

City of London Academies Trust

Consolidated Annual Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
04504128 (England and Wales)

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Legal and administrative information

Members	Mr T Broeke (from 5 May 2022) Ms C W Haines Mr C Hayward Mr R Howard (until 20 October 2022) Ms C S McGuinness (until 5 May 2022) Mr N Sonpar (from 20 October 2022) Town Clerk (Corporate Member) Mr J Barradell
Trustees (and Directors)	Mr J Banda (appointed 14 July 2022) Mr T Broeke (Chair until 7 September 2022) Ms R Ameer (resigned 5 April 2022) Mr P G Bennett (resigned 1 April 2022) Mr E Benzecry Mr R W Blackwell Ms D Elliott Mr L Green Ms C W Haines Mr R P S Howard Prof S Khan (appointed 1 September 2022) Ms C S McGuinness (appointed 23 May 2022) (Chair from 8 September 2022) Mr R J Verrall (resigned 31 August 2022) Mr B D Murphy (appointed 18 November 2021)
Chief Executive Officer and Accounting Officer	Mr M Emmerson
Chief Financial Officer Chief Standards Officer	Ms C N Hersey Ms C Verga
Senior Management Team	
Principal of City of London Academy Southwark	Mr M Baxter
Headteacher of Galleywall Primary School	Ms S Parbhu
Co-Headteachers of Redriff Primary School	Ms C Heath and Ms J James
Principal of City of London Academy Shoreditch Park	Ms H Arles
Principal of City of London Academy Highgate Hill	Mr P Gennuh
Headteacher of City of London Primary Academy Islington	Ms K Clapham
Principal of City of London Academy Highbury Grove	Ms A Lyall
Principal of Newham Collegiate Sixth Form Centre City of London Academy	Mr M Ismail (until 31 August 2022)
Acting Principal of Newham Collegiate Sixth Form Centre City of London Academy	Ms A Lomax (from 1 September 2022)
Principal of The City Academy, Hackney	Mr M Malcolm (until 31 August 2022)
Principal of The City Academy, Hackney	Ms A Sarchet (from 1 September 2022)
Principal of City of London Academy Islington	Ms S Jacob

Legal and administrative information

Registered office	Guildhall PO Box 270 Gresham Street London EC2P 2EJ
Company registration number	04504128 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Moorgate Branch PO Box 712 94 Moorgate London EC2M 6UR Lloyds Bank pic 25 Camberwell Green London SE5 7AB
Solicitors	Bates Wells 10 Queen Street Place London, EC4R 1BE Comptroller & City Solicitor City of London Corporation PO Box 270 Gresham Street London EC2P 2EJ Bevan Brittan Fleet Place House 2 Fleet Place London EC4M 7RF

Trustees' report (including strategic report) 31 August 2022

The Trustees present their annual report together with the financial statements and auditor's report of the City of London Academies Trust ('the charitable company' or 'the Trust') and the group for the year to 31 August 2022. The annual report serves the purposes of both a Trustees' report under charity law and a Directors' report and strategic report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 46 to 52 therein and comply with the Trust's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

PRINCIPAL ACTIVITIES

The principal activity of the Trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing schools offering a broad, balanced and challenging curriculum.

During the year the Trust operated ten academies across inner London:

- City of London Academy Southwark, a secondary school with sixth-form provision;
- Redriff Primary School, a two-form entry primary school in Southwark;
- Galleywall Primary School, a two-form entry primary school in Southwark which opened in September 2016 and had children in Reception and Years 1 to 5 in 2021-22;
- City of London Academy Shoreditch Park, a secondary academy in Hackney which opened in September 2017 and had students in Years 7, 8, 9, 10 and 11 in 2021-22;
- City of London Primary Academy Islington, a two-form entry primary academy which opened in September 2017 and had children in Reception and Years 1, 2, 3 and 4 in 2021-22;
- City of London Academy Highgate Hill. This was formerly Mount Carmel Catholic College for Girls in Islington, a maintained secondary school which closed on 31 August 2017 and reopened as a new academy for boys and girls on 1 September 2017, with its first cohorts of boys in Years 7, 8, 9, 10 and 11 in 2021-22;
- City of London Academy Highbury Grove. This was formerly Highbury Grove School, a maintained secondary school with sixth-form provision in Islington which converted to academy status and joined the Trust from 1 December 2017;
- Newham Collegiate Sixth Form Centre City of London Academy. Newham Collegiate Sixth Form Centre was a sixth-form provision managed by Newham Council. This post-16 provision was transferred to a new 16-19 free school academy which opened on 1 January 2018 as part of the Trust;
- City of London Academy Islington, a secondary school with sixth-form provision. This academy joined the Trust on 1 September 2020 having previously been a single academy trust co-sponsored by the City of London Corporation and City, University of London; and
- The City Academy, Hackney, a secondary school with sixth-form provision. This academy joined the Trust on 1 September 2020 having previously been a single academy trust co-sponsored by the City of London Corporation and KPMG.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity regulated by the ESFA.

The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as City of London Academies Trust.

The City of London Corporation is the Sponsor of the Trust, and this relationship is described in the Sponsor Agreement between the Trust and Sponsor.

Details of the Trustees who served throughout the year and to the date of approval of this report are included in the Legal and Administrative Details on page 1.

Members' Liability

The members of the Trust shall comprise:

- The Sponsor;
- Up to four persons appointed by the Sponsor;
- Any such additional members that the Sponsor thinks fit.

The members of the Trust are listed on page 1. The members undertake to contribute to the assets of the Trust in the event of it being wound up while s/he is a member, or within one year after s/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before s/he ceases to be a member.

Trustees Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense, through the Risk Protection Arrangement, to cover liability of Trustees by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust.

Method of recruitment and appointment or election of Trustees

The Trustees of the charitable company shall comprise:

- Up to six persons appointed by the Sponsor;
- The Chief Executive Officer (CEO), if appointed as such by the charitable company members; and
- A minimum of two Parent Trustees if no Local Governing Bodies are formed or provision made for at least two Parent Trustees on each established Local Governing Body.

The Trust may appoint co-opted Trustees provided Sponsor Trustees remain a majority on the Board.

The term of office is four years. Trustees shall cease to hold office if removed by the person or persons who appointed them, or otherwise by an ordinary resolution of members in accordance with the Companies Act 2006.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided to new Trustees will depend on their existing experience. All Trustees are provided with copies of policies, procedures, minutes, financial accounts, budget plans and other documents that they will need to undertake their role as Trustees. A new Trust Governors' Handbook has been launched during 2021-22, providing a helpful overview of the Trust, with links to other useful resources for Trustees and school governors. As the number of Trustees joining the Trust during the course of the year is quite low, induction has been informal and tailored specifically to the individual.

With the delegation of responsibility from the Trust Board to the Local Governing Bodies (LGBs) the priority for much of the training and development has been targeted at both Trustees of the overall Trust and Governors appointed to the LGBs of individual academies. The City of London Corporation runs comprehensive training programmes, which include the following:

- Managing and Interpreting Data;
- Safeguarding;
- Financial Management; and
- Statutory Updates.

Governors of individual academies may also attend training provided locally, e.g. by the relevant local authority, which is tailored to the needs of their particular academy.

Organisational structure

The Trustees establish the overall framework for the governance of the Trust in accordance with the terms and spirit of the Sponsorship Agreement and the company's articles of association. A Trust Scheme of Delegation is in place (which is reviewed regularly by both the Sponsor and the Board of Trustees) which sets out the delegation of responsibility and authority across the Sponsor, the Board of Trustees, the Chief Executive Officer (CEO) (who is also the Accounting Officer) and the Local Governing Bodies of each academy. This Scheme of Delegation is available on the Trust's website.

The Sponsor's interests in terms of the Scheme of Delegation are represented by the City of London Corporation Education Board. The Sponsor's interests are further represented by the Trustees it appoints to the Board of Trustees.

Each academy is required to establish a Local Governing Body (LGB). The LGB fulfils much the same role as the Trust Board of a standalone academy in terms of monitoring the day-to-day operations of the academy and holding the Principal/Headteacher to account. Each LGB may choose to establish its own subcommittees, each with a particular focus e.g. finance and resources, curriculum, standards and achievement.

The three Southwark academies (City of London Academy Southwark, Redriff Primary School and Galleywall Primary School) operate a joint 'Southwark Hub' LGB to monitor the operations of all three academies and promote collaboration, sharing and optimisation of talent and resources across these three academies.

During the year, there were five sub-committees of the main Trust Board; the Finance and Operations Committee, the Audit and Risk Committee, the Standards and Accountability Committee, the Remuneration Committee, and the People, Equalities and Inclusion Committee. Details of these five Committees are included within the Governance Statement.

Organisational structure (continued)

City of London Academy Southwark Lettings Limited (Company Registration Number 08178432) is a wholly owned subsidiary of the Trust. Its principal activity is to manage the lettings of sports facilities at City of London Academy Southwark.

Arrangements for setting pay and remuneration of key management personnel

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

The performance management and remuneration of the CEO is undertaken by the Remuneration Committee with support from an external professional adviser and oversight by the Board of Trustees. The remuneration of other staff in the Trust's central team is delegated to the CEO, with oversight by the Remuneration Committee, and further delegated to senior post holders, and made in accordance with the Trust's pay policy, pay scales and performance management and appraisal policy.

The performance management and remuneration of the Principal/Headteacher of each academy is undertaken by the appropriate Local Governing Body, supported by the CEO, with oversight by the Remuneration Committee, and in accordance with the Trust's pay policy, pay scales and performance management and appraisal policy. The pay of academy leaders is based on the size and nature of their academy. These salaries are based on an appropriate range.

Other senior leaders within each of the schools are remunerated in accordance with the Trust's performance management process and approved pay and performance management and appraisal policies.

Trade union facility time

In accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulation 2017, the following information has been provided in respect of Trust employees involved in trade union facility time activity.

Relevant union officials

Number of employees who were relevant union officials during the period

Full-time equivalent employee number

8

7.87

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

7

1-50%

1

51-99%

-

100%

-

Trustees' report (including strategic report) 31 August 2022

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£26,716
Total pay bill	£52,040,454
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	80.31%
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Related parties and other connected charities and organisations

City of London Academy Southwark Lettings Limited (Company Registration Number 08178432) was incorporated on 14 August 2012 and began trading on 1 September 2012. It is a wholly owned subsidiary of the Trust. Its principal activity is to manage the lettings of sports facilities at City of London Academy Southwark.

The City of London Corporation is the Sponsor of the Trust. As described above the relationship with the Sponsor is defined by the Articles of Association, the Sponsor Agreement and the Scheme of Delegation and the Sponsor's role includes the appointment of Members and Trustees. Transactions with the City of London Corporation during the year are described in Note 24 to the financial statements.

The Trust also works collaboratively with the wider family of City of London schools which include:

- The Aldgate School;
- City Junior School;
- City of London School for Girls;
- City of London School; and
- City of London Freeman's School.

There are regular meetings and training sessions to which all the schools are invited so that skills, knowledge, best practice and experience can be shared.

Engagement with employees (including disabled persons)

The Trustees and Senior Management Team have actively sought to introduce, maintain or develop arrangements aimed at:

- providing employees with information on matters of concern to them
- consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- encouraging the involvement of employees in the company's performance
- achieving a common awareness on the part of all employees of the factors affecting the performance of the company.

Examples include:

- Programmes of professional training and inset days in each academy
- The Trust CEO and Human Resources Director meet regularly with trade unions under the Trust's Trade Union Recognition Agreement
- A virtual all-staff conference was held in September 2021
- A Heads' conference was held in June 2022
- Regular staff meetings are held in each academy
- A half-termly HR Newsletter from the Trust HR Director is shared with all the academies
- Weekly email bulletin from the CEO to all principals/headteachers, Trustees and Local Governing Body Chairs
- Some academies have conducted staff surveys

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. In 2021-22 the Trust established a new subcommittee of the main Trust Board, being the People, Equality and Inclusion Committee.

Disabled persons

City of London Academies Trust is committed to providing equal opportunities for all and welcomes applications for:

- employment from those with a disability; and
- places from pupils with disabilities.

The Trust's recruitment process ensures that applicants for posts are shortlisted on the basis of how their qualifications and experience match the specification for the job. The Trust recognises that some disabled people will need adjustments to be made in order for them to do the job. The Trust will look at what changes could be made to the workplace or to the way work is done and make any changes that are reasonable. If an employee develops a disability, the Trust will make every effort to retain his/her services by making reasonable adjustments to the workplace, the methods of working or by finding another suitable role for her/him.

Disabled persons (continued)

When decisions are made about an individual, the only personal characteristics or circumstances taken into account will be those which are necessary for the proper performance of the work involved. As part of the performance management process, disabled employees will be given the opportunity to discuss what can be done to develop and use their abilities.

Disabled pupils applying for a place at a Trust school will undergo the standard admissions procedure; offers of a place will be made on the basis laid down in the Admissions Policy and Procedures for each academy.

The needs of the disabled pupils and employees have been considered in the design of the Trust's school buildings and in the equipment purchased for teaching and learning. When planning educational and other activities outside the school day, staff organising the events will carefully consider the types of activity and the adjustments that can be made so that disabled colleagues and pupils can take part fully.

The staff, Trustees and Governors will regularly review the provision it makes for disabled staff and pupils and strive to continually improve the facilities available.

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

The Trustees and Senior Management Team have actively sought to foster relationships with key stakeholders throughout the 2021-22 academic and financial year.

The Trust's most important relationship is with all the pupils and students in each of our academies, and with their parents/carers, and this is explored further below under Objectives and Activities.

Other key stakeholders include:

- *Suppliers*

The Trust seeks to work with reliable suppliers and the Trust reports its Payment Practices every six months.

- *DfE/ESFA*

The Trust has submitted the required financial and non-financial returns to the ESFA during the year. The Trust CEO has also worked as a Behaviour Adviser with the DfE during the year.

- *Local Authorities*

Relationships between academy leaders and the CEO, and senior officers in each Local Authority are essential for each academy to work successfully with each Local Authority to best meet the needs of the pupils and students in the academies.

- *Sponsor*

The Trust has a formal working relationship with the Sponsor, as described in the Sponsor Agreement and the Scheme of Delegation, and this is supported by more informal daily working relationships between the MAT central team and the City of London Corporation's Education team.

OBJECTIVES AND ACTIVITIES

Objects and aims

The City of London Academies Trust aims to provide a high-quality education for all its students. The Trust aims for all schools to be recognised as 'Outstanding' within three years of joining the Trust.

City of London Academies draw upon the best traditions, institutions, heritage and historical successes of the City of London Corporation and London itself. The Trust seeks to deliver life-transforming learning experiences allowing all pupils, whatever their background, to develop into successful, compassionate young adults, who make a positive contribution to their local, national and global communities.

The City of London, its schools and academies are characterised by:

- High expectations, aspirations, excellence and a belief that all can succeed;
- Combining creativity, innovation and enterprise, alongside tradition and continuity; and
- Developing people who are confident, resilient, compassionate and democratic.

City of London Academies Trust Foundations of Excellence

Although all schools within the Trust are different, they all subscribe to the same ethos. All City of London academies in the Trust are expected to exhibit the five attributes of outstanding educational provision. These simple and effective principles are the essential drivers that deliver outstanding outcomes for learners and are key to the success of the Academies. They are:

High expectation leadership	Dynamic and skilled leadership from school leaders and governors founded in the core belief that all children can succeed.
Exemplary behaviour	Behaviour for learning based on a set of defined core values that promote engagement, respect, tolerance, probity, curiosity, resilience, creativity, and independence.
Outstanding creative teaching	Highly skilled teaching that inspires, engages, supports, and challenges learners whatever their starting point.
Assessment that informs intervention	Target-setting and assessment systems that set challenging targets and provide data that supports intervention if that progress is not being made.
A challenging curriculum	A formal curriculum that matches the high expectations of progress providing a range of high-status qualifications for each learner. A rich informal curriculum that supports the wider development of each learner through personal, sporting, creative, and employer related experiences.

The success of the Trust will be judged by excellence in examination results, standards of behaviour, sporting and creative achievement as well as the politeness, self-discipline, and the compassion of its students. It is important to the Trust that students enjoy learning and feel safe and happy at school and are enabled to develop their confidence, independence, and self-awareness required for their future success and well-being. Students will be taught in an environment that promotes academic, creative, sporting, linguistic, and personal achievement: this is 'the City experience'.

Trustees' report (including strategic report) 31 August 2022

Objectives, Strategies and Activities

During the year the Trust operated ten academies across inner London:

- City of London Academy Southwark (COLAS), a secondary school with sixth-form provision;
- Redriff Primary School, a two-form entry primary school in Southwark;
- Galleywall Primary School, a two-form entry primary school in Southwark which opened in September 2016 and had children in Reception and Years 1 to 5 in 2021-22;
- City of London Academy Shoreditch Park (COLASP), a secondary academy in Hackney which opened in September 2017 and had students in Years 7, 8, 9, 10 and 11 in 2021-22;
- City of London Primary Academy Islington (COLPAI), a two-form entry primary academy which opened in September 2017 and had children in Reception and Years 1, 2, 3 and 4 in 2021-22;
- City of London Academy Highgate Hill (COLAHH). This was formerly Mount Carmel Catholic College for Girls in Islington, a maintained secondary school which closed on 31 August 2017 and reopened as a new academy for boys and girls on 1 September 2017, with its first cohorts of boys in Years 7, 8, 9, 10 and 11 in 2021-22;
- City of London Academy Highbury Grove (COLAHG). This was formerly Highbury Grove School, a maintained secondary school with sixth-form provision in Islington which converted to academy status and joined the Trust from 1 December 2017;
- Newham Collegiate Sixth Form Centre City of London Academy (NCS). Newham Collegiate Sixth Form Centre was a sixth-form provision managed by Newham Council. This provision was transferred to a new 16-19 free school academy which opened on 1 January 2018 as part of the Trust;
- City of London Academy Islington (COLAI), a secondary school with sixth-form provision. This academy joined the Trust on 1 September 2020 having previously been a single academy trust co-sponsored by the City of London Corporation and City, University of London; and
- The City Academy, Hackney (TCAH), a secondary school with sixth-form provision. This academy joined the Trust on 1 September 2020 having previously been a single academy trust co-sponsored by the City of London Corporation and KPMG.

The published Pupil Premium percentages for the primary and secondary academies as at the last two census dates were:

	October 2021	October 2020
City of London Academy Southwark	51.28%	54.11%
Redriff Primary School	25.65%	23.17%
Galleywall Primary School	45.67%	47.22%
City of London Academy Shoreditch Park	58.15%	57.95%
City of London Primary Academy Islington	22.87%	14.38%
City of London Academy Highgate Hill	57.65%	62.88%
City of London Academy Highbury Grove	55.42%	65.83%
The City Academy, Hackney	57.33%	56.68%
City of London Academy Islington	57.98%	67.94%

Objectives, Strategies and Activities (continued)

City of London Academy Southwark (COLAS) is a large over-subscribed secondary academy (PAN (Published Admission Number) of 240) with a well-established sixth form operating from a purpose-built sixth-form facility located near the main school site which offers extensive classroom, study and IT facilities to support the school's growing sixth-form student population. The school offers a wide range of extra-curricular activities with a very successful Basketball Academy leading to several students securing places at US universities on basketball scholarships. The female basketball team won five national trophies last season. The school is now looking to embark on an ambitious basketball academy building and are exploring capital funding opportunities. During 2021-22 the academy was inspected by Ofsted and was judged to be Good in all areas.

Redriff Primary School is an over-subscribed two-form entry school which also has a nursery class with 50 full-time places. Nursery and Reception classes have their own separate, well equipped outdoor play area. Redriff has a specialist Autism Resource Base and the school has an Autism Accreditation awarded by the National Autistic Society. Redriff is also the lead school for the London and Southeast Maths Hub and works closely with the London South Teaching School Hub.

Galleywall Primary School is a two-form entry school which occupies the original Galleywall School site, a grand Victorian building in Southwark which has been subject to an extensive refurbishment completed in 2019.

City of London Academy Shoreditch Park (COLASP) is a new secondary academy with the fifth Year 7 cohort joining in September 2021. The school moved from temporary premises to its brand-new permanent site near Shoreditch Park in Hackney in June 2021, with the 125-year lease being signed in January 2022.

City of London Primary Academy Islington (COLPAI) moved from temporary premises to its brand-new permanent site on the border of Islington and the City of London in August 2021. The school awaits the completion of its Multi-Use Games Area during 2022-23 so that the pupils can enjoy this much needed outdoor play space.

City of London Academy Highbury Grove (COLAHG) occupies a site which was built and continues to be managed under a PFI agreement. The site is shared with Samuel Rhodes School (an Islington special school) who share COLAHG facilities including the dining hall, the swimming pool and the sixth form centre. COLAHG has a strong focus on music and is the founding school of the Music in Secondary Schools Trust (MiSST), a charity which receives funding from the Andrew Lloyd Webber Foundation and gives it to schools like COLAHG so that every student can learn to play a musical instrument for free. During 2021-22 COLAHG was inspected by Ofsted for the first time as an academy after joining the Trust in 2017, and was judged to be Good in all areas.

City of London Academy Highgate Hill (COLAHH) has a PAN of 140. The school occupies a site in north Islington comprising a mixture of Victorian, Edwardian and mid twentieth century buildings which were all subject to extensive refurbishment in 2012-13 as part of the Buildings Schools for the Future programme. COLAHH also has a strong focus on music and is part of the MiSST programme. During 2021-22 construction work started on the on-site expansion for the new sixth-form, which will hopefully be completed by the end of the 2022-23 year.

Newham Collegiate Sixth Form Centre (NCS) is a Sixth Form that caters for high-achieving students in East London and offers A-level education with a Super Curriculum and various other opportunities. NCS has an ALPS grade of 1 placing it in the top 1% of all UK schools. The academy occupies three buildings on a shared campus in East Ham. The Edwardian buildings are Grade II listed and two have been fully refurbished to provide high quality specialist teaching. NCS runs an Elite University Preparation Programme which supports students in applying for prestigious UK and US universities.

Objectives, Strategies and Activities (continued)

In 2022 over 95% of students received an offer to study at a Russell Group university and NCS earned its tenth Ivy League offer in five years, with one student securing an offer to study at Dartmouth College in the United States funded by a \$320,000 scholarship. For international students, there is an acceptance rate of 0.3% for a place at an Ivy League university and so this is a remarkable achievement. In addition, 10 students received offers for high profile degree apprenticeships from companies such as KPMG, PWC and Dyson. NCS also works in strategic partnership with UCL to offer opportunities to students and professional development for staff. During 2021-22 the academy was inspected by Ofsted for the first time and was judged to be Outstanding in all areas.

City of London Academy Islington (COLAI) is an over-subscribed secondary academy with a PAN of 165 and a sixth form. The school occupies a purpose-built site which is shared with Richard Cloudesley School (an Islington special school). The school is proud of its Combined Cadet Force (CCF), open to Years 9-13, which offers enrichment activities through the Army Cadet training syllabus. During 2021-22 COLAI was able to 'revive' many of its enrichment activities as the impact of the pandemic declined, including the CCF Summer Camp (attended by over 70 pupils) and Activities Week, which included a vast array of on-site and off-site activities. Other highlights in the year included being awarded the Quality in Careers standard; a national award that recognises outstanding careers provision. Also, Year 9 students took part in a shoe design competition, sponsored and supported by the Worshipful Company of Patternmakers, which included trips to a shoe factory and workshops with shoe designers and culminated in the awarding of some very generous prizes at the Summer Awards Evening.

The City Academy, Hackney (TCAH) is an over-subscribed secondary academy with a PAN of 190 and a large sixth form. The school occupies a purpose-built site in Homerton, Hackney.

The most recent Ofsted inspection gradings for each academy are as follows, with four of the academies inspected during 2021-22:

COLAS	Good (November 2021)
Redriff	Outstanding (October 2011)
Galleywall	Outstanding (May 2019)
COLASP	Good (November 2019)
COLPAI	Outstanding (November 2019)
COLAHG	Good (April 2022)
COLAHH	Requires Improvement (January 2022)
NCS	Outstanding (October 2021)
COLAI	Outstanding (March 2019)
TCAH	Outstanding (January 2012)

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. When setting the objectives of the Trust for the year, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary guidance on advancing education. The Trustees have delegated the setting of operational objectives to the LGBs in each individual academy.

Public benefit (continued)

Key objectives are:

- to raise the standard of educational achievement of all pupils;
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of each academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct its business in accordance with the highest standards of integrity, probity and openness.

The Trust schools continue to grow and develop strong and effective local community links that support student achievement.

ACHIEVEMENTS AND PERFORMANCE

Throughout 2021-22 the Trust and each of the ten academies were responding to and managing the continuing impact of the COVID-19 pandemic. The 'routine' operations and activities of the academies have evolved throughout the pandemic, and all pupils/students, parents/carers, staff and Trustees have continued to work together to respond to events as they unfolded, including:

- Interpreting and implementing the changing guidance from the government and the DfE;
- Facilitating Lateral Flow Device (LFD) screening tests for all secondary pupils at the start of the September and January terms, and then encouraging twice-weekly LFD testing for secondary pupils and all school staff, and distributing testing kits;
- Supporting the use of face coverings in school in line with DfE guidance;
- Working with the NHS and the School Age Immunisation Service to provide facilities for the COVID-19 vaccination programme in schools;
- Making physical changes to the learning environments and changes to facilities management to help keep pupils and staff safe when in school buildings;
- Monitoring and updating Trust and individual academy risk assessments and making changes in response to changing infection rates in each school;
- Managing the return of the A-level and GCSE exams process following two years of no exams;
- Managing staff absence due to COVID or the need to self-isolate, especially when agency supply was very limited;
- Managing COVID-related absence of pupils and the impact on their learning;
- Reporting staff and pupil absence data to the DfE; and
- Supporting the health, safety and emotional well-being of all students and staff – both those in school and those at home during periods of individual self-isolation.

ACHIEVEMENTS AND PERFORMANCE (continued)

As daily operations have started to return nearer to normality, the Trust continues to address the longer-term impacts of COVID including:

- Measuring, monitoring and responding to lost learning, and maximising the use of catch-up and recovery premium funding and funding for the National Tutoring Programme and the 16-19 tuition fund;
- Tackling high levels of persistent absence amongst pupils and high levels of recurring or long-term staff absence; and
- Re-engaging pupils with being in a classroom, building relationships with their peers, and adopting behaviours for learning.

As outlined in the Financial Review below the Trust received funding from the DfE/ESFA to support the schools' COVID recovery plans. Each school used this funding to best meet the needs of their pupils and students in accordance with the terms and condition of each funding stream.

During 2021-22 the Trust progressed into the second year of its pre-apprenticeship pathway for Key Stage 4 students at risk of permanent exclusion, which is based at the COLAHG site in the sixth form building. The provision offers students work experience opportunities (although these have been limited during the pandemic) alongside continued GCSE teaching in core exam subjects, and comprehensive pastoral arrangements with mentoring and coaching. This pre-Apprenticeship pathway together with the existing protocols for managed moves between COLAT and other local maintained or academy schools have dramatically reduced permanent exclusion figures.

Key Performance Indicators

After two years of Teacher Assessed and Centre Assessed Grades, the 2022 Year 11 and 13 students in our academies returned to examinations to determine their results for GCSE and A-levels.

A level results

A-Level	% pass rate		% A*-C		%A*-B		%A*-A	
	2022	2021	2022	2021	2022	2021	2022	2021
COLAS	94	99	79	91	54	69	21	39
COLAHG	99	98	80	80	56	55	21	29
COLAI	100	100	85	97	56	72	23	48
TCAH	100	100	83	91	61	66	27	25
NCS	100	100	99	100	97	96	78	66

GCSE results

Across the Trust, 72% of students achieved grade 4 and above in both English and Maths (2020-21 69%), with 53% (2020-21 47%) achieving grade 5 and above in both English and Maths. The provisional progress score is above the national average at -0.02, increasing from -0.20 in 2019 when standard examinations were last taken.

Trustees' report (including strategic report) 31 August 2022

Key Performance Indicators (continued)

GCSE results (continued)

GCSE	% grade 4 and above in both English and Maths		% grade 5 and above in both English and Maths	
	2022	2021	2022	2021
COLAHG	62	65	41	47
COLAHH	63	67	36	46
COLAS	74	78	59	56
COLAI	72	66	53	39
TCAH	74	71	56	48
COLASP (first Year 11 cohort)	88	NA	71	NA

Primary Results

The primary schools have continued to see high levels of pupil mobility, with children leaving and joining the schools. In 2021-22, as in 2019-20, the national curriculum assessments in primary schools did not take place due to the COVID-19 pandemic. In the absence of external assessment NFER tests were taken by students in primaries, and where this took place in our Trust schools, student outcomes were strong compared to national figures.

Key Stage 2

At Redriff the 2022 Key Stage 2 results for combined Reading, Writing and Mathematics attainment was 78% at the expected level (2020-21 82%) and 25% at greater depth (2020-21 36%).

Key Stage 1 and EYFS

	Combined Reading, Writing and Mathematics			
	% Expected level		% Greater depth	
	2022	2021	2022	2021
Redriff	67	70	16	14
Galleywall	67	68	27	16
COLPAI	77	77	20	17

	% Pass Phonics			
	Year 1		Year 2	
	2022	2021	2022	2021
Redriff	80	84	97	89
Galleywall	84	79	88	83
COLPAI	93	90	97	66

	EYFS % Good Level of Development	
	2022	2021
Redriff	74	73
Galleywall	75	69
COLPAI	71	90

FINANCIAL REVIEW

In 2021-22 the Trust saw further growth with the additional students and staff in each of its existing new, growing academies. This growth is reflected in the financial statements in the year with the significant increase in both grant income and staffing expenditure.

The consolidated surplus for the year is £0.78m (2021 - £3.52m) excluding the movements on the pension liability and fixed assets. However, £1.74m of the surplus in 2020-21 was the recognition of funds from COLAI and TCAH transferred into the Trust on 1 September 2020. Excluding this, the surplus for the year in 2020-2021 was £1.78m.

Income

The Trust's total income for the year ended 31 August 2022 amounted to £73.43m (2021 - £186.44m). Income in the previous year included substantial non-routine items as follows:

<i>£m</i>	<i>2022</i>	<i>2021</i>
Total income	73.43	186.44
Recognition of net assets transferred in on COLAI and TCAH joining the Trust	-	(51.74)
Donated fixed assets	-	(66.51)
Routine income	73.43	68.19

Routine income in the year was £73.43m (2021 - £68.19m) of which £63.59m (86.60%) related to DfE/ESFA revenue grants (2021 - £58.94m (86.4%)). This growth in ESFA revenue grant income has mainly arisen from the continued growth in pupil numbers at the newer academies (Galleywall Primary School, COLAHH, COLASP and COLPAI) and additional COVID-related funding from the DfE/ESFA.

During the year the Trust received £1.07m (2021 £0.73m) of additional COVID-related funding from the ESFA. £0.42m of this ESFA funding was Recovery Premium and National Tutoring Program funding (2021 £0.40m Catch-up Premium) which has primarily been spent on additional teaching staff to support intervention programmes in maths, english and science. £0.47m of the ESFA funding was for School-led Tutoring, and £0.11m was to support mass testing and the vaccination programme (2021 £0.25m) in the schools.

Income from catering, facilities hire, trips and wrap-around care was impacted significantly by the COVID-19 restrictions throughout the previous year and the full or partial closure of the academies in January 2021 at the beginning of the second COVID-19 lockdown period. This income has started to recover in 2021-22.

Expenditure

Total expenditure (excluding depreciation and amortisation) in the year was £74.41m rising from £66.65m in 2021.

Total staff costs have increased from £53.47m to £57.53m. This £4.06m increase in staff costs accounts for over half the total increase in expenditure in the year. Staff costs in 2021-22 represent 77% of total costs (excluding depreciation and amortisation) compared to 80% in 2020-21. Staff costs and numbers have mainly increased due to continued recruitment at the newer academies in line with the growth in pupil numbers, pay rises and pay progression across the Trust, and supply costs to cover high levels of staff absence due to illness.

Trustees' report (including strategic report) 31 August 2022

Expenditure (continued)

As a result of the COVID-19 pandemic and the lockdown period, schools were able to make some savings on certain costs in the previous year e.g.:

- Staffing, with savings in supply cover and delaying recruitment of staff where vacancies have arisen;
- Trips;
- Catering costs; and
- Examination fees and invigilation costs.

(However, there were also additional costs including additional learning resources for remote learning, additional premises and cleaning costs and PPE spend.) As the schools have returned to more routine operations these savings are no longer being made and costs have risen again in the year.

Premises costs (excluding depreciation) have increased from £5.32m to £6.53m. This reflects the additional operating costs of all year-round occupation of the schools (without closures), the two new school buildings at COLASP and COLPAI, and rising energy costs.

Fixed Assets

The Trust's capital investment in the year amounted to £1.66m (2020-21 - £68.58m) including donated fixed assets totalling £8,000 (2020-21 - £66.51m).

Land and Buildings

During the previous year, the new permanent sites for COLPAI and COLASP both achieved Phase 1 practical completion. The Trust took occupation of both sites under a Licence to Occupy and the schools were able to start using the facilities fully. Both sites are part of wider development schemes to include residential blocks which are still under construction, and each of the two school sites are being completed and handed over in phases as the neighbouring residential blocks are completed. The risks and rewards of ownership transferred to the Trust during 2020-21 and so the buildings were then recognised as assets donated from the local authority. Each site was valued by an independent expert; the value recognised for COLPAI being £17.85m and the value recognised for COLASP being £47.03m.

Information Technology

During the 2020-21 year the Trust was allocated over 1,760 laptops and iPads from the DfE for use by pupils and students across the Trust. These devices were recognised as donated fixed assets in the previous year with a total value of £0.40m. The Trust academies also invested heavily in additional devices funded from their own internal resources to supplement the DfE allocation.

The Trust is continuing to invest in IT infrastructure and devices for the two new sites at COLPAI and COLASP with total expenditure expected to be £0.90m, of which £0.12m at COLPAI and £0.10m at COLASP has been recognised as fixed assets in the year (£0.54m recognised as fixed asset additions in 2020-21). This has been funded by capital funding from the DfE/ESFA. The Trust has also continued to invest in the refreshment and replacement of IT infrastructure and assets across all the schools.

Other

Other significant capital spend in the year includes:

- Replacement of toilet blocks at TCAH and COLAHH;
- Upgrades of the building management systems at TCAH and COLAI;
- Wi-Fi infrastructure investment at TCAH;
- Extensive replacement of interactive whiteboards in classrooms at COLAHG, COLAI and NCS;
- Extensive flooring project at COLAS; and
- Completion of the refurbishment of the portacabin classrooms at Redriff.

Trustees' report (including strategic report) 31 August 2022

Cash

The Trust had cash balances at the year-end of £17.57m (2020-21 - £16.33m), with the change in the year mainly due to operating activities and the receipt of school condition allocation funding for 2022-23.

Pension liabilities

The Local Government Pension Scheme (LGPS) Liability has significantly decreased in the year by £22.27m to £4.16m. The rates being used to discount the liabilities in each of the schemes have risen substantially, meaning the overall liability position has reduced.

Reserves policy

In general, it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events. At the same time, the Trust wishes to ensure that funding is used actively to benefit the students in each of the academies and so use available reserves to enhance educational provision.

The Trustees have determined that the appropriate level of desired free reserves for the whole Trust should be equivalent to two months' operational expenditure (excluding the fixed assets fund) where possible, with the Trust aiming for a minimum required level equivalent to one month's operational expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants.

The Trust held consolidated fund balances at 31 August 2022 of £182.05m (2021 £163.39m) comprising £7.38m (2021 £6.34m) of unrestricted general funds and £174.67m (2021 £157.05m) of restricted funds which includes the fixed asset fund of £178.07m (2021 £182.46m) and a general restricted fund of £0.76m (2021 £1.02m). This general restricted fund together with unrestricted funds totals £8.14m (2021 £7.36m). One months' worth of expenditure (excluding depreciation) is estimated to be £6.09m and so the Trust's current level of free reserves meets this minimum required level.

The Trust grew from three to eight schools in 2017-18 but some of these new schools have not yet had the opportunity to build up reserves as at 31 August 2022 to cover one months' worth of their expenditure. Galleywall, which opened in September 2016, has a deficit reserves position of £96m, having invested early in teaching staff and leadership before the school was full, and then incurring significant staff supply costs in the current and previous years due to high levels of staff sickness absence.

The deficit reserves position at COLAHG of £1.46m continues to put pressure on the Trust. However, the school has undertaken detailed reviews of curriculum planning and staffing to identify and implement efficiencies and has improved financial and budgetary controls. Furthermore the pupil numbers in the school are rising again meaning increased income in future years. The budgets for the next 3-years show a return to in-year surpluses.

Investment policy

The stated objectives in the Trust's current Investment Policy are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- To only invest funds surplus to operational need based on all financial commitments being met without any of the Trust's bank accounts becoming overdrawn.

By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment policy (continued)

Each academy will make its own investment decisions in accordance with:

- The Trust Scheme of Delegation;
- The requirements of the Trust Investment Policy;
- The Trust Finance Policy and Procurement and Tendering Policy; and
- The terms of reference of the academy's Local Governing Body and its subcommittees.

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. The Trust's policy is to invest funds in risk-free and immediately accessible deposit accounts with the Trust's banking provider. If sufficient reserves are available an Academy may seek to invest in other low-risk accounts subject to approval by the Trust's Finance and Operations Committee. Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy and the Trust.

Going concern

The Trustees have considered the detailed budgets for the next three years for each of the ten academies and the Trust as a whole, to understand how the academies plan to manage increasing cost pressures (e.g. salary costs, pension costs, energy costs, and general high inflation) against a backdrop of uncertainty around future funding for schools. After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the Trust

The Trustees are mindful that they must act in a way most likely to promote the success of each of the academies and the Trust as a whole, and in doing so must have regard to:

- the likely consequences of any decision in the long term;
- the interests of the Trust's employees;
- the need to foster the Trust's relationships with key stakeholders;
- the impact of the Trust's operations on the community and the environment; and
- maintaining a reputation for high standards.

Each of these considerations are addressed in the narrative within this Trustees' Report and in the Governance Statement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has a risk management process in place to assess strategic risks and implement appropriate risk management strategies. This has involved identifying the key risks the whole Trust faces, scoring and prioritising them in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks, then considering the costs of operating particular controls relative to the benefit obtained.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The Trust's main risks are:

- ***Child protection and safeguarding failings.*** The Trust has a number of systems, policies, training, procedures and controls, as well as designated responsible persons, qualified in their area of expertise, to help ensure it complies with legislative requirements. These specifically cover the areas including education law and child protection legislation. Each Academy can also seek legal advice where appropriate and/or obtain other expert advice and services from the relevant local authority team or other specialist children's services in the borough.
- ***Maintaining standards - Trust does not achieve planned educational outcomes and exam performance in one or more of its academies, or receives a negative Ofsted inspection report.*** To mitigate this risk there is a continued focus on securing 4 levels of progress from KS 2 to 4 for all pupils in all year groups. The Trust has a full-time Chief Standards Officer, supported by part-time specialists, and she and the CEO are uncompromising in high expectations of students in all Academies and manages a programme of scrutiny and impact meetings across all schools. There is also a strong drive through CPD (continuing professional development) to ensure outstanding teaching. Investment in data systems / reporting requirements with accountability has been made to ensure that any downturn is flagged, and corrective action is taken promptly. Regular reports to the LGB Committees and to the Trust Standards and Accountability Committee will provide early warning of any issues and enable under-performance to be addressed.
- ***Failure to attract and retain students due to high pupil mobility and surplus school places in London, leading to loss of income, suboptimal use of resources and adverse implications for budgets.*** Marketing strategies are in place to maximise student recruitment and retention (and therefore income). Outstanding / Strong Good Ofsted reports within the Trust, strong exam results, links with the Corporation of London and behaviour of students inside and out of school all enhance the Trust's reputation and attractiveness of schools.
- ***Financial risks including reductions in funding, increasing pay rises and employment costs, rising energy costs and general inflation, poor budgetary control, weak financial controls, poor financial planning or fraud.*** The Trust continually seeks opportunities for group procurement and shared services across the Trust to make savings. To ensure rigorous financial management across the Trust there is close budget and cashflow monitoring on a monthly basis and each academy must have a 3-year forecast in place based on agreed assumptions. Trust-wide finance policies are in place to ensure robust monitoring and reporting and strong internal financial controls. The Trust also seeks to recruit skilled, suitably qualified finance staff. There is also continued financial support from the Sponsor for specific programmes and activities.
- ***Premises and facilities management difficulties including unaffordable building maintenance programmes, failure of the fabric of a building, on-site building works, delayed/phased handover of new school buildings, and operational, safeguarding and financial implications of shared sites at COLPAI, COLAHH, NCS and COLAHG.*** Each school has an asset management plan in place to address routine maintenance, compliance work and longer-term planned maintenance and repair, which is managed by experienced premises teams and facilities management providers. For building works there is continued liaison with building contractors so timelines can be managed. Agreements are in place with counterparties to manage operation and financing of shared sites and physical access controls are in place to support safeguarding of shared sites. All Academies have Business Continuity Plans in place. The Trust has a Director of Facilities and Estates working across all the academies to add relevant skills and capacity in this area.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- **Significant loss or failure of key IT systems, or cyber-attack.** IT plans exist in each school to maintain high network and equipment reliability with appropriate support contracts and internal staffing for service management. Robust policies are in place covering access, usage, security and data protection, with training for all staff. Experienced support staff are employed by the Trust to resolve day-to-day issues and there is active knowledge sharing across Trust schools to identify optimal IT solutions for the next 3-5 years. IT capital expenditure is planned to align with Academy development plans where possible, with strategies for identifying and replacing legacy equipment reaching the end of its life.
- **Weak or ineffective governance by trustees, members, or local governing bodies.** Trust governance structure and processes are outlined in the Governance Statement on page 25. The Trustees and Sponsor have commissioned independent reviews of governance in recent years to provide additional scrutiny and increased skills and capacity have been added to the central MAT team in 2021-22 to support governance.

Fundraising

The Trust's approach to fundraising centres around the application for grant funding for specific projects in the schools. In the year the Trust successfully applied for £1.97m (2020-21 £2.31m) in grants from the Sponsor which have been used to fund a range of activities across the academies. TCAH received £50,000 from KPMG in the year to mark the 2021 Founders Day.

The Trust was also fortunate to receive donations of £86,272 (2020-21 £201,844) in the year. COLPAI received £15,978 of donations (2020-21 £110,950) including several donations from individuals and volunteers and a donation from the PTA for PE equipment. COLAHG received £12,304 (2020-21 £nil) including £10,000 towards the summer term Activities Week. COLAS received donations of £23,725 (2020-21 £10,900) in total from a number of City Livery companies. Galleywall received £11,633 (2020-21 £nil) including £11,042 towards their new school bell. COLAI received donations of £3,650 (2020-21 £53,137) and TCAH received £16,728 (2020-21 £12,049). The Trust has also received several smaller donations in the year which have been used, for example, to buy reading books.

Some academies work with staff, parents and governors to fundraise for the academy through, for example, parent-staff association events. As the academy staff are involved in this way the fundraising activities on behalf of the academy can be monitored and supervised to ensure the activities align with the academy's and the Trust's ethos and values.

The Trust does not participate in direct fundraising approaches to members of the public, which might be considered unreasonably intrusive or persistent, or use professional fundraisers, and no fundraising complaints have been received in the year.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2021- 31 August 2022	1 September 2020- 31 August 2021
Energy consumption used to calculate emissions (kWh)	12,762,909	8,889,999
Scope 1 emissions in metric tonnes CO ₂ e		
- Gas consumption	1,115.25	1,100.71
- Owned transport – mini-buses	5.20	3.07
Total scope 1	1,120.45	1,103.78
Scope 2 emissions in metric tonnes CO ₂ e		
- Purchased electricity	1,281.51	608.53
Scope 3 emissions in metric tonnes CO ₂ e		
- Business travel in employee-owned vehicles	0.03	1.13
Total gross emissions in metric tonnes CO ₂ e	2,401.99	1,713.44
Intensity ratio		
- Tonnes CO ₂ e per pupil	0.31	0.28

Quantification and Reporting Methodology:-

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

Intensity measurement

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

Measures taken to improve energy efficiency

We are working towards the installation of smart meters across all sites and are encouraging the increased use of video conferencing technology for staff meetings, to reduce the need for travel between sites. We have also invested in refurbishing existing heat pumps and solar panels to reduce external energy consumption, and are scrutinising data from the building management systems to understand and monitor energy use across our sites and where changes can be made.

PLANS FOR FUTURE PERIODS

The City of London Academies Trust is driven by the ambition to provide world-class experiences and deliver exceptional educational outcomes for the young people it serves.

The priorities for 2022-23 include:

- Continued focus on the legacy impact of COVID-19 in schools and addressing the learning loss for children in the academies;
- Targeted improvement of pupil/student outcomes and progress data at all the academies;
- Detailed scrutiny and management of in-year budgets and longer-term forecasts as all schools respond to increasing energy costs, high pay rises, and general inflationary pressures, against a backdrop of uncertain future funding rates;
- Responding to high levels of pupil mobility across London (and the impact this has on learning for all pupils in our schools) and falling primary pupil numbers in London boroughs;

PLANS FOR FUTURE PERIODS (continued)

- Addressing recruitment challenges, especially in support functions;
- Continued support for COLPAI and COLASP to settle into their new permanent site. Both sites are part of wider development schemes to include residential blocks which are still under construction, and each of the two school sites are being completed and handed over in phases as the neighbouring residential blocks are completed;
- Continuing to work closely with DfE/ESFA colleagues on the plans to expand NCS, and the ongoing construction works at COLAHH to expand the capacity of that site to allow sixth form teaching on site from 2023;
- Promoting the new Trust collegiate sixth form including the two new highly academic sixth forms which opened at COLAHH (in temporary premises) and COLASP in September 2022;
- Capital investment projects, funded by the School Condition Allocation, in line with each school's asset management plan; and
- Development of the central MAT team to provide additional support to schools.

Beyond 2022-23 the Trust will continue to grow its newer schools with increasing pupil/student numbers anticipated each year as new cohorts join, supported by recruitment of quality teaching and support staff. The Trust will continue to manage, as best it can, the increasing cost pressures all schools face against a backdrop of uncertainty around future funding for schools.

The Trust follows a strategy of controlled growth and will look to sponsor other schools expressing a wish to join the Trust where ethos and values are closely aligned. However, in the medium-term the Trustees do not expect to expand the Trust beyond twelve academies.

AUDITOR

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Trustees and signed on its behalf by:



Ms C McGuinness
Chair of Trustees

Date: 22 December 2022

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the City of London Academies Trust (the '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 the 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 (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between the Trust and the Secretary of State for Education.

The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has met formally four times during the year with attendance via virtual or hybrid meetings as follows:

Trustee	Number of meetings attended	Out of a possible
Ms R Ameer	2	3
Mr J Banda	1	1
Mr P G Bennett	3	3
Mr E Benzecry	2	4
Mr R W Blackwell	3	4
Mr T Broeke	4	4
Ms D Elliott	2	4
Mr L Green	3	4
Ms C Haines	4	4
Mr R P S Howard	3	4
Ms C S McGuinness	1	1
Mr B D Murphy	2	3
Mr R J Verrall	2	4

During the year Ms R Ameer, Mr P G Bennett and Mr R J Verrall resigned as Trustees and Mr J Banda, Ms C S McGuinness and Mr B D Murphy were appointed as Trustees, as detailed on Page 1. Mr T Broeke was reappointed as Chair of the Trust at the beginning of the first meeting of the Board of Trustees in September 2021.

Declarations and register of interest are standing agenda items at each meeting of the Board of Trustees, and the Trustees are asked to review and update their register of interests and to inform the Clerk of any changes as and when they arise during the year.

Governance (continued)

Although the Board of Trustees has met fewer than six times in the year the Trustees have been able to maintain effective oversight of the Trust's funds and financial operations. The Trust's finances are discussed at both Board Meetings and meetings of the Finance and Operations Committee, which met four times in the year. This means the Trust's finances were reviewed and discussed by Trustees eight times in the year, and management accounts were circulated to the Chair of the Trust between meetings as appropriate.

The information and data presented to the Board of Trustees to inform their discussions and decisions is prepared by the Trust CEO, the Trust CFO (Chief Financial Officer), the Trust CSO (Chief Standards Officer) and the central Trust management team, who will also attend the Trustees' meetings as appropriate. The outline agenda for each Trustee Meeting across the academic and financial year is planned to ensure that all key issues are covered with appropriate frequency. The focus for the Trustees during 2021-22 has included:

- Recovery from the impact of the COVID-19 pandemic and the consideration of:
 - Effective use of the COVID Recovery Premium in each academy
 - Health and safety for all students and staff
 - The emotional well-being of pupils and students
 - Improving attendance and targeting persistent absence
 - Recovery of lost learning
 - Managing the A-level and GCSE exams process
 - Arranging onsite COVID testing for staff and students
 - Facilitating the vaccination programme
- Academic performance across all Trust schools, with emphasis on the 2020-21 exam results (following the disruption in the 2019-20 and 2020-21 exams and grading) and the return to an exam assessment process for 2021-22
- Ofsted inspections in the year and preparation for a potential MATSE (multi-academy trust summary evaluation)
- Budget management, monitoring and reporting across the Trust, particularly with spiralling costs of energy and food, and wider inflation
- Planning and preparation for the two new highly academic sixth forms opening at COLAHH and COLASP in September 2022
- Oversight of the planned expansion projects at NCS and COLAHH and the occupation of the brand-new sites at COLASP and COLPAI
- Trust governance and the relationship with the Sponsor, including the sponsor agreement
- Review of the central recharge to schools for the central MAT function

During 2020-21 the Board of Trustees commissioned an independent external review of governance which was undertaken by the National Governance Association (NGA). The resulting report comments on the future role of the Sponsor, how the trust and its Sponsor should work together and how governance can be strengthened following the rapid growth of the trust in recent years.

Governance statement Year ended 31 August 2022

Governance (continued)

In 2021-22 the Trustees have continued to act upon the recommendations made including:

Recommendation	Progress in 2021-22
Reviewing the sponsorship agreement and the role of the Sponsor.	This has been discussed in Trust Board meetings during the year. The Sponsor is commissioning an external review of COLAT's governance and strategic leadership arrangements to be undertaken in the early part of 2022-23.
Embedding yearly or twice-yearly members' meetings.	The members met formally in September 2021 and March 2022 and informally in May 2022.
Reviewing meeting agendas and the content of papers to ensure sufficient time within meetings to challenge on information provided.	This will be ongoing, led by the Chair and the Clerk
Improving the induction process for new trustees and the training programme for all trustees.	A new Trust Governors' Handbook has been launched providing a helpful overview of the Trust, with links to other useful resources for trustees and school governors.
Developing the performance management process for the Chair.	During the first half of 2021-22 Trustees were asked to complete a questionnaire as part of a 360-degree review of the Chair (using a NGA template) and the responses were shared with the Chair.
Investing more resources in to the administration of governance.	A Governance Assistant joined the central MAT team in January 2022 to add capacity in this area.

In the autumn term of 2021 each academy local governing body was asked to undertake the annual self-evaluation review and the findings were subsequently shared with the Board of Trustees. Each of the Trustees was also asked to complete a skills audit (based on the NGA template) to identify areas to be strengthened across the Trust Board as a whole.

The Board of Trustees (and its sub committees) will continue to use the recommendations in the NGA report to perform its next self-evaluation in 2022-23 to consider its effectiveness, any skills gaps and compliance with the DfE's Governance Handbook and ESFA's Academy Trust Handbook.

The governance of the Trust and the composition and effectiveness of the Board of Trustees are subject to regular review and challenge throughout the year by the City of London Corporation Education Board (representing the Sponsor) as part of the Education Board's scope. The Sponsor is commissioning an external review of COLAT's governance and strategic leadership arrangements to be undertaken in the early part of 2022-23.

Governance statement Year ended 31 August 2022

Governance (continued)

The focus for the Trustees during 2022-23 will include:

- Budget management, monitoring and reporting across the Trust, particularly with spiralling costs of salaries, energy and school meals
- The impact of the cost-of-living crisis on the health and wellbeing of students and staff and their families
- Oversight of the expansion projects at NCS and COLAHH
- Monitoring and review of the new Trust collegiate sixth form including the two new highly academic sixth forms opening at COLAHH and COLASP in September 2022
- Trust governance and the relationship with the Sponsor
- Review of the structure and funding of the central MAT function
- Preparation for potential Ofsted inspections and MATSE in the year

Under the Trust's Articles of Association, the Trustees have the power to establish committees and subject to the wider Articles, determine the constitution, membership and terms of reference of any such committee. The membership of any committee of Trustees may include persons who are not Trustees, provided that with the exception of Local Governing Bodies, a majority of members of such committee shall be Trustees. The establishment, terms of reference and membership of any committee must be reviewed at least once every twelve months.

The Board of Trustees appointed to five committees in the year; the Finance and Operations Committee, the Audit and Risk Committee, the Standards and Accountability Committee, the Remuneration Committee and the People, Equalities and Inclusion Committee. Terms of Reference and membership of these Committees are reviewed and agreed annually by the Board of Trustees.

Finance and Operations Committee

The Finance and Operations Committee's role is one of financial scrutiny and oversight and supporting the Board in maintaining the Trust as a going concern. It is tasked with reviewing the overall financial position of the Trust for appropriateness, monitoring the financial management techniques employed at all levels within the Trust and receiving the annual financial statements before Board Approval. The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

During the year Mr P Bennett left the Committee. The Committee has met four times during the year (the fourth meeting which took place in July 2022 was not quorate) with attendance via virtual meetings as follows:

Trustee	Number of meetings attended	Out of a possible
Mr P Bennett	3	3
Mr E Benzecry	2	4
Mr T Broeke	3	4
Ms D Elliott	4	4
Mr R Howard	3	4
Mr M Emmerson (for finance matters only)	4	4

Mr P Bennett was Chair for three of the meetings in the year. Following his departure Mr E Benzecry was appointed Chair.

Governance statement Year ended 31 August 2022

Audit and Risk Committee

The Audit and Risk Committee's role is to advise the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit. It is tasked with reviewing the overall risk profile of the Trust for appropriateness and to monitor the risk management techniques employed at all levels within the Trust and receiving the Auditor's report before Board Approval. The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

During the year Mr P Bennett left the Committee. The Committee has met four times during the year (the fourth meeting which took place in July 2022 was not quorate) with attendance via virtual meetings as follows:

Trustee	Number of meetings attended	Out of a possible
Mr P Bennett	3	3
Mr E Benzecry	2	4
Mr T Broeke	2	4
Ms D Elliott	4	4
Mr R Howard	4	4

Mr R Howard was Chair for all the meetings in the year.

Standards and Accountability Committee

The Standards and Accountability Committee's role is one of oversight. It is tasked with reviewing the provision, standards, governance and leadership performance of all Trust academies. It provides a performance profile to the Trust Board and agrees/monitors the effectiveness of interventions to support relative under- performance.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Trustees' and LGBs' responsibility to ensure a strategic and systematic approach to promoting high standards of educational achievement.

The Committee has met formally three times during the year with attendance via virtual meetings as follows:

Trustee	Number of meetings attended	Out of a possible
Mr E Benzecry	3	3
Mr R Blackwell	3	3
Mr T Broeke	3	3
Ms C Haines	1	3
Mr R Verrall	3	3

Mr R Blackwell was Chair for all the meetings in the year.

The Remuneration Committee

The Remuneration Committee's role is to review and approve the performance management process for the Chief Executive Officer and the proposed pay awards for the central Trust Executive Team and the leaders of the ten academies. The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

The Committee met formally once during the year with attendance as follows:

Trustee	Number of meetings attended	Out of a possible
Mr R Blackwell	1	1
Mr T Broeke	1	1
Ms D Elliott	1	1

People, Equalities and Inclusion Committee.

The People., Equalities and Inclusion Committee's role is to support the Trust in executing its strategic aims by taking account of people, equality, and inclusion. It is tasked with leading the development of the of people, equality, and inclusion strategy and framework and then monitoring performance against this strategy ensuring that objectives and associated action plans are implemented and effective. The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

The Committee has met formally twice during the year (the second meeting was not quorate) with attendance via virtual meetings as follows:

Trustee	Number of meetings attended	Out of a possible
Mr R Blackwell	1	2
Mr T Broeke	1	2
Ms D Elliott	2	2
Mr L Green	2	2

Ms D Elliott was Chair for all the meetings in the year.

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by collaborative working across the Trust, building capacity and delivering savings through joint procurement. Examples in the year include:

- Procurement of a new Trust-wide ICT Services contract under the Commercial Crown Services framework agreement 'Education Technology' (RM6103);
- Procurement of a new catering services contract across three schools;

Review of value for money (continued)

- Continued working with suppliers to get multi-academy trust discounts and improved pricing and discounts for individual schools as the Trust grows, in other areas such as recruitment advertising and health and safety support;
- Continued harmonisation of employment terms and conditions, policies and procedures across the Trust;
- Strengthening the central IT support services team to share skills and resources, make savings on procurement of infrastructure, hardware, software and licences, and create a more consistent and robust IT environment in all our schools; and
- Increased 'hub' working to bring together support services such as finance, HR, and premises management to share skills and resources and to make savings and create more consistency across schools.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's 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 at the Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 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 and each Local Governing Body.

The risk and control framework

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

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

The Trust has appointed an external provider, TIAA, for the provision of internal audit services to the Trust to support the Trust in implementing a structured and comprehensive risk-based approach to internal audit and review across the whole Trust.

The risk and control framework (continued)

As this arrangement has been in place since July 2019 the Trust's internal scrutiny arrangements have not been affected by the requirements of the revised FRC Ethical Standard for auditors.

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 and other systems. In particular, the checks carried out in the current period included:

- *Student Records*
This review set out to provide assurance to the Audit and Risk Committee that the schools in the Trust have robust processes in place for capturing student records.
- *Payroll*
The review considered the checks carried out in respect of the monthly variance reports received from the payroll provider. The controls in place to prevent salary overpayment were also reviewed with sample testing carried out to ensure controls are effective.
- *Procurement*
This review set out to provide assurance that the Trust has robust processes in place to check that value for money is achieved in purchases and ascertain that adequate approval is obtained before purchase. The review also included sample testing to ensure that adequate quotes/business cases are obtained where the value of goods or services to be purchased fall within the threshold for a quote/business case.

The internal auditor reports to the Board of Trustees, through each meeting of 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 prepares an 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.

The internal auditor has delivered their schedule of work against the plan agreed for 2021-22. Their annual year-end report concludes that they are satisfied that, for the areas reviewed thus far during the year, the City of London Academies Trust has reasonable and effective risk management, control and governance processes in place. No urgent priority recommendations have been raised during 2021-22.

In addition to the work of the internal auditor the Trust has also undertaken the following during the year:

- The central MAT team requires each local academy finance team to complete and submit a monthly checklist to confirm that their month-end procedures are complete and consistent. This checklist is led and managed by the Trust Finance Manager (who is not involved in the operational finance procedures at the academies).
- As part of the budget-setting process for 2022-23 the Chair of Trustees / Chair of Finance and Operations Committee, CEO and CFO held detailed financial scrutiny meetings with the senior management team in each academy to challenge historical and forecast financial performance, cash and reserves management, and to discuss the school's risk register.

Governance statement Year ended 31 August 2022

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Ms C McGuinness
Chair of Trustees



Mr M Emmerson
Accounting Officer

Date: 22 December 2022

Statement on regularity, propriety and compliance Year ended 31 August 2022

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

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

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



Mr M Emmerson
Accounting Officer

Date: 22 December 2022

Statement of Trustees' responsibilities Year to 31 August 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) and the Academies Accounts Direction 2021 to 2022;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DFE have been applied for the purposes intended.

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

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



Ms C McGuinness

Chair of Trustees

Date: 22 December 2022

Independent auditor's report 31 August 2022

Independent auditor's report to the members of City of London Academies Trust

Opinion

We have audited the financial statements of City of London Academies Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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 group or charitable parent company'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.

Independent auditor's report 31 August 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company 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.

Independent auditor's report 31 August 2022

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company'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 trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academies Financial Handbook 2021, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Independent auditor's report 31 August 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

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 auditor's report.

Use of our report

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



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 22 December 2022

Independent reporting accountant's report 31 August 2022

Independent reporting accountant's assurance report on regularity to City of London Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 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 City of London Academies Trust during the period from 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 City of London Academies Trust (the 'Trust') and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to City of London Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than City of London Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of City of London Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of City of London Academies Trust's funding agreement with the Secretary of State for Education dated 4 September 2003, subject to a Deed of Variation dated 14 September 2014, and the Academies Financial Handbook, 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 Financial Handbook 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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.

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.

Independent reporting accountant's report 31 August 2022

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 22 December 2022

Consolidated statement of financial activities Year to 31 August 2022

		Restricted funds				
	Notes	Un restricted funds £'000	General fund £'000	Fixed assets £'000	2022 Total Funds £'000	2021 Total Funds £'000
Income from:						
Donations and capital grants	2	86	-	1,692	1,778	68,557
Transfers on existing Academies joining the Trust	22	-	-	-	-	51,738
Charitable activities:						
Funding for the Trust's educational operations	5	2,071	67,874	-	69,945	64,798
Other trading activities	3	1,397	293	-	1,690	1,319
Investments	4	14	-	-	14	32
Total income		3,568	68,167	1,692	73,427	186,444
Expenditure on:						
Raising funds	6	262	-	-	262	196
Charitable activities:						
Trust's educational operations	7	-	74,148	6,661	80,809	71,379
Total expenditure	6	262	74,148	6,661	81,071	71,575
Net income (expenditure) before transfers		3,306	(5,981)	(4,969)	(7,644)	114,869
Transfers between funds	18	(2,267)	1,686	581	-	—
Other recognised gains (losses)						
Actuarial losses on defined benefit pension schemes	21	-	26,299	-	26,299	(2,062)
Net movement in funds		1,039	22,004	(4,388)	18,655	112,807
Fund balances brought forward at 1 September 2021		6,342	(25,405)	182,455	163,392	50,585
Fund balances carried forward at 31 August 2022		7,381	(3,401)	178,067	182,047	163,392

All of the Group's activities derive from continuing operations during the above two financial periods. The Group had no recognised gains or losses other than those shown above.

Balance sheets 31 August 2022

		2022		2021	
	Notes	Group £'000	Trust £'000	Group £'000	Trust £'000
Fixed assets					
Intangible fixed assets	13	6	6	28	28
Tangible assets	14	175,602	175,602	180,577	180,577
		175,608	175,608	180,605	180,605
Current assets					
Debtors	15	2,970	3,237	3,042	3,078
Cash at bank and in hand		17,568	17,280	16,328	16,258
		20,538	20,517	19,370	19,336
Liabilities					
Creditors: amounts falling due within one year	17	(9,941)	(9,920)	(10,160)	(10,136)
Net current assets		10,597	10,597	9,210	9,200
Net assets excluding pension scheme liability					
		186,205	186,205	189,815	189,805
Pension liability	21	(4,158)	(4,158)	(26,423)	(26,423)
Total net assets		182,047	182,047	163,392	163,382
Restricted funds					
Fixed assets fund	18	178,067	178,067	182,455	182,455
Restricted income funds	18	757	757	1,018	1,018
Pension reserve	18	(4,158)	(4,158)	(26,423)	(26,423)
Total restricted funds		174,666	174,666	157,050	157,050
Unrestricted income funds					
General fund	18	7,094	7,381	6,282	6,332
Funds retained with subsidiary	18	287	-	60	—
Total funds		182,047	182,047	163,392	163,382

The financial statements on pages 43 to 77 were approved by the Trustees of City of London Academies Trust, Company Registration No. 04504128 (England and Wales) and authorised for issue and signed on their behalf by:



Ms C McGuinness

Chair of Trustees

Date: 22 December 2022

Consolidated statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	1,198	7,915
Cash flows from investing activities	B	42	(197)
Change in cash and cash equivalents in the year		1,240	7,718
Cash and cash equivalents at 1 September 2021		16,328	8,610
Cash and cash equivalents at 31 August 2022		17,568	16,328
A Reconciliation of net income to net cash flow from operating activities			
		2022 £'000	2021 £'000
Net income for the year (as per the statement of financial activities)		(7,644)	114,869
Adjusted for:			
Amortisation (note 13)		22	22
Depreciation charges (note 14)		6,639	4,903
Capital grants from DfE and other capital income (note 2)		(1,684)	(1,847)
Fixed assets transferred into the Trust (note 22)		-	(54,603)
Other Donated or Inherited fixed assets		(8)	(66,508)
Interest receivable (note 4)		(14)	(32)
Defined benefit pension scheme obligation inherited		-	4,601
Defined benefit pension scheme cost less contributions payable (note 21)		4,477	2,590
Defined benefit pension scheme finance cost (note 21)		(443)	360
Decrease/(increase) in debtors		72	(1,014)
Increase in creditors		(219)	4,574
Net cash provided by operating activities		1,198	7,915
B Cash flows from investing activities			
		2022 £'000	2021 £'000
Dividends, interest and rents from investments		14	32
Purchase of tangible fixed assets		(1,656)	(2,076)
Capital grants from DfE/ESFA		1,684	1,847
Net cash (used in)/provided by investing activities		42	(197)
C Analysis of cash and cash equivalents			
		2022 £'000	2021 £'000
Total cash and cash equivalents: Cash at bank and in hand		17,568	16,328

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Trust and the above cash and cash equivalents.

Principal accounting policies 31 August 2022

STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities' SORP (FRS102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling rounded to the nearest thousand pounds.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Academy Trust and its wholly owned subsidiary, City of London Academy Southwark Lettings Limited, on a line-by-line basis. No separate statement of financial activities has been presented for the Academy Trust alone, as permitted by Section 408 of the Companies Act 2006

Going concern

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

Income

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

Grants

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

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

Principal accounting policies 31 August 2022

Grants (continued)

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

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable, and it can be measured reliably.

Donations

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

Other income

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

Transfer on conversion

The Assets and Liabilities transferred from Local Authorities to the Trust on conversion of a maintained school to an academy within the Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. £nil consideration was paid by the Trust and the transfer of assets and liabilities has been accounted for as a combination that is in substance a gift.

The fair value of these assets and liabilities is in accordance with the accounting policies set out for the Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Assets donated under a commercial transfer agreement

The Assets and Liabilities transferred by Local Authorities to the Trust under a commercial transfer agreement when the Trust opens a new free school academy in place of a former school or educational provision, have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. £nil consideration was paid by the Trust and the transfer of assets and liabilities has been accounted for as a combination that is in substance a gift.

The fair value of these assets and liabilities is in accordance with the accounting policies set out for the Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Transfer of existing academies into the academy trust

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

Principal accounting policies 31 August 2022

Donated fixed assets (excluding transfers on conversion/under a commercial transfer agreement)

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

The following leasehold land and buildings donated to the Trust for a £nil consideration have been recognised as donations with a corresponding amount showing in fixed assets as leasehold land and buildings.

- Leasehold land and buildings at City of London Primary Academy Islington (COLPAI) donated by the Corporation of London
- Leasehold land and buildings at City of London Academy Shoreditch Park (COLASP) donated by the London Borough of Hackney
- Leasehold land and buildings at Galleywall Primary School donated by the London Borough of Southwark
- Leasehold land and buildings at City of London Academy Highbury Grove (COLAHG) sixth form donated to the Trust by the London Borough of Islington

The value of these land and buildings has been derived from valuations undertaken by an independent professional property surveyor. Although the Trust has not yet formally entered into the 125-year leases for all of these properties, the risks and rewards of ownership passed to the Trust during the 2020-21 year (COLPAI and COLASP) and the 2019-20 year (Galleywall and COLAHG sixth form) and so the donations have been recognised in these years.

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2022

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 20-33% per annum

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised as tangible fixed assets and are carried at cost, net of any depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or the private sector, they are included in the Balance Sheet at cost and are 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 consolidated 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 consolidated Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Buildings developed by a third party and subsequently donated to the Trust are recognised on the Balance Sheet once the works are complete and the building is available for use. An amount equal to the cost or value recognised is credited to the Statement of Financial Activities as donations income.

Assets in the course of construction are included at cost and depreciation on these assets is not charged until they are brought into use and reclassified to the relevant class of tangible fixed assets.

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 over its expected useful economic life. Depreciation is charged on a straight-line basis beginning in the year in which the asset is brought into use at the following annual rates:

- Long leasehold land 0.008% to 2%
- Furniture, fittings and equipment 20% to 33% per annum
- Buildings 2% to 4% per annum
- Temporary accommodation 33% per annum to 50% per annum

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.

Private Finance Initiative

Properties developed under a Private Finance Initiative (PFI) scheme are excluded from the balance sheet where the Academy Trust is not directly party to the PFI agreement itself and rather the local authority has directly contracted with the PFI contractor, and the Academy Trust in turn has contracted with the local authority to make financial contributions in respect of the premises.

Principal accounting policies 31 August 2022

Investments

The Trust's shareholding in the wholly owned subsidiary, City of London Academy Southwark Lettings Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represented such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment. Investments in common investment funds are also a basic financial instrument. The investment is initially recognised at cost and subsequently carried on the balance sheet fair value. Changes in the fair value are reflected as investment gains or losses through the Statement of Financial Activities.

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 17. 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. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Principal accounting policies 31 August 2022

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability 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.

Three of the ten pension schemes are in surplus at 31 August 2022 (none at 31 August 2021). The LGPS surplus is not carried on the balance sheet in accordance with the requirements of FRS 102. Accordingly, a corresponding adjustment against the actuarial gain has been made to bring the net LGPS position to £nil on the balance sheet in respect of these schemes. Liabilities for the remaining seven schemes are recognised in full.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Principal accounting policies 31 August 2022

Critical accounting estimates and assumptions

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

- The present value of the LGPS 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.
- Estimating the fair value of the Assets and Liabilities transferred from Local Authorities to the Trust on conversion of a maintained school to an academy within the Trust, or under a commercial transfer agreement when the Trust opens a new free school academy in place of a former school or educational provision.
- Estimating the fair value of the Assets and Liabilities received on the transfer of an existing academy into the academy trust
- Estimating the fair value of leasehold land and buildings donated to the Trust from Local Authorities for a £nil consideration.
- Estimating the fair value of laptops provided by the ESFA, DfE, local authorities and other third parties during the COVID-19 pandemic
- Estimating the useful economic life of tangible and intangible fixed assets for the purposes of calculating depreciation/amortisation.

Notes to the financial statements 31 August 2022

1 General annual grant (GAG)

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2022.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	-	-	1,684	1,684	1,847
Donated assets/liabilities					
Other transfer from a Local Authority	-	-	8	8	66,040
ESFA allocation of IT equipment	-	-	-	-	468
Other donations	86	-	-	86	202
	<u>86</u>	<u>-</u>	<u>1,692</u>	<u>1,778</u>	<u>68,557</u>

	<i>Unrestricted funds £'000</i>	<i>Restricted general funds £'000</i>	<i>Restricted fixed assets funds £'000</i>	<i>2021 Total funds £'000</i>
<i>Capital grants</i>	<i>—</i>	<i>—</i>	<i>1,847</i>	<i>1,847</i>
<i>Donated assets/liabilities</i>				
<i>Other transfer from a Local Authority</i>	<i>—</i>	<i>—</i>	<i>66,040</i>	<i>66,040</i>
<i>ESFA allocation of IT equipment</i>	<i>—</i>	<i>—</i>	<i>468</i>	<i>468</i>
<i>Other donations</i>	<i>202</i>	<i>—</i>		<i>202</i>
	<u><i>202</i></u>	<u><i>—</i></u>	<u><i>68,355</i></u>	<u><i>68,557</i></u>

Notes to the financial statements 31 August 2022

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Hire of facilities	613	-	613	268
Trip income	188	-	188	52
Catering income	7	-	7	5
Wrap-around care and nursery provision	-	-	-	245
Miscellaneous income	589	293	882	749
	1,397	293	1,690	1,319

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>Hire of facilities</i>	268	—	268
<i>Trip income</i>	52	—	52
<i>Catering income</i>	5	—	5
<i>Wrap-around care and nursery provision</i>	245	—	245
<i>Miscellaneous income</i>	271	478	749
	841	478	1,319

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Interest receivable	14	-	14	32
	14	-	14	32

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>Interest receivable</i>	32	—	32
	32	—	32

Notes to the financial statements 31 August 2022

5 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	57,070	57,070	51,396
. Other DfE / ESFA Grants				
. UIFSM*	-	130	130	182
. Pupil Premium*	-	3,505	3,505	3,395
. Others*	-	1,741	1,741	3,085
. Teacher Training Grants	-	76	76	149
	-	62,522	62,522	58,207
Other grants				
. Local authority grants	-	2,279	2,279	1,977
. Special educational projects	-	856	856	773
	-	3,135	3,135	2,750
Other income from the Trust's educational operations	2,071	1,151	3,222	3,113
Exceptional government funding				
Coronavirus exceptional support	-	-	-	—
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	405	405	396
Other DfE/ESFA COVID-19 funding	-	661	661	332
	-	1,066	1,066	728
	2,071	67,874	69,945	64,798

Notes to the financial statements 31 August 2022

5 Funding for the Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
DfE / ESFA grants			
. General Annual Grant (GAG)	—	51,396	51,396
. Other DfE / ESFA Grants	—		
. UIFSM*	—	182	182
. Pupil Premium*		3,395	3,395
. Others*		3,085	3,085
. Teacher Training Grants	—	149	149
	—	58,207	58,207
Other grants			
. Local authority grants	—	1,977	1,977
. Special educational projects	—	773	773
	—	2,750	2,750
Other income from the Trust's educational operations	2,461	652	3,113
Exceptional government funding			
Coronavirus exceptional support	—	—	—
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	—	396	396
Other DfE/ESFA COVID-19 funding	—	332	332
	—	728	728
	2,461	62,337	64,798

The trust received £395,532 of funding for catch-up premium and costs incurred in respect of this funding totalled £325,232, with the remaining £70,300 to be spent in 2021/22.

The Trust did not furlough any staff under the government's Coronavirus Job Retention Scheme.

Notes to the financial statements 31 August 2022

6 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	2022 £'000	2021 £'000
Expenditure on raising funds					
. Direct costs	-	-	-	-	-
. Support costs	185	46	31	262	196
School's educational operations:					
. Direct costs	44,590	6,639	5,073	56,302	50,919
. Allocated support costs	12,750	6,523	5,234	24,507	20,460
	57,525	13,208	10,338	81,071	71,575

	Staff costs £'000	Premises £'000	Other costs £'000	2021 £'000
Expenditure on raising funds				
. Direct costs	-	-	-	-
. Support costs	170	20	6	196
School's educational operations:				
. Direct costs	41,993	4,903	4,023	50,919
. Allocated support costs	11,308	5,322	3,830	20,460
	53,471	10,245	7,859	71,575

Net income (expenditure) for the year is stated after charging:

	2022 £'000	2021 £'000
Operating lease rentals	125	239
Depreciation	6,639	4,903
Amortisation	22	22
Fees payable to auditor		
. Audit	33	25
. Additional audit fees for prior year	22	7
. Other services	13	14

Notes to the financial statements 31 August 2022

7 Charitable activities – Trust’s educational operations

	2022 £'000	2021 £'000
Direct costs	56,302	50,919
Support costs	24,507	20,460
	80,809	71,379

Analysis of support costs	2022 £'000	2021 £'000
Support staff costs	12,750	11,308
Technology costs	977	628
Premises costs	6,523	5,322
Legal costs – other	37	40
Other support costs	4,105	3,100
Governance costs	115	62
Total support costs	24,507	20,460

Analysis of cost by academy

Expenditure incurred by each academy during the year (excluding depreciation and amortisation) was as follows:

	Teaching and education support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciatio n and amortisatio n) £'000	Total £'000
City of London Academy Southwark	8,774	3,257	586	1,580	14,197
Galleywall Primary School	1,455	766	65	629	2,915
City of London Academy Highgate Hill	3,960	985	438	1,305	6,688
City of London Academy Highbury Grove	6,609	1,604	307	2,168	10,688
Newham Collegiate Sixth Form Centre	2,757	673	185	728	4,343
City of London Primary Academy Islington	821	319	61	512	1,713
Redriff Primary School	2,956	1,364	257	1,652	6,229
City of London Academy Shoreditch Park	4,072	803	330	1,590	6,795
The City Academy, Hackney	6,523	2,056	547	2,190	11,316
City of London Academy Islington	4,260	1,843	414	1,339	7,856
Trust Central Function	469	1,014	-	(73)	1,410
	42,656	14,684	3,190	13,620	74,150

Notes to the financial statements 31 August 2022

8 Comparative information

	Restricted funds			2021	2020
	Un restricted funds £'000	General fund £'000	Fixed assets £'000	Total Funds £'000	Total Funds £'000
Income from:					
Donations and capital grants	202	—	68,355	68,557	13,594
Transfers on existing Academies joining the Trust	804	(3,708)	54,642	51,738	-
Charitable activities:					
Funding for the Trust's educational operations	2,461	62,337	—	64,798	42,217
Other trading activities	841	478	—	1,319	1,519
Investments	32	—	—	32	21
Total income	4,340	59,107	122,997	186,444	57,351
Expenditure on:					
Raising funds	196	—	—	196	212
Charitable activities:					
Trust's educational operations	—	66,454	4,925	71,379	47,205
Total expenditure	196	66,454	4,925	71,575	47,417
Net income (expenditure) before transfers	4,144	(7,347)	118,072	114,869	9,934
Transfers between funds	(2,518)	1,692	826	—	—
Other recognised gains (losses)					
Actuarial losses on defined benefit pension schemes	—	(2,062)	—	(2,062)	(3,241)
Net movement in funds	1,626	(7,717)	118,898	112,807	6,693
Fund balances brought forward at 1 September 2020	4,716	(17,688)	63,557	50,585	43,892
Fund balances carried forward at 31 August 2021	6,342	(25,405)	182,455	163,392	50,585

Notes to the financial statements 31 August 2022

9 Staff

a) Staff costs

Staff costs during the year were as follows:

	2022 £'000	2021 £'000
Wages and salaries	39,155	37,861
Social security costs	4,384	4,067
Pension costs	11,443	10,161
Apprenticeship levy	182	176
	55,164	52,265
Supply staff costs	2,303	1,156
Staff restructuring costs	58	50
	57,525	53,471

	2022 £	2021 £
Staff restructuring costs comprise		
Redundancy payments	—	—
Severance payments	58	50
	58	50

b) Staff severance payments

The Trust paid three severance payments during the year, disclosed in the following bands:

£0 - £25,000	2
£25,001 - £50,000	1
£50,001 - £100,000	-
£100,001 - £150,000	-
Over £150,000	-

These non-contractual/non-statutory severance payments totalling £58,717 (2021: £50,000) were made to three members of staff (2021 - two individuals). Individually, the amounts in the year were £28,700, £22,000 and £7,017 (2021 - £28,000 and £22,000).

c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 expressed as headcount was as follows:

Charitable activities	2022 No.	2021 No.
Teachers	503	487
Administration and support	445	443
Management	86	81
	1,034	1,011

Notes to the financial statements 31 August 2022

9 Staff (continued)

d) Higher paid staff

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2022 Number	2021 Number
£60,001 - £70,000	65	56
£70,001 - £80,000	27	20
£80,001 - £90,000	15	16
£90,001 - £100,000	1	4
£100,001 - £110,000	3	6
£110,001 - £120,000	3	1
£120,000 - £130,000	1	-
£180,001 - £190,000	1	2
£190,001 - £200,000	1	-

e) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) and employer social security costs payable in respect of key management personnel for their services to the academy trust was £2.01m (2021: £2.02m).

10 Trustees' remuneration and benefits

Trustees did not receive any payments from the Trust in respect of their role as Trustees (2021: £nil). No travel and subsistence expenses were paid in the year (2021: £nil).

During the year ended 31 August 2022 no travel and subsistence expenses were reimbursed to Trustees in their capacity as Trust staff (2021: £nil) as no Trustees are employees of the Trust.

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

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

Notes to the financial statements 31 August 2022

11 City of London Academy Southwark Lettings Limited

	2022 £'000	2021 £'000
Turnover	330	127
Cost of Sales	(16)	(3)
Gross profit	314	124
Administrative expenses	(87)	(64)
Profit on ordinary activities before taxation	227	60
Tax	-	—
Profit on ordinary activities after taxation	227	60
Donation to Trust under Gift Aid	-	(60)
Loss on ordinary activities after taxation	227	—

The assets and liabilities of the subsidiary were:

	2022 £'000	2021 £'000
Current assets	313	60
Creditors: amounts falling due within one year	(26)	(60)
Total assets less current liabilities	287	—

12 Central services

The Trust provided certain central services to its academies during the year and the prior year including executive and financial oversight and support, governance support and support with educational standards and accountability. The Trust charged each academy 2% (2021: 2%) of its core funding income for these services as listed below.

	2022 £'000	2021 £'000
City of London Academy Southwark	216	216
Galleywall Primary School	43	33
City of London Academy Highbury Grove	161	152
City of London Academy Highgate Hill	104	87
Newham Collegiate Sixth Form,	70	70
City of London Primary Academy Islington	26	16
Redriff Primary School	61	58
City of London Academy Shoreditch Park	118	88
The City Academy, Hackney	181	172
City of London Academy Islington	127	117
	1,107	1,009

Notes to the financial statements 31 August 2022

13 Intangible fixed assets

Group and Trust	Computer software £'000	Total £'000
Cost/valuation		
At 1 September 2021	198	198
Additions	—	—
At 31 August 2022	<u>198</u>	<u>198</u>
Amortisation		
At 1 September 2021	170	170
Charge in year	22	22
At 31 August 2022	<u>192</u>	<u>192</u>
Net book value		
At 31 August 2022	<u>6</u>	<u>6</u>
At 31 August 2021	<u>28</u>	<u>28</u>

14 Tangible fixed assets

Group and Trust	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 September 2021	200,257	5,842	4,384	87	210,570
Additions	442	305	912	5	1,664
At 31 August 2022	<u>200,699</u>	<u>6,147</u>	<u>5,296</u>	<u>92</u>	<u>212,234</u>
Depreciation					
At 1 September 2021	26,059	1,556	2,299	79	29,993
Charge for year	4,668	934	1,034	3	6,639
At 31 August 2022	<u>30,727</u>	<u>2,490</u>	<u>3,333</u>	<u>82</u>	<u>36,632</u>
Net book values					
At 31 August 2022	<u>169,972</u>	<u>3,657</u>	<u>1,963</u>	<u>10</u>	<u>175,602</u>
At 31 August 2021	<u>174,198</u>	<u>4,286</u>	<u>2,085</u>	<u>8</u>	<u>180,577</u>

At 31 August 2022 the Trust had capital commitments totalling £343,281 (2021: £277,868).

Notes to the financial statements 31 August 2022

15 Debtors

	2022		2021	
	Group £'000	Trust £'000	Group £'000	Trust £'000
Trade debtors	230	204	252	224
VAT recoverable	447	447	387	387
Amount due from subsidiary	-	-	-	64
Other debtors	32	40	5	5
Prepayments and accrued income	2,261	2,546	2,398	2,398
	2,970	3,237	3,042	3,078

16 Investments

The Trust has one wholly owned subsidiary, City of London Academy Southwark Lettings Limited (see Note 11). At 31 August 2022 this investment is recognised at the cost of £100 in the balance sheet of the Trust (2021: £100).

17 Creditors: amounts falling due within one year

	2022		2021	
	Group £	Trust £	Group £	Trust £
Trade creditors	1,840	1,838	2,920	2,918
Taxation and social security	880	879	1,046	1,046
ESFA creditor: abatement of GAG	73	73	—	—
Other creditors	870	864	853	850
Accruals and deferred income	6,278	6,266	5,341	5,322
	9,941	9,920	10,160	10,136
Deferred income				
Deferred income at 1 September 2021	2,707	2,689	390	381
Released during the year	(2,707)	(2,689)	(390)	(381)
Resources deferred in the year	2,279	2,273	2,707	2,689
Deferred income at 31 August 2022	2,279	2,273	2,707	2,689

Deferred income includes grants from the Sponsor specifically provided for future academic years, rates funding, local authority revenue grant funding, free school meals income paid in advance and monies relating to the Maths Hub.

Notes to the financial statements 31 August 2022

18 Funds

The income funds of the Trust include restricted funds comprising the following unexpended balances of grants held for specific purposes:

Group	At 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers and actuarial gains and losses £'000	At 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	960	57,070	(59,017)	1,686	699
Pupil Premium	—	3,505	(3,505)	-	
UIFSM	—	130	(130)	-	
Recovery premium	—	405	(405)	-	
Other DfE/ESFA COVID-19 funding	—	661	(661)	-	
Other DfE/ESFA grants	—	1,817	(1,817)	-	
Local authority grants	—	2,279	(2,279)	-	
Other restricted funds	58	1,773	(1,773)	-	58
Pension reserve	(26,423)	527	(4,561)	26,299	(4,158)
	<u>(25,405)</u>	<u>68,167</u>	<u>(74,148)</u>	<u>27,985</u>	<u>(3,401)</u>
Restricted fixed asset funds					
Transfer on conversion	165,485	8	--	-	165,493
DfE/ESFA capital grants	13,578	1,684	(6,661)	-	8,601
Capital expenditure from GAG	3,392	-	-	581	3,973
	<u>182,455</u>	<u>1,692</u>	<u>(6,661)</u>	<u>581</u>	<u>178,067</u>
Total restricted funds	<u>157,050</u>	<u>69,859</u>	<u>(80,809)</u>	<u>28,566</u>	<u>174,666</u>
Unrestricted funds					
General funds	6,282	3,238	(159)	(2,267)	7,094
Subsidiary	60	330	(103)	-	287
Total unrestricted funds	<u>6,342</u>	<u>3,568</u>	<u>(262)</u>	<u>(2,267)</u>	<u>7,381</u>
Total funds	<u>163,392</u>	<u>73,427</u>	<u>(81,071)</u>	<u>26,299</u>	<u>182,047</u>

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

Notes to the financial statements 31 August 2022

18. Funds (continued)

Restricted general funds

Restricted general funds represent the balance of funds available from revenue grants received from local/central government and other donors, the application of which is limited to the conditions imposed by the grantor/donor. The principal funding receivable from the government is the General Annual Grant (GAG) provided by the Education and Skills Funding Agency. Under the funding agreement with the Secretary of State, the Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. Note 1 discloses whether the limit was exceeded.

Restricted fixed asset funds

This fund equates to the net book value of the Academy Trusts tangible fixed assets plus any capital funding received from central/local government and other donors which has not been expended by the balance sheet date. The capital funding may be used to complete capital projects or undertaken maintenance works on existing tangible fixed assets. The fund balance includes the carrying value of school buildings (and other tangible fixed assets) inherited by the Academy Trust where a school has converted or joined City of London Academies Trust from another Academy Trust, and the carrying value of assets donated to the Academy Trust.

Unrestricted funds

The unrestricted general funds represent monies which may be applied for any purpose within City of London Academies Trust's objects.

Transfers between funds

Transfers from either restricted general funds or unrestricted funds to the restricted fixed asset funds are made where a shortfall exists in the capital reserves available to fully fund the cost of tangible fixed assets owned by the Academy Trust.

Analysis of fund balance by school

	2022 £'000	2021 £'000
City of London Academy Southwark	3,481	3,346
Galleywall Primary School	(96)	(60)
City of London Academy Highbury Grove	(1,456)	(1,398)
City of London Academy Highgate Hill	176	384
Newham Collegiate Sixth Form	643	595
City of London Primary Academy Islington	302	398
Redriff Primary School	522	730
City of London Academy Shoreditch Park	899	399
The City Academy, Hackney	1,722	1,472
City of London Academy Islington	1,481	1,263
Central Trust	177	171
Total before fixed assets and pension reserve	7,851	7,300
Restricted fixed asset fund	178,067	182,455
Pension liability	(4,158)	(26,423)
Total for Trust	181,760	163,332
Subsidiary	287	60
Total for group	182,047	163,392

18. Funds (continued)

Analysis of fund balance by school (continued)

The in-year deficit at City of London Academy Highbury Grove (COLAHG) has arisen due to a number of factors including additional spend on supply staff costs due to high levels of sickness absence. The school also incurs substantial premises costs, because of the PFI arrangement, over which it has little control as the bulk of these costs are contractually driven and have risen in the year.

Another key reason for the financial challenges is that pupil funding rates in the Islington borough are significantly lower than Hackney and Southwark (where other Trust secondary academies are).

The Trust central team continues to work closely with the COLAHG senior leadership team and governors to develop, implement and maintain a sustainable deficit recovery plan to:

- Ensure the school is maximising its funding allocations;
- Review the curriculum, timetable and staffing structures to maximise efficiency;
- Review the profitability of the lettings and catering functions; and
- Ensure careful management of the PFI contract performance.

Notes to the financial statements 31 August 2022

18. Funds (continued)

Comparative information

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

Group	At 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers and actuarial gains and losses £'000	At 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	(936)	51,396	(51,192)	1,692	960
Pupil Premium	—	3,395	(3,395)	—	—
UIFSM	—	182	(182)	—	—
Catch-up premium	—	396	(396)	—	—
Other DfE/ESFA COVID-19 funding	—	333	(333)	—	—
Other DfE/ESFA grants	—	3,085	(3,085)	—	—
Local authority grants	—	1,977	(1,977)	—	—
Other restricted funds	58	2,519	(2,519)	—	58
Pension reserve	(16,810)	(4,176)	(3,375)	(2,062)	(26,423)
	(17,688)	59,107	(66,454)	(370)	(25,405)
Restricted fixed asset funds					
Transfer on conversion	44,335	121,150	—	—	165,485
DfE/ESFA capital grants	16,656	1,847	(4,925)	—	13,578
Capital expenditure from GAG	2,566	—	—	826	3,392
	63,557	122,997	(4,925)	826	182,455
Total restricted funds	45,869	182,104	(71,379)	456	157,050
Unrestricted funds					
General funds	4,716	4,213	(129)	(2,518)	6,282
COLAS Lettings	—	127	(67)	—	60
Total unrestricted funds	4,716	4,340	(196)	(2,518)	6,342
Total funds	50,585	186,444	(71,575)	(2,062)	163,392

Notes to the financial statements 31 August 2022

19. Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds		Total 2022 £'000	Total 2021 £'000
		General fund £'000	Fixed assets £'000		
Fund balances at 31 August 2022 are represented by:					
Intangible fixed assets	-	-	6	6	28
Tangible fixed assets	-	-	175,602	175,602	180,577
Current assets	7,381	10,698	2,459	20,538	19,370
Current liabilities	-	(9,941)	-	(9,941)	(10,160)
Pension scheme liability	-	(4,158)	-	(4,158)	(26,423)
Total net assets	7,381	(3,401)	178,067	182,047	163,392

Group	Unrestricted funds £'000	Restricted funds		Total 2021 £'000
		General fund £'000	Fixed assets £'000	
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	—	28	—	28
Tangible fixed assets	—	—	180,577	180,577
Current assets	6,342	11,150	1,878	19,370
Current liabilities	—	(10,160)	—	(10,160)
Pension scheme liability	—	(26,423)	—	(26,423)
Total net assets	6,342	(25,405)	182,455	163,392

		Restricted funds			
	Unrestricted funds	General fund	Fixed assets	Total 2022	Total 2021
Trust	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2022 are represented by:					
Intangible fixed assets	-	-	6	6	28
Tangible fixed assets	-	-	175,602	175,602	180,577
Current assets	7,381	10,677	2,459	20,517	19,337
Current liabilities	-	(9,920)	-	(9,920)	(10,137)
Pension scheme liability	-	(4,158)	-	(4,158)	(26,423)
Total net assets	7,381	(3,401)	178,067	182,047	163,382

Notes to the financial statements 31 August 2022

19 Analysis of net assets between funds (continued)

		Restricted funds		
	Unrestricted funds	General fund	Fixed assets	Total
Trust	£'000	£'000	£'000	2021 £'000
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	—	28	—	28
Tangible fixed assets	—	—	180,577	180,577
Current assets	6,282	11,177	1,878	19,337
Current liabilities	—	(10,137)	—	(10,137)
Pension scheme liability	—	(26,423)	—	(26,423)
Total net assets	6,282	(25,355)	182,455	163,382

20 Commitments under operating leases and other agreements

Operating leases

At 31 August 2022, the total of the Trust's future minimum lease payments under non-cancellable operating leases in respect of office equipment was as follows:

	2022 £'000	2021 £'000
Amounts due within one year	283	73
Amounts due between one and five years	256	103
	539	176

Private Finance Initiative

The property occupied by Highbury Grove was financed by a Private Finance Initiative agreement between the PFI contractor and the local authority (the owner of the freehold). The Trust is subject to a sub-agreement with the Local Authority which requires the Trust to make an annual contribution towards facilities management and the unitary charge for a period of 15 years expiring July 2033, along with an annual administration fee. At 31 August 2022, the total of the Trust's future minimum commitments under this sub-agreement were estimated to be:

	2022 £'000	2021 £'000
Amounts due within one year	1,563	1,325
Amounts due between one and five years	7,663	5,837
Amounts due after more than five years	17,215	12,777
	26,441	19,939

21 Pension and similar obligations

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

Notes to the financial statements 31 August 2022

21 Pension and similar obligations (continued)

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

At 31 August 2022 there were outstanding contributions totalling £0.84m (2020-21 £0.82m) included in Other 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £5,637,775 (2021: £5,556,035).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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.

Notes to the financial statements 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Schemes (LGPS)

The LGPS are funded multi-employer defined benefit pension schemes, with the assets held in separate trustee-administered funds. The Trust participates in the following LGPSs:

Academy	Scheme
City of London Academy Southwark	City of London Corporation Pension Fund
Galleywall Primary School	London Borough of Southwark Pension Fund
City of London Academy Highbury Grove	Islington Council Pension Fund
City of London Academy Highgate Hill	Islington Council Pension Fund
Newham Collegiate Sixth Form,	London Borough of Newham Pension Fund
City of London Primary Academy Islington	Islington Council Pension Fund
Redriff Primary School	London Borough of Southwark Pension Fund
City of London Academy Shoreditch Park	London Borough of Hackney Pension Fund
The City Academy, Hackney	London Borough of Hackney Pension Fund
City of London Academy Islington	Islington Council Pension Fund
Central MAT team	City of London Corporation Pension Fund

The total employer contribution made by all schools for the year ended 31 August 2022 was £1,754,875 (2021: £1,659,462). The agreed rates of contribution for future years range between 13.1% and 19.5% for employer and 5.5% and 9.9% for employees.

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

The principal assumptions used in determining the valuations vary across each of the different pension schemes. The ranges of assumptions used are provided below.

Principal actuarial assumptions %	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	3.35-4.40	3.2-4.3
Rate of increase for pensions in payment / inflation	2.70-3.05	2.6-2.9
Discount rate for scheme liabilities	4.10-4.30	1.65-1.70
Inflation assumption (CPI)	2.70-3.05	2.6-2.9

Notes to the financial statements 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Schemes (LGPS) (continued)

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

	At 31 August 2022	At 31 August 2021
Mortality assumptions		
<i>Retiring today</i>		
Males	20.7-22.7	20.9-22.8
Females	23.6-25.3	23.7-25.3
<i>Retiring in 20 years</i>		
Males	22.5-24.1	22.8-24.3
Females	25.4-27.1	25.6-27.2
	At 31 August 2022	At 31 August 2021
Sensitivity analysis – net increase in liability	£'000	£'000
0.1% decrease in discount rate	617	1,509
0.1% increase in salary increase rate	53	125
0.1% increase in pension increase rate	603	1,440
1-year increase in mortality assumption	638	2,062

The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021
Asset allocation		
Equities	17,039	18,503
Property	4,769	3,768
Government bonds	1,180	499
Corporate bonds	1,455	2,757
Cash and other liquid assets	1,835	358
Multi-asset funds	2,840	2,719
Other	2,263	1,671
Total market value of assets	31,381	30,275

Notes to the financial statements 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in statement of financial activities	2022 £'000	2021 £'000
Current service cost	3,550	4,244
Past service cost	-	—
Net interest cost	443	360
Administrative expenses	44	29
Total amount recognised in the SOFA	4,037	4,633

The overall movements in the net pension liability is reconciled as follows:

	Total 2022 £'000	Total 2021 £'000
At 1 September 2021	26,423	16,810
Transferred in	-	4,601
Current service cost	5,276	4,244
Past service cost	-	-
Administration cost	44	29
Employer contributions	(1,729)	(1,683)
Interest cost	970	785
Interest income	(527)	(425)
Actuarial (gain)/loss	(26,299)	2,062
At 31 August 2022	4,158	26,423

Changes in the present value of defined benefit obligations:	2022 £'000	2021 £'000
At 1 September 2021	56,698	32,161
Inherited on conversion	-	13,135
Current service cost	5,289	4,244
Past service cost	-	-
Interest cost	970	785
Employee contributions	624	627
Actuarial (gain)/loss	(27,555)	6,299
Benefits paid	(487)	(553)
At 31 August 2022	35,539	56,698

Notes to the financial statements 31 August 2022

21 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2022 £'000	2021 £'000
Changes in the fair value of the Trust's share of scheme assets:		
At 1 September 2021	30,275	15,351
Inherited on conversion	-	8,534
Interest income	527	425
Actuarial (loss)/gain	(1,256)	4,237
Employer contributions	1,729	1,683
Employee contributions	624	627
Administration costs	(31)	(29)
Benefits paid	(487)	(553)
At 31 August 2022	31,381	30,275

22 Transfer of assets and liabilities

On 1 September 2020, two academies joined the multi-academy trust: City of London Academy Islington and The City Academy, Hackney. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income. The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities in the prior year.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Total				
Tangible fixed assets				
Leasehold land and buildings	—	—	51,780	51,780
Other tangible fixed assets	—	—	2,823	2,823
Cash and other assets	804	893	39	1,736
LGPS pension surplus / (deficit)	—	(4,601)	—	(4,601)
Net assets / (liabilities)	804	(3,708)	54,642	51,738

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
City of London Academy Hackney				
Tangible fixed assets				
Leasehold land and buildings	—	—	24,089	24,089
Other tangible fixed assets	—	—	2,557	2,557
Cash and other assets	388	234	—	622
LGPS pension surplus / (deficit)	—	(2,055)	—	(2,055)
Net assets / (liabilities)	388	(1,821)	26,646	25,213

Notes to the financial statements 31 August 2022

22 Transfer of assets and liabilities (continued)

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
City of London Academy Islington				
Tangible fixed assets				
Leasehold land and buildings	—	—	27,691	27,691
Other tangible fixed assets	—	—	266	266
Cash and other assets	416	659	39	1,114
LGPS pension surplus / (deficit)	—	(2,546)	—	(2,546)
Net assets / (liabilities)	416	(1,887)	27,996	26,525

23 Contingent liabilities

Funding agreement

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

24 Related party transactions

Owing to the nature of the Trust's operation and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The City of London Corporation is the Trust's sponsor. During the year ended 31 August 2022, the Corporation awarded grants and donations to the Trust totalling £1,626,846 (2021 £4,217,514). As at 31 August 2022 balances totalling £1,536,939 were held in deferred income in respect of such transactions (2021 £1,926,533).

In the year ended 31 August 2022 the Trust paid the Corporation £6,411 for legal advice and occupational health services (2021 £15,880), £30 for attendance at a poetry workshop (2021 £nil), and £19,544 for peripatetic music lessons (2021 £714). In the prior year the Trust paid the Corporation £2,826 for staff training. As at 31 August 2022 £nil was outstanding (2021 - £nil).

Notes to the financial statements 31 August 2022

24 Related party transactions (continued)

The Trust also recharged the Corporation £85 for a school uniform costs (2021 £nil). In the prior year the Trust recharged the Corporation £53 for a staff leaving gift and £21,356 for costs related to the relocation of COLPAI to new temporary premises.

The Corporation also provided the following services and facilities free of charge to the central MAT function of the Trust:

- ◆ Legal support and advice'
- ◆ Clerking services;
- ◆ Office space, IT equipment and IT support and IT services;
- ◆ Telephone;
- ◆ Printing; and
- ◆ Meeting rooms.

The Museum of London is jointly governed by the Greater London Authority and the City of London Corporation. In the year the Trust charged the Museum of London £300 for trips funding and £160 for staff expenses (2021 £1,156 for staff training).

All services provided by related parties have been provided at no more than cost. Any recharges for staff costs have all been at no more than cost to include gross salary, national insurance and employer pension contributions.