £14,994,216) the total in year expenditure is £16,501,160 (2021: £15,562,392) with a net surplus for the year of £913,910 (2021: deficit of £568,176). Excluding movements on the pension deficit reserve and the restricted fixed asset fund, the Trust made a surplus in the year of £101,155 (2021: surplus of £213,528). The reserves at year end includes £443,000 amount of designated reserves for specific future projects significantly around Solar Power Investment, Buildings Maintenance and Extension of Buildings within the current estates portfolio. The Trust Board is keen to ensure that funding is carefully planned to enable every pupil to succeed and ensure investment in key areas such as Estates and ICT. Revenue reserve levels at 31st August 2022 are £1,922,104 (2021: £1,820,949) and are detailed in the funds analysis in note 20.

The Trust has implemented a new Reserves Policy during the year with one pooled reserve for revenue funds. This will ensure that the Trust can support each school individually with larger projects and not be limited by the capacity of individual School reserves. The significant upgrades of Estates at a cost of £273k, including LED for 8 schools, is an example of being able to ensure all pupils and staff within the Trust can access the benefits of shared funds and investments. The overall reserve level is reviewed and determined annually by the Trust Board which considers the longer-term financial plans as well as the risks. The current minimum reserve is one month's payroll and overheads. Additional unrestricted funds can be sought from budget holders via the Reserves Investment Panel with a business plan that meets both the school's and trusts strategic aims and objectives to ensure that spending is wise and in line with future strategic aims.

The Trust has successfully bid for £460k worth of CIF funding to upgrade roofs, fire doors and external safeguarding. This has been added to the fixed asset fund and reported in the Statement of Financial Activities along with the DFC spend. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Cashflow is carefully monitored on a rolling 12-month basis and the Trust invests cash to generate income from interest. The Investment policy has been updated this year and due diligence undertaken for the banks the investments are placed with. The policy ensures that decisions are made by Trustees and key finance personnel cooperatively which ensure that funds are invested in a way which maximises return whilst minimising risk. The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity. The current deficit as at 31st August 2022 is £1,598,000.

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

a. Reserves policy

The Academy's Trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. The Trust Board will ensure that delegated funds are spent appropriately on the pupils of each Crofty School so that the Trust can adhere to ESFA balances policies.

Trustees are also conscious of their responsibilities to ensure sufficient reserves are kept as good financial practice and to maintain a secure financial future for schools in the Trust. The basis is recognition of "risk" to each school, with future funding uncertainty, the variable timings of some funding streams to schools and the need to protect fixed payroll costs. Good financial planning and monitoring by finance staff and the Trust Board ensures that any future financial needs are identified early. Where appropriate, reserves are ringfenced in order to ensure sufficient funds for strategic investment in school improvements.

The Trust now pools reserves into one fund to ensure it can support each school individually with larger projects when required. The minimum reserve is set as one calendar month's payroll and overheads costs. Any addition to this would represent provision for unforeseen future costs.

Total Trust "Unrestricted Reserves" currently meet the requirements of this policy.

The value of unrestricted reserves as at the 31st August 2022 were £1,670,436 which complied with minimum reserves position.

The defined benefit pension scheme reserve has a negative balance as at the 31st August 2022 of £1,598,000. The effect of the deficit position of the pension scheme is that the Trust will be paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. However due to a change in investment growth assumptions contribution rates will not change from current rates until the next valuation.

b. Investment policy

The aim of the Investment Policy is to ensure the maximum return on the Trust's funds from the management of cash flow. As the Trust would be in breach of the Funding Agreement if it planned for a deficit in its annual budget or became overdrawn on its bank account(s) without prior approval (for example as a matter of short term borrowing), then it follows that, in normal circumstances, there will be opportunities to deposit cash in an account(s) paying a higher interest rate.

An annual review will be held with the bank to assess whether, for its main transactions, the Trust has access to the most cost effective bank account(s) and is taking advantage of any special arrangements. The factors and constraints checklist to be taken into account when planning an investment will include:

- The extent to which cash will be required to meet specific obligations in the short-term, i.e. statutory deductions, and in the longer-term, i.e. project costs.
- The likely future cash flow position if the investment may overlap into a new financial year.
- The possibility that cash may be needed to settle an urgent liability neither foreseen nor referred to in the annual accounts.
- The potential for the repayment of grant-aid where this is deemed not to have been properly applied.
- The possibility that grant-aid profiled in the accounts is not received at the planned time.

This is to ensure that once an investment is made it does not have to be withdrawn prior to the maturity date thus avoiding any potential penalties including loss of interest arising from the termination of the agreement. As the Trust is in charge of public funds, advice will be taken as to security and tenure from the school's bank and auditors as appropriate when any investment is planned. This will preclude any investment in an account

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

deemed to be a potential risk even though the rate of return may be higher. Normally the Trust will consider facilities offered by the main clearing banks such as the money market deposit accounts and bonds. Unless the cash flow assessment determines otherwise it will be unusual for any investment to span more than a year and beyond the current financial year. The policy will be reviewed as part of the audit process.

c. Principal risks and uncertainties

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

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year almost 94.5% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Additionally the UK is experiencing significant rises in inflation and, in particular, energy prices. Additional funding to offset rising costs falls well short of the expected increases.

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

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

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

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring the appraisal and pay review process is fair and equitable.

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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

Whilst the Trust's schools are currently at or close to PAN in all year groups risks to revenue funding from a falling roll are small. However, the uncertainty over funding levels, the uncertainty of the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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TRUSTEES' REPORT (CONTINUED)
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The Trustees examine the financial health formally every term. The Chair of the Trust receives monthly reports and Trustees review performance against budgets and overall expenditure by means of regular update reports at Board meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

The Trust's schools participate in fundraising activities for certain charities where income received is paid in full to the charity, for example Sport Relief and Children in Need. The recipient of the donations is made clear to parents in advance and all contributions are voluntary. During the last year however, there has been little opportunity to engage in fundraising activities due to the impact of Covid 19.

Where a school has a 'friends of the school' or 'parent teacher association' which actively raises funds on its behalf, the association's fundraising standards are defined in its constitution and it works closely with the Headteacher of the school to ensure its approach is consistent with the school's values. Associations with an income of more than £5,000 are required to register as a charity with the Charity Commission. The Trust does not work with, or have oversight of, any commercial participators or professional fundraisers. No complaints have been received the year regarding fundraising activities.

Plans for future periods

The trust remains strategically focused both in the medium and long term. It remains committed to being proactive in its response to changing government policy and the local educational landscape. It will seek to engage with other like minded educators and partners to bring about a coherent and effective school system both locally and nationally. Having successfully pursued this strategy across 2021-2022 the Trust has been approved by the Regional Schools Commissioner's Advisory Board to take in seven schools from a neighbouring trust. The anticipated transfer date is 1st January 2023 and the trust is well underway with the work required to ensure a successful transfer. Medium term plans now focus on the successful integration of the schools in the Trust's operational and school improvement systems.

Beyond this the Trust board remains committed to an agenda of further growth to secure the operational and financial sustainability of the MAT.

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The central oversight and management of the Trust's finances will be monitored in order to ensure they remain efficient and effective. Following a number of successful CIF bids in the first six years of operation the Trust plans to transition to the School Condition Allowance funding stream that it will become eligible for upon the transfer in of the seven local schools.

The schools in the Trust will continue to develop and embed a culture of collaboration and shared accountability both within the Trust and with schools outside who are interested in benefiting from shared working.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods (continued)

Governance will be continually reviewed to ensure effectiveness as the number of schools within the Trust increases.

Full details of our plans for the future are given in our Development Plan, which is available from the Trust office.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



M Hosking
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Crofty Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
M Hosking, Chair of Trustees	9	9
T Briant-Evans	6	9
N Lake	9	9
K Tipler	9	9
J Whetter	8	9
K Brokenshire	7	9
N Butcher	7	9
P Sheppard	1	1
R Cowen	0	0
K Harris	0	0

The Board recruited one new Trustee in summer 2022 and two in autumn 2022.

Covid-19 continued to have some impact on governance. The Board was able to meet face to face at the Trust's central offices but local governance committees continued to meet virtually for most of the year due to staff shortages and spikes in Covid cases across the 9 schools.

In anticipation of the expansion of the Trust with 7 schools from the Southerly Point Trust a joint officer / Trustee project board was created with delegated decision making powers to successfully oversee the project. This met for the first time at the end of the summer term and will meet regularly for the duration of the project.

The Trust launched a year long series of bespoke training sessions for local governors – delivered virtually. This focused on the key monitoring responsibilities including safeguarding, pupil premium, SEN, the curriculum and stakeholder engagement.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board is confident the information they receive is timely, well presented, in sufficient detail and comprehensive in coverage. This allows them to meet their key responsibilities of monitoring the performance of the whole Trust, ensuring sound financial management and strategic planning. This information includes:

- Verbal and written reports by the CEO to Board meetings
- Budget monitoring reports to every Board presented by the Finance Director
- Verbal and written reports by the Director of Education including data and analysis of the Trust's academic outcomes
- Regular meetings between Lead Trustees and the appropriate officer to receive updates on priority areas including finance, safeguarding, curriculum and school improvement, disadvantaged children and SEND
- Summary reports of feedback from Local Governance Committees (LGCs)
- Half-termly meetings with LGC Chairs
- Updates on statutory guidance and policy from Trust specialists eg Safeguarding, Health and Safety
- All external reports including Ofsted, safeguarding, external and internal audit reports
- Results of stakeholder surveys
- Updates and advice from the governance lead on changes to governance requirements
- Attendance at regional information sessions and online training events

The Trust has a written Conflicts of Interest policy which is based upon Charity Commission guidelines and regularly reviewed and updated as necessary. This sets out definitions of key concepts and responsibilities.

The Governance Scheme of Delegation is designed to minimize any duplication of roles between the three tiers of governance – Members, Trustees, Governors. Currently one Trustee is one of the five Members and two temporarily act as local governors to support LGCs which are developing their capacity and experience.

On appointment and then annually each Trustee completes a declaration form to identify any business and pecuniary interests, other governance roles, and any relationships with individual employees / governance roles which could create a conflict of loyalty.

Declaration forms are collated into a Register of Interests which is published on the Trust website and shared termly with the Trustees and / or when it changes.

Local governors also complete a declaration form and the summary of these are published on school websites.

The Audit and Risk Committee is a committee of the Board of Trustees. Its delegated responsibilities include:

- Internal controls and scrutiny – monitoring and reporting
- Review risk management arrangements
- Procurement and value for money
- Health & Safety
- Monitor compliance including the Academy Trust Handbook

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Hosking	2	4
N Lake	4	4
K Tipler	4	4

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year. Examples of new savings and improvements in this accounting period include;

- Aligning catering contact to one supplier – creating a reduction in costs, simplifying contract management ensuring improved provision of meals.
- CIF funding applications securing £460,600 worth of funding to upgrade external safeguarding, fire systems and roofing.
- Waste contract realigned to one supplier – creating a reduction in costs and improved rates of recycling.
- New Payroll provider leading to a reduction in costs, significant reduction in errors and subsequent increase in efficiencies

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Crofty Multi Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

The Trustees have decided to retain all the normal responsibilities of a separate Finance Committee at Board level – financial reporting and monitoring is on their agenda for every half termly meeting. Additional review and monitoring is carried out by the Finance group (Lead Trustee for Finance, Chair of Board, one Trustee) which meets monthly with officers.

Capacity to handle risk

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

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has decided to employ the Cornwall Council LFS team as internal auditor.

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

- Policies and procedures
- Risk management
- Testing of transactions and processing, including purchases, payroll and bank

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

Review of effectiveness

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

- the discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors;

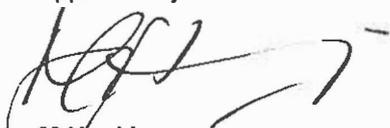
CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



M Hosking
Chair of Trustees



S Hague
Accounting Officer

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



S Hague
Accounting Officer
Date: 6 December 2022

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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

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

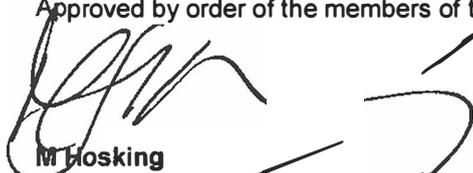
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:


M Hosking
Chair of Trustees

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROFTY MULTI ACADEMY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROFTY MULTI ACADEMY TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROFTY MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

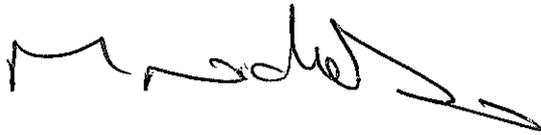
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROFTY MULTI ACADEMY TRUST (CONTINUED)**

Use of our report

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



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Statutory Auditor

Silverdown Office Park

Exeter Airport Business Park

Exeter

EX5 2UX

Date: 20 December 2022

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 30 March 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crofty Multi Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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



Misty Nickells FCA (Senior statutory auditor)
Reporting Accountant
Griffin
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date: 20 December 2021

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £	
Income from:						
Donations and capital grants	3	-	37,968	2,830,085	2,868,053	903,315
Other trading activities		20,550	-	-	20,550	32,680
Investments	7	14,389	-	-	14,389	589
Charitable activities	4	843,802	13,668,276	-	14,512,078	14,057,632
Total income		878,741	13,706,244	2,830,085	17,415,070	14,994,216
Expenditure on:						
Raising funds		-	-	-	-	1,801
Charitable activities	9	840,875	14,764,257	896,028	16,501,160	15,560,591
Total expenditure		840,875	14,764,257	896,028	16,501,160	15,562,392
Net income/(expenditure)		37,866	(1,058,013)	1,934,057	913,910	(568,176)
Transfers between funds	20	-	(242,698)	242,698	-	-
Net movement in funds before other recognised gains/(losses)		37,866	(1,300,711)	2,176,755	913,910	(568,176)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	8,880,000	-	8,880,000	(2,219,000)
Net movement in funds		37,866	7,579,289	2,176,755	9,793,910	(2,787,176)
Reconciliation of funds:						
Total funds brought forward		1,632,570	(8,925,621)	32,866,705	25,573,654	28,360,830
Net movement in funds		37,866	7,579,289	2,176,755	9,793,910	(2,787,176)
Total funds carried forward		1,670,436	(1,346,332)	35,043,460	35,367,564	25,573,654

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 65 form part of these financial statements.

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

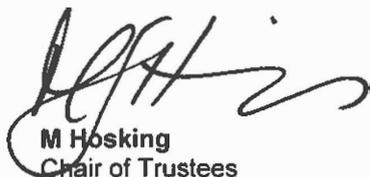
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	32,893,951	32,626,576
		<u>32,893,951</u>	<u>32,626,576</u>
Current assets			
Debtors	17	2,148,427	871,903
Investments	18	2,364,185	1,262,607
Cash at bank and in hand		515,961	1,496,474
		<u>5,028,573</u>	<u>3,630,984</u>
Creditors: amounts falling due within one year	19	(956,960)	(1,569,906)
Net current assets		<u>4,071,613</u>	<u>2,061,078</u>
Total assets less current liabilities		<u>36,965,564</u>	<u>34,687,654</u>
Net assets excluding pension liability		<u>36,965,564</u>	<u>34,687,654</u>
Defined benefit pension scheme liability	27	(1,598,000)	(9,114,000)
Total net assets		<u><u>35,367,564</u></u>	<u><u>25,573,654</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	35,043,460	32,866,705
Restricted income funds	20	251,668	188,379
Restricted funds excluding pension asset	20	<u>35,295,128</u>	<u>33,055,084</u>
Pension reserve	20	(1,598,000)	(9,114,000)
Total restricted funds	20	<u>33,697,128</u>	<u>23,941,084</u>
Unrestricted income funds	20	<u>1,670,436</u>	<u>1,632,570</u>
Total funds		<u><u>35,367,564</u></u>	<u><u>25,573,654</u></u>

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The financial statements on pages 27 to 65 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:



M Hosking
Chair of Trustees

The notes on pages 32 to 65 form part of these financial statements.

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(26,714)	253,398
Cash flows from investing activities	23	147,780	323,285
Change in cash and cash equivalents in the year		121,066	576,683
Cash and cash equivalents at the beginning of the year		2,759,081	2,182,398
Cash and cash equivalents at the end of the year	24, 25	<u>2,880,147</u>	<u>2,759,081</u>

The notes on pages 32 to 65 form part of these financial statements

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Board of Trustees has a reasonable expectation that the trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The academy had a strong reserves position at the 31 August 2022 of £1,922,104, with £515,962 held of cash at this date and a further £2,364,185 in deposit accounts. A detailed budget for 2022/23 has been prepared. This budget for 2022/23 is forecasting a small surplus after taking all costs into account. A 3-year budget has also been prepared which shows surpluses in later years as the academy is no longer impacted by lagged funding. This will leave the trust in a strong position to continue to investment in the site and still continue to operate within the Reserves policy.

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

• **Donations**

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

CROFTY MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

CROFTY MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Pensions

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

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

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

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

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

1. Accounting policies (continued)

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	37,968	19,217	57,185
Capital Grants	-	2,810,868	2,810,868
	<u>37,968</u>	<u>2,830,085</u>	<u>2,868,053</u>

	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	25,470	74,623	100,093
Capital Grants	-	803,222	803,222
	<u>25,470</u>	<u>877,845</u>	<u>903,315</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from charitable activities - Educational operations	454,382	13,668,276	14,122,658
Income from charitable activities - Nursery	389,420	-	389,420
	<u>843,802</u>	<u>13,668,276</u>	<u>14,512,078</u>

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

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from charitable activities - Educational operations	286,127	13,373,750	13,659,877
Income from charitable activities - Nursery	397,755	-	397,755
	<u>683,882</u>	<u>13,373,750</u>	<u>14,057,632</u>

5. Funding for the Academy Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	11,054,604	11,054,604
Other DfE/ESFA grants			
Pupil Premium	-	1,032,268	1,032,268
UFSM	-	338,289	338,289
Others	-	636,253	636,253
	-	<u>13,061,414</u>	<u>13,061,414</u>
Other Government grants			
Higher Needs	-	490,130	490,130
Other Government Grants	-	116,732	116,732
	-	<u>606,862</u>	<u>606,862</u>
Other income from the Academy Trust's educational operations	454,382	-	454,382
	<u>454,382</u>	<u>13,668,276</u>	<u>14,122,658</u>
	<u>454,382</u>	<u>13,668,276</u>	<u>14,122,658</u>

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

5. Funding for the Academy Trust's charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant	-	10,416,714	10,416,714
Other DfE/ESFA grants			
Pupil Premium	-	1,036,926	1,036,926
UIFSM	-	328,342	328,342
Teachers Pay/Pension Grant	-	475,189	475,189
Others	-	278,431	278,431
	-	-	12,535,602
Other Government grants			
Higher Needs	-	519,441	519,441
Other Government Grants	-	54,690	54,690
	-	574,131	574,131
Other income from the Academy Trust's educational operations	286,127	-	286,127
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	195,760	195,760
Other DfE/ESFA COVID-19 funding	-	6,157	6,157
	-	201,917	201,917
COVID-19 additional funding (non-DfE/ESFA)			
Other COVID-19 funding	-	62,100	62,100
	-	62,100	62,100
	286,127	13,373,750	13,659,877
	286,127	13,373,750	13,659,877

The Trust was able to claim additional funding in 2020/21 from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 additional funding (DfE/ESFA)' and 'COVID-19 additional funding (non-DfE/ESFA)'.

The Trust received £195,760 of funding for catch up premium and costs incurred in respect of this funding totaled £133,985. Costs incurred were spent on educational resources and training. £61,775 remained unspent at 31 August 2021 and have been fully spent in 2021/22.

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

5. Funding for the Academy Trust's charitable activities (continued)

The Trust received £6,157 from the ESFA to cover additional free school meal costs.

Other COVID-19 funding relates to £62,100 received from the Local Authority to cover additional free school meals over the Summer.

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Lettings	20,550	20,550

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Lettings	32,680	32,680

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	14,389	14,389

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest	589	589

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NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	-	-
Educational operations:				
Direct costs	9,659,623	596,099	661,319	10,917,041
Allocated support costs	2,225,881	1,085,722	2,021,483	5,333,086
Nursery:				
Direct costs	166,028	-	45,153	211,181
Allocated support costs	-	13,068	26,784	39,852
Total 2022	12,051,532	1,694,889	2,754,739	16,501,160
	<i>Staff Costs</i> 2021 £	<i>Premises</i> 2021 £	<i>Other</i> 2021 £	<i>Total</i> 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	1,801	1,801
Educational operations:				
Direct costs	9,497,008	575,672	603,434	10,676,114
Allocated support costs	1,946,045	992,130	1,693,217	4,631,392
Nursery:				
Direct costs	167,057	-	50,368	217,425
Allocated support costs	-	8,008	27,652	35,660
Total 2021	11,610,110	1,575,810	2,376,472	15,562,392

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational operations	661,246	15,588,881	16,250,127
Nursery	179,629	71,404	251,033
	<u>840,875</u>	<u>15,660,285</u>	<u>16,501,160</u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Educational operations	471,511	14,835,995	15,307,506
Nursery	179,759	73,326	253,085
	<u>651,270</u>	<u>14,909,321</u>	<u>15,560,591</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	10,917,041	5,333,086	16,250,127
Nursery	211,181	39,852	251,033
	<u>11,128,222</u>	<u>5,372,938</u>	<u>16,501,160</u>

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10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	10,676,114	4,631,392	15,307,506
Nursery	217,425	35,660	253,085
	<u>10,893,539</u>	<u>4,667,052</u>	<u>15,560,591</u>

Analysis of direct costs

	Educational operations 2022 £	Nursery 2022 £	Total funds 2022 £
Staff costs	9,286,577	166,028	9,452,605
Depreciation	770,072	38,540	808,612
Educational supplies	306,291	6,613	312,904
Other costs	181,055	-	181,055
Supply teachers	373,046	-	373,046
	<u>10,917,041</u>	<u>211,181</u>	<u>11,128,222</u>

	<i>Educational operations 2021 £</i>	<i>Nursery 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	9,447,499	167,057	9,614,556
Depreciation	865,256	43,695	908,951
Educational supplies	284,953	6,673	291,626
Other costs	28,897	-	28,897
Supply teachers	49,509	-	49,509
	<u>10,676,114</u>	<u>217,425</u>	<u>10,893,539</u>

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2022 £	Nursery 2022 £	Total funds 2022 £
Pension finance costs	160,000	-	160,000
Staff costs	2,225,881	-	2,225,881
Depreciation	87,416	-	87,416
Recruitment and other staff costs	33,972	-	33,972
Maintenance of premises and equipment	473,289	13,068	486,357
Cleaning	218,161	-	218,161
Rent and rates	123,152	-	123,152
Heat and light	182,919	-	182,919
Insurance	208,015	-	208,015
Security and transport	20,627	-	20,627
Catering	604,086	13,601	617,687
Technology costs	72,944	-	72,944
Office overheads	177,006	-	177,006
Legal and professional	735,771	13,183	748,954
Bank interest and charges	2,285	-	2,285
Governance costs	7,562	-	7,562
	<u>5,333,086</u>	<u>39,852</u>	<u>5,372,938</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational operations 2021 £</i>	<i>Nursery 2021 £</i>	<i>Total funds 2021 £</i>
Pension finance costs	109,000	-	109,000
Staff costs	1,946,045	-	1,946,045
Depreciation	106,928	-	106,928
Recruitment and other staff costs	3,936	-	3,936
Maintenance of premises and equipment	344,639	8,008	352,647
Cleaning	229,647	-	229,647
Rent and rates	164,952	-	164,952
Heat and light	185,171	-	185,171
Insurance	65,967	-	65,967
Security and transport	21,278	-	21,278
Catering	552,593	12,702	565,295
Technology costs	43,291	-	43,291
Office overheads	157,136	-	157,136
Legal and professional	683,178	14,950	698,128
Bank interest and charges	1,703	-	1,703
Governance costs	15,928	-	15,928
	<u>4,631,392</u>	<u>35,660</u>	<u>4,667,052</u>

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	29,662	39,698
Depreciation of tangible fixed assets	896,028	1,015,879
Fees paid to auditors for:		
- audit	7,500	7,350
- other services	7,700	7,200
	<u>7,700</u>	<u>7,200</u>

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

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	8,076,360	8,316,149
Social security costs	648,839	649,452
Pension costs	2,925,551	2,585,000
	<u>11,650,750</u>	<u>11,550,601</u>
Agency staff costs	373,046	49,509
Staff restructuring costs	27,736	10,000
	<u><u>12,051,532</u></u>	<u><u>11,610,110</u></u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	27,736	10,000
	<u>27,736</u>	<u>10,000</u>

b. Severance payments

The Academy Trust paid 3 severance payments in the year (2021 - 1), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	3	1
	<u>3</u>	<u>1</u>

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £12,829 (2021 - £10,000). Individually, the payments were: £8,321 and £4,508 (2021 - £10,000).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Staff (continued)

d. Staff numbers

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

	2022	2021
	No.	No.
Teachers	146	120
Administration and educational support	302	341
Management	6	7
	<u>454</u>	<u>468</u>

e. Higher paid staff

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

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £478,221 (2021 - £431,870).

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NOTES TO THE FINANCIAL STATEMENTS
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13. Central services

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

- Finance and administration
- Premises management and compliance
- School improvement advice
- Human resources
- IT licenses

The Academy Trust charges for these services on the following basis:

The cost of the provision of central services is recharged to the academies based on 6% of General Annual Grant income.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Pencoys Primary School	52,780	43,196
Rosemellin Primary School	104,999	77,738
Portreath Primary School	40,989	30,562
Illogan Primary school	59,237	45,289
Weeth Primary School	55,307	42,976
Treloweth Primary School	124,089	91,232
Roskear Primary School	123,145	96,603
Lanner Primary School	52,780	43,280
Pennoweth Primary School	87,873	72,746
Total	701,199	543,622

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £3,385 were reimbursed or paid directly to 2 Trustees (2021 - £1,757 to 1 Trustee). These were for a combination of mileage and telephone expenses.

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £550 (2021 - £475). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	35,238,390	1,044,872	1,168,307	71,700	37,523,269
Additions	926,620	32,241	204,542	-	1,163,403
At 31 August 2022	<u>36,165,010</u>	<u>1,077,113</u>	<u>1,372,849</u>	<u>71,700</u>	<u>38,686,672</u>
Depreciation					
At 1 September 2021	2,911,270	891,760	1,021,963	71,700	4,896,693
Charge for the year	660,541	79,841	155,646	-	896,028
At 31 August 2022	<u>3,571,811</u>	<u>971,601</u>	<u>1,177,609</u>	<u>71,700</u>	<u>5,792,721</u>
Net book value					
At 31 August 2022	<u>32,593,199</u>	<u>105,512</u>	<u>195,240</u>	<u>-</u>	<u>32,893,951</u>
At 31 August 2021	<u>32,327,120</u>	<u>153,112</u>	<u>146,344</u>	<u>-</u>	<u>32,626,576</u>

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	39,354	20,729
Other debtors	3,464	8,622
Prepayments and accrued income	1,916,467	742,527
Tax recoverable	189,142	100,025
	<u>2,148,427</u>	<u>871,903</u>

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18. Current asset investments

	2022	2021
	£	£
Notice deposits	2,364,185	1,262,607
	<u>2,364,185</u>	<u>1,262,607</u>

19. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	275,854	364,989
Other taxation and social security	156,345	172,204
Other creditors	192,052	201,881
Accruals and deferred income	332,709	830,832
	<u>956,960</u>	<u>1,569,906</u>

	2022	2021
	£	£
Deferred income at 1 September 2021	221,804	252,003
Resources deferred during the year	200,739	221,804
Amounts released from previous periods	(221,804)	(252,003)
	<u>200,739</u>	<u>221,804</u>

At the balance sheet date the Academy Trust was holding funds of £200,739 received in advance for Universal Infant Free School Meals for the academic year 2022/23.

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

20. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
ICT and other commitments	53,266	-	-	(53,266)	-	-
MAT contribution to CIF projects	28,619	-	-	(28,619)	-	-
Investment fund	-	-	-	35,000	-	35,000
Roskear library upgrade	-	-	-	13,000	-	13,000
Solar panel fund	-	-	-	75,000	-	75,000
Enhanced maintenance fund	-	-	-	200,000	-	200,000
Portreath extension	-	-	-	120,000	-	120,000
	81,885	-	-	361,115	-	443,000
General funds						
General funds	1,550,685	878,741	(840,875)	(361,115)	-	1,227,436
Total Unrestricted funds	1,632,570	878,741	(840,875)	-	-	1,670,436
Restricted general funds						
General Annual Grant	71,769	11,054,602	(10,738,601)	(242,698)	-	145,072
UIFSM	-	338,289	(338,289)	-	-	-
Pupil Premium	500	1,032,268	(1,032,768)	-	-	-
Other grants	116,110	1,281,085	(1,290,599)	-	-	106,596

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Pension reserve	(9,114,000)	-	(1,364,000)	-	8,880,000	(1,598,000)
	<u>(8,925,621)</u>	<u>13,706,244</u>	<u>(14,764,257)</u>	<u>(242,698)</u>	<u>8,880,000</u>	<u>(1,346,332)</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Transfer on conversion	27,870,038	-	(564,852)	-	-	27,305,186
DfE Group capital grants	3,262,635	142,150	(137,133)	(6,916)	-	3,260,736
Capital expenditure from GAG	509,615	-	(87,425)	249,614	-	671,804
Other capital grants	1,174,420	2,668,718	(75,855)	-	-	3,767,283
Capital donation	49,997	19,217	(30,763)	-	-	38,451
	<u>32,866,705</u>	<u>2,830,085</u>	<u>(896,028)</u>	<u>242,698</u>	<u>-</u>	<u>35,043,460</u>
Total Restricted funds	<u>23,941,084</u>	<u>16,536,329</u>	<u>(15,660,285)</u>	<u>-</u>	<u>8,880,000</u>	<u>33,697,128</u>
Total funds	<u>25,573,654</u>	<u>17,415,070</u>	<u>(16,501,160)</u>	<u>-</u>	<u>8,880,000</u>	<u>35,367,564</u>

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

ICT and other commitments

These funds have been specifically earmarked to deliver strategic ICT and curriculum plans which were delayed due to Covid.

Trust contribution to CIF

These funds have been specifically earmarked by the Trust as a contribution to CIF projects which funding has been granted by the ESFA.

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

20. Statement of funds (continued)

Investment fund

This money is set aside which can be used for Headteachers to apply for one off initiatives.

Roskear library

Funds put aside for work to be completed for the upgrade to the school library during October half term.

Solar panel fund

This money has been ring fenced for a Solar panel project; this is the Trusts contribution to the scheme. (Match funded)

Enhanced maintenance fund

The board has agreed this amount to be put aside for the enhanced maintenance project, this is a direct result of the conditional surveys.

Portreath extension

Portreath school have an allocation of section 1 money, the Trust are committing these funds as a contribution to provide an additional classroom.

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Universal Infant Free School Meals (UIFSM)

Universal Infant Free School Meals income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Other DfE/ESFA grants

These are split between PE and Sports funding, rates relief and Teacher's pay and pension grants.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to academy.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school on conversion to an Academy Trust.

Fixed assets purchased from GAG and other restricted funds

Funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA capital grants

Funding received from the DfE/ESFA to cover the maintenance and purchase of fixed asset additions.

Capital donation

This represents laptops (fixed assets) that were donated to the schools to support children from low income families during lockdown.

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

Other capital grants

Included within other capital grants are PFI grants from the Local Council, as well as grants from the Big Lottery and the Belling Trust.

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

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

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
ICT and other commitments	-	-	-	53,266	-	53,266
MAT contribution to CIF projects	-	-	-	28,619	-	28,619
	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,885</u>	<u>-</u>	<u>81,885</u>
General funds						
General funds	1,568,490	717,151	(653,071)	(81,885)	-	1,550,685
Total Unrestricted funds	<u>1,568,490</u>	<u>717,151</u>	<u>(653,071)</u>	<u>-</u>	<u>-</u>	<u>1,632,570</u>
Restricted general funds						
General Annual Grant	-	10,416,714	(10,064,615)	(280,330)	-	71,769
UIFSM	-	328,342	(328,342)	-	-	-
Pupil Premium	-	1,036,926	(1,036,426)	-	-	500
Catch-up premium	-	195,760	(133,985)	-	-	61,775
Other DfE/ESFA COVID-19 funding	-	6,157	(6,157)	-	-	-
Other COVID-19 funding	-	62,100	(62,100)	-	-	-
Other grants	38,931	1,353,221	(1,337,817)	-	-	54,335
Pension reserve	(5,971,000)	-	(924,000)	-	(2,219,000)	(9,114,000)
	<u>(5,932,069)</u>	<u>13,399,220</u>	<u>(13,893,442)</u>	<u>(280,330)</u>	<u>(2,219,000)</u>	<u>(8,925,621)</u>

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

20. Statement of funds (continued)

Restricted fixed asset funds

Transfer on conversion	28,584,887	-	(714,849)	-	-	27,870,038
DfE Group capital grants	2,874,054	525,400	(136,819)	-	-	3,262,635
Capital expenditure from GAG	296,428	-	(67,143)	280,330	-	509,615
Other capital grants	969,040	277,822	(72,442)	-	-	1,174,420
Capital donation	-	74,623	(24,626)	-	-	49,997
	<u>32,724,409</u>	<u>877,845</u>	<u>(1,015,879)</u>	<u>280,330</u>	<u>-</u>	<u>32,866,705</u>
Total Restricted funds	<u>26,792,340</u>	<u>14,277,065</u>	<u>(14,909,321)</u>	<u>-</u>	<u>(2,219,000)</u>	<u>23,941,084</u>
Total funds	<u>28,360,830</u>	<u>14,994,216</u>	<u>(15,562,392)</u>	<u>-</u>	<u>(2,219,000)</u>	<u>25,573,654</u>

Total funds analysis by academy

Crofty MAT uses GAG pooling. Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Crofty Multi Academy Trust	<u>1,922,104</u>	<u>1,820,949</u>
Restricted fixed asset fund	<u>35,043,460</u>	<u>32,866,705</u>
Pension reserve	<u>(1,598,000)</u>	<u>(9,114,000)</u>
Total	<u>35,367,564</u>	<u>25,573,654</u>

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Pencoys Primary School	782,011	32,987	43,618	216,399	1,075,015
Rosemellin Primary school	1,383,179	117,964	49,968	342,689	1,893,800
Portreath Primary School	482,646	30,272	50,626	172,992	736,536
Illogan Primary School	814,668	44,415	35,003	255,801	1,149,887
Weeth Primary School	792,612	58,402	34,993	256,337	1,142,344
Treloweth Primary School	1,710,611	111,407	86,929	455,643	2,364,590
Roskear Primary School	1,668,259	139,845	77,915	427,101	2,313,120
Lanner Primary School	710,437	86,955	26,788	177,192	1,001,372
Pennoweth Primary School	1,232,871	85,752	60,919	362,830	1,742,372
Central services	248,357	313,882	27,200	232,657	822,096
Academy Trust	9,825,651	1,021,881	493,959	2,899,641	14,241,132

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

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2021</i> £
Pencoys Primary School	687,093	59,192	30,257	189,393	965,935
Rosemellin Primary school	1,352,175	144,404	24,482	303,683	1,824,744
Portreath Primary School	468,542	34,475	22,662	161,161	686,840
Illogan Primary School	825,964	47,199	30,345	234,262	1,137,770
Weeth Primary School	760,788	46,693	21,586	223,799	1,052,866
Treloweth Primary School	1,619,205	136,181	57,413	399,896	2,212,695
Roskear Primary School	1,713,188	201,358	52,714	359,609	2,326,869
Lanner Primary School	731,719	70,205	22,280	155,789	979,993
Pennoweth Primary School	1,244,362	110,681	38,994	334,458	1,728,495
Central services	261,029	280,657	19,790	144,830	706,306
Academy Trust	9,664,065	1,131,045	320,523	2,506,880	13,622,513

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	32,893,951	32,893,951
Current assets	2,627,396	251,668	2,149,509	5,028,573
Creditors due within one year	(956,960)	-	-	(956,960)
Provisions for liabilities and charges	-	(1,598,000)	-	(1,598,000)
Total	1,670,436	(1,346,332)	35,043,460	35,367,564

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	32,626,576	32,626,576
Current assets	3,202,476	188,379	240,129	3,630,984
Creditors due within one year	(1,569,906)	-	-	(1,569,906)
Provisions for liabilities and charges	-	(9,114,000)	-	(9,114,000)
Total	1,632,570	(8,925,621)	32,866,705	25,573,654

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

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

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of financial activities)	913,910	(568,176)
Adjustments for:		
Depreciation	896,028	1,015,879
Capital grants from DfE and other capital income	(2,830,085)	(877,845)
Interest receivable	(14,389)	(589)
Defined benefit pension scheme cost less contributions payable	1,204,000	815,000
Defined benefit pension scheme finance cost	160,000	109,000
(Increase)/decrease in debtors	(252,553)	45,560
Decrease in creditors	(103,625)	(285,432)
Write off of investment	-	1
Net cash (used in)/provided by operating activities	(26,714)	253,398

23. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	14,389	589
Purchase of tangible fixed assets	(1,653,507)	(492,387)
Capital grants from DfE Group	1,786,898	815,083
Net cash provided by investing activities	147,780	323,285

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	515,962	1,496,474
Notice deposits	2,364,185	1,262,607
Total cash and cash equivalents	2,880,147	2,759,081

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

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,496,474	(980,513)	515,961
Liquid investments	1,262,607	1,101,578	2,364,185
	<u>2,759,081</u>	<u>121,065</u>	<u>2,880,146</u>

26. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>2,124,895</u>	<u>351,088</u>

27. Pension commitments

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

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

Contributions amounting to £191,377 were payable to the schemes at 31 August 2022 (2021 - £200,665) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £1,117,769 (2021 - £1,142,533).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £773,213 (2021 - £791,293), of which employer's contributions totalled £603,791 (2021 - £617,293) and employees' contributions totalled £169,422 (2021 - £174,000). The agreed contribution rates for future years are 19.2 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.1	2.9
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	3.1	2.9

The UK is currently experiencing a period of high inflation. As the deferred pensioner and pensioner obligations in the LGPS are increased each April in line with the previous September's rate of CPI, the high level of inflation is expected to lead to a high Pension Increase Order being applied in April 2023. Therefore, the actuary has adjusted the CPI assumption to reflect the likely significant inflationary increase to LGPS benefits in April 2023. Although not yet confirmed by government, the annual increase is due to be based on the level of CPI increases between September 2021 and September 2022, which has been estimated to be 9.9%. As a result, within the standard CPI assumption derivation, the actuary has allowed for a year 1 CPI figure of 9.9%.

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.3	21.5
Females	23.9	24.1
<i>Retiring in 20 years</i>		
Males	22.5	22.8
Females	25.6	25.8

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(269)	(459)
Discount rate -0.1%	269	459
Mortality assumption - 1 year increase	414	702
Mortality assumption - 1 year decrease	(414)	(702)
CPI rate +0.1%	249	415
CPI rate -0.1%	(249)	(415)

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

27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	4,907,000	4,893,000
Corporate bonds	2,979,000	2,953,000
Property	701,000	506,000
Cash and other liquid assets	175,000	84,000
Total market value of assets	8,762,000	8,436,000

The actual return on scheme assets was £(352,000) (2021 - £1,181,040).

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

	2022	<i>2021</i>
	£	£
Current service cost	(1,808,000)	(1,432,000)
Interest income	145,000	120,000
Interest cost	(305,000)	(229,000)
Total amount recognised in the Statement of financial activities	(1,968,000)	(1,541,000)

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

	2022	<i>2021</i>
	£	£
At 1 September	17,550,000	12,707,000
Current service cost	1,808,000	1,432,000
Interest cost	305,000	229,000
Employee contributions	169,000	174,000
Actuarial (gains)/losses	(9,377,000)	3,088,000
Benefits paid	(95,000)	(80,000)
At 31 August	10,360,000	17,550,000

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	8,436,000	6,736,000
Interest income	145,000	120,000
Actuarial (losses)/gains	(497,000)	869,000
Employer contributions	604,000	617,000
Employee contributions	169,000	174,000
Benefits paid	(95,000)	(80,000)
At 31 August	8,762,000	8,436,000

28. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	22,006	21,484
Later than 1 year and not later than 5 years	15,852	13,324
	37,858	34,808

29. 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.

30. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.