

**Company registration number 09343767 (England and Wales)**

**SOMERSET ROAD EDUCATION TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

# **SOMERSET ROAD EDUCATION TRUST**

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# SOMERSET ROAD EDUCATION TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

T Branch (Member and Trustee)  
D Goldsmith  
A Mayhew (Representative of the Corporate Member) (Resigned 19 May 2022)  
D Melville  
M Podkolinski

### Trustees

T Branch (Chair of Trustees)  
M Sambrook (CEO/Executive Principal & Accounting Officer)  
R McClatchey (Chair of Resources Committee & Chair of Audit Committee)  
J Baylis  
O Bourne (Resigned 25 May 2022)  
D McKay (Resigned 2 February 2022)  
D Bray  
P Daniel (Resigned 28 September 2022)  
D Bellows (Appointed 25 May 2022)  
C Davies (Appointed 23 March 2022)  
A Tucker (Appointed 8 September 2022)

### Senior management team

- Head Exeter House
- Head St Marks CE Junior School
- Head St Marks CE Junior School
- Head Wyndham Park Infants School
- Trust Business Manager

M Sambrook  
H Fielder (From 1 January 2022)  
A Scammel (From 1 September 2021 to 31 December 2021)  
B Morris  
S Day

### Company secretary

S Day

### Company registration number

09343767 (England and Wales)

### Registered office

Exeter House School  
Somerset Road  
Salisbury  
Wiltshire  
SP1 3BL

### Academies operated

Exeter House Special School  
St Marks CE Junior School  
Wyndham Park Infants School  
Somerset Road Education Trust

### Location

Salisbury  
Salisbury  
Salisbury  
Salisbury

### Headteacher

M Sambrook  
H Fielder  
B Morris

### Independent auditor

Moore (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

## **SOMERSET ROAD EDUCATION TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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**Bankers**

Lloyds Bank Plc Salisbury  
38 Blue Boar Row  
Salisbury  
Wiltshire  
SP1 1DB

**Solicitors**

Stone King LLP  
Upper Borough Court  
Upper Borough Walls  
Bath  
Somerset  
BA1 1RG

# **SOMERSET ROAD EDUCATION TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The Trustees present their annual report, together with the financial statements and Auditors Report for the charitable company, Somerset Road Education Trust (SRET) for the 12 months commencing 1 September 2021 and ending 31 August 2022. The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

#### What we do

Education should empower children to become active participants in the transformation of their societies. It develops a pupil's perspective of looking at life. It helps pupils build opinions and have points of view. Learning should also focus on the values, attitudes and behaviours which enable individuals to live together in this complex world: characterised by the existence of different types of people, who have different beliefs and opinions but who live in the same society. Our challenge is to deliver this education, whilst also delivering the educational outcomes sought, measured and published by our funding partners.

We are an outward facing Trust, keen to work and engage with communities, schools and Trusts, to help and support the education of all children. This year, despite the schools moving from having one headteacher to two separate heads of school they have continued to develop our inclusive vision, establishing two new resource bases from September 2021 (one at St Mark's and one at Wyndham Park), whilst developing our approach and focus on quality of education through significant staff investment and organisational restructures to maximise this.

The Trust offers primary education in both an infant and junior school to children living in and around Salisbury and specialist education to children with severe, complex, and profound disabilities from Wiltshire, but also from Hampshire and Dorset.

This year the Multi Academy Trust (MAT) operated three academies.

- Exeter House Special School – caters for children aged 2 – 19 with severe and profound multiple learning difficulties. The school had a capacity of 160 and pupil numbers of 160. From September 2021 our capacity increased to 160 from 152 and we are full. Our Post 14 Vocational Centre is based in the centre of Salisbury. There is further significant growth planned for 2022-23.
- St. Mark's C of E Junior School – caters for children from 7 – 11 (years 3 – 6). It has three classes of 30 pupils in each of our four-year groups, giving a total capacity of 360 pupils. Total number on role 345 in mainstream and 3 in the Resource base, a total of 348 on the October 2022 census. St Mark's is a Church of England school and upholds Christian and Anglican values.
- Wyndham Park Infants School – caters for reception and years 1 and 2 children. It has three classes of 30 pupils in each of its three-year groups, giving a total capacity of 270 pupils. Total number on role 225 in mainstream and 9 in the Resource base, a total of 234 on October 2022 census.

From September 2021 both St Mark's and Wyndham Park academies having operated under one Head Teacher for the two previous years, moved to a separate Head of School at each site. Closer and collaborative working is still an important part of our development but this has been achieved through the greater centralisation at Trust level and more direct oversight of all the schools by the Executive Principal.

The term school and academy are interchangeable throughout this report.

# **SOMERSET ROAD EDUCATION TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Structure, governance and management**

#### **Constitution**

The Trust is a company limited by guarantee and is an exempt charity. The company Articles of Association remain the primary governing documents of the Trust.

The Trustees of Somerset Road Education Trust (SRET) are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Somerset Road Education Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

The role of a Member is to keep an oversight of the Trust board but not to be involved in the day to day management of the Trust. For example, Members appoint the Trust's auditors and receive the annual audited financial statements, but these are signed by a representative of the Trust board. Members hold the powers to:

- Amend the Articles subject to any restrictions in the Trust's funding agreement
- Appoint new and remove existing Members
- Appoint new and remove serving Trustees
- Issue direction to the Trustees to take a specific action
- Instruct Trustees to convene an AGM
- Change the name of the charitable company and,
- Ultimately, they have the power to wind up the Trust.

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

#### **Trustees' indemnities**

Since the incorporation of the charitable company on the 5 December 2014 the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The indemnity is unlimited and available under the ESFA insurance pooling scheme.

#### **Method of recruitment and appointment or election of Trustees**

In accordance with our Articles of Association the Members are responsible for recruiting Trustees/ Directors.

- Three Trustees are Foundation Trustees appointed by the Diocese of Salisbury.
- The remaining Trustees are recruited externally.

When recruiting a new Trustee, we seek to improve our board capability and diversity. A vacancy on the board is an opportunity to access new thinking, insights, experiences, and knowledge, which can impact positively on decision making, corporate governance, and performance.

Whilst recruiting a more diverse group of board members is important, it is not in itself enough. It must be accompanied by inclusion, a culture that genuinely welcomes, values and leverages the advantages of diversity.

The Trust follows a safe recruitment procedure in line with current legislation whereby all candidates are asked to complete a standard application form, including a schedule of all previous employment, the reason they wish to become a Trustee and to provide personal references, who can provide further information on their suitability for the role. The prospective candidates will be long listed, then short listed. An interview panel of Trustees will undertake a competency-based interview with those on the short list to determine what if any recommendation should be made to the Members. Prior to any appointment being made various background checks will be undertaken which will include appropriate DBS (Disclosure and Barring Service) certification.



## **SOMERSET ROAD EDUCATION TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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##### Policies and procedures adopted for the induction and training of Trustees

It is essential that all Trustees are fully aware of their role and responsibilities. Whilst there is a standard induction program for all Trustees, this is suitably tailored to the individual experience and need of each Trustee. Induction consists of reading various publications that support the governance of the Trust, web-based training courses and all Trustees will visit each academy to observe teaching and have the opportunity to talk to Headteachers, heads of school, staff and pupils.

The Trustees currently subscribe to the National Governors' Association and we arrange for further external training, or attendance at various conferences if required. An ongoing training programme ensures Trustees' knowledge and skills remain current.

##### Organisational structure

Trustees of SRET are both Trustees of the charity and Directors of the company limited by guarantee. The Charities Act 2011 defines Charity Trustees as the people responsible under the charity's governing document for controlling the administration and management of the charity. They are known collectively as the SRET board.

Under charity law the board has the ultimate responsibility for directing the affairs of the Trust, and ensuring that it is solvent, well run and delivering the charitable outcomes for which it has been set up. Trustees have several legal duties, which are often termed as those of compliance, care and prudence

Trustees must:

- Ensure that the Trust has a clear strategy that will enable it to fulfil its charitable aims and is focused on achieving these.
- Be responsible for the performance of the Trust, for its impact upon stakeholders and for its corporate behaviour:
- Ensures the Trust complies with all constitutional, legal, regulatory and statutory requirements, in addition to the various policies adopted.
- Be stewards of the Trust assets, both tangible and intangible, taking care over their security, and how they are used:
- Ensure that governance is of the highest standard

The CEO/ Executive Principal is the Accounting Officer of the Trust and has executive responsibility for implementing the strategy and policies established by the board.

##### Arrangements for setting pay and remuneration of key management personnel

All staff fall under our agreed pay policy and are assessed by their Head of school and Executive Principal. All pay increment recommendations are subject to review and authorisation by our Pay Panel. The Trust adopts the School Teachers' Pay and Conditions Document 2021 and any additional guidance on schoolteachers' pay and conditions written by the DfE.

The Head of schools within the Trust are deemed "key management personnel" and their performance management is undertaken by the Executive Principal. The Executive Principal, although historically has been both the Headteacher of Exeter House and CEO/Accounting Officer of the Trust, over the last year all school operated by a head of school model (although this has now been returned to the previous model whereby the Executive Principal maintains both the wider Executive Principal/ CEO role and substantive headteacher role at Exeter House). As a result of this he is performance managed by a panel which includes the Chair of Exeter House LGC, the Chair of the SRET Board and an external independent professional whose specialism is education/school improvement from outside the Trust.

## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

1.00

##### *Percentage of time spent on facility time*

Percentage of time

Number of employees

0%

1

1%-50%

-

51%-99%

-

100%

-

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

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

#### Related parties and other connected charities and organisations

SRET has no formal relationship with related parties or connected charities or organisations.



# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Objectives and activities

#### Objects and aims

Our purpose, vision, goals, values, beliefs, and behaviours.

Our purpose as stated in our articles of association, is to advance for the public benefit, education in the UK, by managing and developing academies which offer a broad and balanced curriculum.

Our vision guides everything we do - we exist to change lives for the better and so seek the best possible education for all through increasing access, opportunity, and possibility.

Our goals challenge us to achieve specific outcomes over the medium term, which will support the delivery of our vision:

- To achieve outstanding Ofsted inspections for all schools and gain external recognition of outstanding provision and practice.
- To successfully prepare pupils for the next stage of their education / life.
- To be a centre for excellence in education.
- To be an emotionally healthy trust.
- To ensure and maintain high stakeholder engagement.

Our values and beliefs underpin our vision. Exciting and challenging as our vision and goals are, we can only truly succeed if we work in accordance with our values and beliefs. Our values of inclusion, aspiration, achievement and fulfilment shine out from our beliefs.

- We believe in the extraordinary in everyone.
- We believe that everyone is a valuable part of society, no matter what their needs or difficulties.
- We believe that everyone should be valued and has the right to feel fulfilled and challenged.
- We value and respect the beliefs and faiths of all peoples.
- We believe that education is a key to change and that change is both important and necessary.

Our behaviours. We exist to change lives for the better – to do this:

- We not only believe in the extraordinary but seek it out in everyone we work with and who works for us.
- We champion inclusion – so that no matter what your needs are, you will be embraced by our community and valued for who you are and the possibility of what you can be.
- We challenge pupils and staff alike to grow as learners and actively engage in the community where they will not only be valued but also recognise the value in others.
- We promote the importance of education and learning for all as we recognise that through education; achievement, aspiration and opportunity improves for each of us as does our capacity to recognise this in others.

We have made good progress in delivering our planned changes.

Our focus remains the development and delivery of a consistently high quality, balanced education, valuing all students, no matter their needs and differences. We seek to deliver this by creating an environment and through a curriculum, which provides the fullest possible opportunity and challenge. We remain unshakeable in our belief that everyone is capable of extraordinary accomplishments.

## **SOMERSET ROAD EDUCATION TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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This year our academies have delivered on their plans, building capacity and increased dynamism, to address many challenges and to re-establish what was lost through the COVID period. Decisions have been made that keep the needs of our pupils and employees central to the improvement of the organisation. Critical to this, has been a focus on:

- Improving standards; where each academy, working with the Executive Principal, takes ownership for the establishment of systems and structures providing a firm foundation from which to take the next step.
- Strategic coherence across the Trust and in all academies; where agreed processes and practices have been established to enable appropriate levels of commonality to enhance and enable collaboration and shared identity.
- An enhanced understanding about how efficiency, effectiveness and sustainability provide the necessary lens through which to evaluate the direction and decisions taken. This has been done through the restructuring of leadership teams and roles and responsibilities across the schools as well as the development of the governance structures and systems.
- Delivering structural change and negotiating changes to funding arrangements to deliver stability and financial sustainability to the Trust for the medium term. This has been achieved through increased centralisation in key areas, partnership working with the Local authority (particularly in relation to Exeter House and wider SEN developments) and responsive redevelopment and adaption of the organisational structures over the course of the year.

Our progress to date against our medium term goals update:

#### **Goals Progress against board agreed goals**

##### To achieve outstanding Ofsted Inspections for all schools

1) The Trust is delivering a balanced education which it has improved and developed over the course of the year. Although there have been elements that have had to be significantly redeveloped because of the pandemic – these changes have strengthened the foundation upon which we can now build further in the coming year

2) Whilst the Trust still has work to do, our own assessments verified annually by an independent third party, confirms we are delivering a good standard of education and on a path to delivering outstanding provision and practice within the time scales of our plan. Specific examples of this are the two Challenge Partner reviews (that have taken place at St Mark's and Wyndham Park, recognising both to be effective across the board with specific elements identified as having the potential to be recognised as areas of excellence at the next review, March, 2022). Unfortunately, due to restrictions around school visitation and significant COVID related illness and absence at Exeter House the planned Challenge Partner review (March, 2022) was cancelled. To mitigate for this we have used the school's Improvement partner to undertake termly visits focused on priority areas instead.

3) The 2022 KS2 results at St. Mark's again placed the academy towards the very top of Junior Schools in Wiltshire showing sustained performance from before the pandemic. Results at Wyndham Park and Exeter House have also been broadly in-line with pre-pandemic results. Although there have been clearly identified areas for further improvement the schools in the Trust have not shown the levels of regression that might have been expected after such turbulence in the last two years.

## **SOMERSET ROAD EDUCATION TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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##### To successfully prepare pupils for the next stage of their education / life

1) The sustained good education outcomes at EYFS, KS1 and KS2, provides evidence that pupils are continuing to be challenged to achieve and be prepared for the next stage of their education. Unfortunately access to broader opportunities at the end of Key Stage 5 has been a significant casualty of the COVID period but both Exeter House and the Trust are working at ways to move develop this further and are involved in the growing-up and moving on project at the LA.

2) At the Exeter House Vocational Centre, we prepare our students for work, by seeking work experience opportunities in the local community. However as outlined above this has decreased through the pandemic period. Although we are still in a position where all post-16 students undertake work experience and provision and relationships with local providers the breadth and depth of this opportunity is not as good as it should be and is a real focus for the coming year. This approach had been significantly enhanced pre-COVID. Over the last year we have been trying to re-establish these relationships, which has been extremely challenging given the limitations but we feel that the work done over the last year puts us in a strong place for recovery of this provision over 2022-23.

3) Work is being carried out to ensure the characteristics of secondary and junior school readiness have been identified and are built into the school curriculum. We maintain a range of local partnerships and collaborations through each of our schools and the Trust as a whole – this includes: networks groups, headteacher groups, the challenge partner hub.

##### To be a centre for excellence in education

1) Prior to the pandemic Exeter House has been identified as the Centre of Excellence for SEN (Special Educational Needs) in South Wiltshire within the LA (Local Authority) vision of a system of excellence. Although the context and approach has changed the school maintains a strong presence within the wider 'system of excellence' work – leading and developing projects such as the resource base inclusion project - which has had a highly successful first year.

2) Although our work in school improvement has been much reduced over the last couple of years, we have still been providing bespoke outreach and training this year - which has involved roughly 32 schools. This has been particularly focused around the work of Exeter House but hope to diversify this in the coming year.

3) Over the course of this year we have had staff at each of the school recognised for their work in and beyond their schools – this includes: two staff identified as lead practitioners for Wiltshire (Exeter House), 2 staff identified as moderators (Wyndham Park and St Mark's).

4) There has been no opportunity or invitation to apply for National Support School status again this year and with this model set to change it may necessitate and adaptation to the current details within this goal.

##### To be an emotionally healthy trust

1) Wellbeing groups have been established each academy, with coordination through our centralised HR (Human Resources) team.

2) We are developing structures and systems around stakeholder voice and how this can be best used to effect positive change.

3) Key staff have undertaken Mental Health First Aid Training.

##### To ensure, maintain and build high stakeholder engagement

1) Our governance structure particularly the LGCs helps collect feedback from, and engage in dialogue with pupils, parents, and staff. The further development of the Primary LGC for both St Mark's and Wyndham Park schools has enabled great continuity between the two schools whilst increasing strategic oversight and engagement.

2) Surveys and meetings provide quantitative and qualitative feedback. Further plans for the development of academy staff, parent and pupil forums are in process.

## **SOMERSET ROAD EDUCATION TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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#### Public benefit

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

The primary purpose of SRET is the advancement of education within the local area. SRET has given a priority to providing public benefit to a cross section of the community, regardless of family background. The greatest benefit that SRET offers is the provision of an education that maximises each student's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

The Trustees adhere closely to the guidance provided in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.



# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Strategic report

#### Achievements and performance

##### Our strategic report

To deliver on our goals we have set our self, three enabling objectives. During this year we have delivered:

#### Objective 1: Improve leadership and increase capacity

- Developed a compelling vision and three-year plan with agreed goals and milestones, which reaffirms our aim to achieve external recognition of outstanding provision and practice and financial sustainability.
- Through the establishment of restructured leadership teams at St Mark's and Wyndham Park we have been able to build upon what the two schools could offer this has included:
- Increased focus on the curriculum and teaching and learning.
- Better, broader offer for pupils, both curricular & extra – curricular, with a positive impact on standards for both schools.
- Better strategic oversight across the three schools through the re-development of the Executive Leadership Team.
- Enable the same systems and greater rigour for data collection, assessment, moderating, benchmarking, and improvements across both schools.
- A greater capacity for innovation and development.
- A more sustainable financial position.
- Over the course of the last 3 years the Headteacher at Exeter House has been released for between 1-3 days a week as a secondment to work with the local authority to help address the significant and wider issues impacting on specialist education at this time. Additionally, to this over the last year additional time and support was provided by the Executive Principal at Wyndham Park and St Mark's to establish the new models and new leadership teams in the schools. During this time the Deputy Head teacher at Exeter House has stepped up as the Head of School and breadth of responsibility was delegated across the wider leadership team. There have been many positives through this approach including further investment and development of staff and the wider organisational structures. Although this model effectively stopped at Easter. For 2022-23 Exeter House has returned to the previous model.

#### Objective 2: Improving standards and raise aspirations

- As identified above this year has shown an increase in each academy's aspiration of what can be achieved. With a return to statutory assessments this year there has been external validations that standards at the schools have not declined, despite the turbulence and impact of the pandemic over the last few years. The Trust continues to carry out external scrutiny wherever possible. This has been enhanced at Exeter House over the last 6 months as we seek to re-establish some key practices and establish new leaders into roles where there has been significant turnover.
- All academies have been assessed against our school improvement model, which delivers clear action orientated feedback to facilitate continuous improvement.
- Exeter House continues to undertake its wider work within the LA vision of a SEND system of excellence.
- Wyndham Park has worked extensively with the Ramsbury reading hub over the last year - developing this key area of focus.

#### Objective 3: Enhance resources and maximise their use

- Increased centralisation in areas such as ICT (Information and Communications Technology), facilities and finance has been a key facet to this as it provides a model built upon improved effectiveness and sustainability. Significant investment has taken place at both schools over the course of the year providing better access to resources for the students and better support for staff.
- We have further developed our centralised provision for HR services, tackling issues previously undertaken at individual academy level more efficiently at Trust level. This has continued to reduce duplication, improve quality, and enabled more time to be spent by senior leaders on improving education outcomes for pupils.
- We have further improved our risk management framework, specifically the identification and management of risk and how this is scrutinised at Trust and committee level.
- We have received a positive governance review (NGA, January, 2022) and used the feedback to redevelop our governance structures for further effectiveness bringing together our resources and audit committees and establishing a new people committee ready for the new year.

# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### Academy reports

#### Wyndham Park Infants School

- Wyndham Park is a larger than average (infant) three form entry infants' school with a PAN (Pupil Admission Number) of 270
- Numbers on role as at the October 2022 census were 225 mainstream and 9 in the Resource Base, a total of 234, down on the previous four years.
- There are nine classes catering for children aged 4-7 years old, plus two resource bases with 13 children currently attending, but three more arriving shortly
- Location deprivation indicator was in quintile 1 (i.e., least deprived) of all schools
- Classes are taught by a mix of part-time staff (8) vs full-time (6) – part-time numbers are expected to increase due to maternity requests in 2023
- Pupil stability is high (97%) i.e. vast majority who start in YR completing Y2
- 98% of Y2 cohort transfer to SM for KS2
- Approximately half of the YR intake each year come from the on-site pre-school (St Mark's)
- Pupils enter the school into EYFS broadly in line with national expected of their age
- GLoD is 68% of pupils achieved a good level of development at the end of 2021-22 – 3 pp above national (65%), released today GLOD 2021 –53%
- FSM is 11% which is well below national (22.5% 2021-22, a rise from 17.3% - which is a rise from 2020)
- Ever6 FSM as above
- Minority Ethnic Origins are 7.5%, not including EYFS, which is also significantly below the national figure of ~35%
- EAL – i.e. home language other than English is 10.3%, which is below the national figure of 19.5% (primary)
- SEN is 21% (n=50) is significantly higher than national (14.3%) compared to 79%(non-SEN) (n=192) SEND identification will see figures rise
- SEN Support is 21% (n=50) which well above national and has risen (7.2% in 2017 and 18.8% in 2019), but stable since last year
- EHCPs is 5% (n= 3 mainstream, 10 RB), and due to rise to 8% when the new RB children arrive, plus two more mainstream applications, if approved, would be 9%, which is well above national (2.3%). We have another three children requiring EHCN applications ASAP in the mainstream.
- A restructure was carried out in the summer term 2021 to prepare for a move to a Head of school model at both St Mark's and Wyndham Park, whilst maintaining a single LGC and the principles behind the PLC. This approach is now formalised and each school has their own Head of School
- As part of the work to ensure more cross-phase working three members of teaching staff have been working across both Wyndham Park and St Mark's. This has created opportunities to share expertise and experience; this is increasing again now that COVID restrictions have ended. We are also planning more opportunities for the children to mix.
- As part of alignment both schools now have the same approach to handwriting, spellings, and maths teaching as well as common approaches to teaching and learning and assessment. This has been further built on by the planned organisational changes that have been developed since September 2021. We all use the same systems across the academy, including the QAR model, internal and with Challenge Partners, reporting to the LGC, standards etc
- There has been an improvement in the learning environments across EYFS again this year with a new classroom and improved, shared outdoor provision. The children have access to a range of exciting, engaging, and stimulating activities that regularly change. The EYFS Team are very strong and are providing the new children with a strong start to their school learning.
- WP is a founder member of the South Wiltshire Hub – this group of thirteen schools working as a local alliance of CP schools for the last year sharing and supporting the development of provision and practice.
- WP has developed and enhanced its forest school provision across all year groups which is now fully integrated into the curriculum and provides a significant and enhanced opportunity for personal, emotional, and social development as well as language and engagement of students. This provision is now expanding across the PLC due to the success at WP and the support and interest of the children at St Mark's and the backing of their HoS.
- External safeguarding audit (in addition to the annual internal audit) identified practice the school to be effective
- The school has developed a new structure and SDIP for 2022-23 to ensure higher investment and focus on the development of curriculum and T&L with new roles to support this.



## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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#### St. Mark's C of E Junior School

- SM is a larger-than-average urban junior (primary) academy for children aged 7-11 with a PAN of 360
- Numbers on role as at the October 2022 census were 345 mainstream and 3 in the Resource Base, a total of 348, down on the previous four years.
- Location deprivation indicator was in quintile 1 (i.e. least deprived) of all schools
- Attendance was stable across the year. Average 93.4% for the year which is slightly down on the year before.
- SM resource base (opened in September 2021) which accommodated 6 children, 3 children are registered at St. Mark's and 3 at Exeter House.
- Average KS2 class size is 29.5 which is above national (26.7)
- Free School Meals (FSM=49) is at 14% is well below national (22.5% - which is a rise from 20.8% in 2020)
- Service children (=17) represent approximately 5% of the pupil population
- SEND is 15% (n=54 children) compared with 85% non-SEND (n=304)
- EHCPs of SEND is 3% (n=11) which is slightly above national (2.3%)
- SEND Support is 12% (n=43) which is below national (13% - a rise from 12.1% in 2020)
- English is the first language for 90% of pupils (n=322)
- EAL is 10% (n=36) which is significantly below national (34.8% in primary)
- Stability remains high (top quintile) 96% (three-year average) which is higher than national (86% three-year average)
- In September 2021, the school began the next stage of its journey as a Primary Learning Collaboration (PLC), moving to a Head of school model at both St Mark's and Wyndham Park, whilst maintaining a single LGC and the principles behind the PLC.
- Both St. Mark's and Wyndham Park continue to look for ways to collaborate and create opportunities to share expertise and experience. Our Year 2/3 transition was just one example of collaborative working which ensured good outcomes of children, parents and staff.
- St. Mark's is a member of the Mobius Math's Hub which provides the school with valuable training resources and the chance to work with colleagues from other schools.
- St. Mark's will soon have a qualified KS2 writing moderator amongst its staff. This will prove invaluable for staff in gaining new understanding of the assessment process in writing as expertise is shared.
- The school was recently officially recognized as a Dyslexia Friendly School and awarded this status by an independent adjudicator. The first school in Salisbury and the surrounding areas to achieve this.
- The school has also been awarded The Music Mark in recognition of the commitment to providing high-quality music education for all children.
- KS2 tests began again in May 2022 after a 2-year absence. It was pleasing to see that St. Mark's maintained its high outcomes and scored above national percentages in every category.
- Curriculum development continues to have high priority with two CDL (Curriculum Development Leads) roles in post from September 2022. These leaders strive to develop and evolve St. Mark's curriculum so that it is reflective of the current cohort on school.
- SM is a founder member of the South Wiltshire Hub – this group of thirteen schools working as a local alliance of CP schools for the last year sharing and supporting the development of provision and practice. The hub has been led by the CEO/EP and has been managed by the HT
- Significant levels of work have been undertaken through the COVID period to develop and enhance home-school working and the school's virtual offer – which has included the development of Google classroom which has enabled virtual learning and lessons to take place
- Covid-19 has stopped KS2 tests for 2021 (for the second year in a row) – internal tracking confirms results would have been strong for a fourth successive year
- St Mark's is working with the local authority to gain Dyslexia Friendly status. Which we expect to be in place for 2021-22.
- External safeguarding audit (in addition to the annual internal audit) identified practice the school to be effective
- The school has developed a new structure for 2021-22 to ensure higher investment and focus on the development of curriculum and T&L with new roles to support this.

## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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#### Exeter House Special School

- Exeter House is a Special School with an admission number of 177 as of September 2022, with the expectation to be fully full as of January 2023 after the completion of the current building work. Currently the school has 160 on roll. This number was increased in September 2020 from 142, having already been increased for the previous three years (2017-18: 121; 2018-19: 133; 2019-20: 142). This has been done to accommodate the significant increased need in the South Wiltshire area. We have additionally open two resource bases within the trust (at St Mark's and Wyndham Park) to enable reintegration of specialist school pupils where possible and support high needs beyond the special school itself. Including these pupils the NOR is 181, rising to 189 in October 2022. This represents a 68-pupil growth since July 2017.
- All students at Exeter House have a range of complex needs, including ASD, PMLD and SLD (which are often accompanied by additional medical needs). The complexity of need at the school has increased notably in recent years and has necessitated increased specialist training and development/ change of the leadership model at the school. This can be identified by almost 70% of students being within the top two banding levels for complexity when historically this has been between 42 and 48%. This is particularly notable in relation to students with a primary designation of ASD in addition to SLD and other comorbid issues, which has gone up by approximately 20% in the last three years.
- Students travel from the Wiltshire, Hampshire, and Dorset areas to attend the school. Attendance is average for the character and type of school, with very little unauthorized absence, although this has increased in the pandemic period. The number of students eligible for pupil premium funding, FSM, Ever 6 and LAC is 54%; 32%; 33% and 2% respectively. The number of students from service families is high at 23%. The school has a relatively small number of students with EAL (11%), although this number has been increasing over recent years with many of these students also being part of our Service families' community.
- In addition to a team of highly qualified Teachers and Teaching Assistants, a team of external specialist therapists provide support for the most complex needs. We have close working relationships with a range of professionals which include Physios, OTs, Sensory Integration Practitioners, Speech Therapist, Music Therapist, Clinical Psychologists, the Mental Health Support Team and other health care professionals, a counselling service, Salisbury Playhouse Youth Theatre and La Folia music charity. The school employs their own extra full-time OT to enable us to proactively meet the population's changing, complex, and diverse needs; this is our third year of undertaking this approach.

The last four years has seen significant change and development – but change and development that has provided increased opportunities and achievement for all our students and increased external recognition for what we do.

During the last year at Exeter House

- The school continues to be identified as a centre of excellence in SEN for South Wiltshire by the local authority and is part of the wider system of excellence development work. As part of this the school led training for 35 schools locally over the spring term to support them developing their inclusive provision
- The school maintains its specialist leaders in communication and ASD and has leaders across the school involved in a range of projects and processes in the wider community, the LA and other local schools
- The school has continued to develop and evolve its internal induction and training to ensure the sustained high-quality skills, knowledge and understanding for its staff. This has included a more bespoke model of training and the establishment of an instructional coaching model for teachers
- Parental support through training, development, workshops, drop - ins and individual work has again developed this year with further investment into the pastoral work of the school. This work again has been significant, with positive impact and outcomes notable. The parental training workshops that were further enhanced this year, also have received positive feedback, and have this year included parents who have pupils with SEN at other schools and settings.
- There has been a significant change and turnover in staffing at all levels with the new year seeing an almost completely different senior leadership team, with adaptation to roles and responsibilities. This includes the Executive Headteacher returning in the role as substantive headteacher of the school since Easter 2022, establishment of a new, additional department head role – Early Years, to enhance the capacity to support the new intake and early intervention changes and more release time for middle leaders to undertake their roles.
- Since the Summer there has been the re-establishment in events, opportunities, and activities for parents to get into school which has included: sports day, stay and play events, a parent and children activity event and the development of our parental workshops.



# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### Key Performance Indicators

As identified above statutory assessments for primary age pupils were cancelled this year and the disruption of the usual education provision makes comparisons difficult to create. However internal measures projected improved outcomes to have been sustained and to have been in-line or better with what had previously been achieved. This evaluation can be identified within the specialist provision also where expected outcomes were sustained and opportunities for provision beyond the school were enhanced.

### St Mark's Junior School

End of Key stage 2 attainment outcomes summary:

	St Mark's - end of KS2		
	National	Wiltshire	School
Reading Ex+	74	74.8	85 (+11)
Reading GDS	27.8	27	46 (+18)
Writing Ex+	69	68.9	86 (+17)
Writing GDS	13	11.6	17 (+4)
Maths Ex+	71	70.3	82 (+11)
Maths GDS	22.5	19.2	31 (+8)
RWM Ex+	59	56.9	73 (+14)

Current Ofsted grade	Good (February, 2020)
Current Challenge Partner judgement	Effective (March, 2022)

### Wyndham Park Infants'

End of KS1 attainment outcomes summary:

	Wyndham Park – end of KS1		
	National	Wiltshire	School
Reading Ex+	67.1	68.1	70 (+3)
Reading GDS	18.1	18.7	19 (+1)
Writing Ex+	57.9	57.7	62 (+4)
Writing GDS	8.1	7.1	31 (+1)
Maths Ex+	67.9	68.6	69 (+1)
Maths GDS	15.2	13.6	18 (+3)
RWM Ex+	53.6	52.6	52 (-1)

Current Ofsted grade	Outstanding (May, 2014)
Current Challenge Partner Judgement	Effective (March, 2022)

## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

##### Exeter House School

Overview of progress against EHCP targets across the school:

School Department	Cognition and learning		SEMH		Sensory and physical		Communication and interaction	
	2021	2022	2021	2022	2021	2022	2021	2022
Lower School	76/24 (100)	85/15 (100)	78/18	83/10 (93)	77/21 (98)	85/15 (100)	74/24 (98)	63/37 (100)
Resource Base (RB)	-	50/40 (90)	-	90/10 (100)	-	60/30 (90)	-	50/50 (100)
Middle School	90/3 (93)	92/8 (100)	90/0 (90)	74/13 (87)	93/0 (93)	93/7 (100)	77/3 (80)	62/23 (85)
Upper School	62/0 (62)	77/5 (82)	57/0 (57)	82/0 (82)	86/0 (86)	91/0 (91)	62/0 (62)	82/0 (82)
AS	77/6 (83)	100/0 (100)	60/12 (72)	78/0 (78)	76/12 (88)	88/0 (88)	71/17 (88)	83/0 (83)
Complex Needs (CN)	69/0 (69)	86/8 (94)	75/6 (81)	82/0 (82)	62/19 (81)	94/0 (94)	51/18 (69)	82/6 (88)

Overview of end of key stage qualifications:

Key stage	PSED		ASDAN Personal Progress		Open awards	
	2021	2022	2021	2022	2021	2022
4 (Year 11)			75% gained a Certificate including: developing communication, developing writing skills, reading, number and measure	100% gained a Certificate including: Developing communication; Developing writing skills, reading, number and measure, position and understanding money	25% gained Entry 1 English, Maths and ICT	None entered this year
5 (Year 14)	40% gained a certificate including Preparation for Work, Healthy Living, <u>Managing</u> social relationships and <u>Working</u> towards goals	25% gained a certificate including Preparation for Work, Healthy Living, Using technology in the home and community, rights and responsibilities	40% gained a certificate 20% gained an Extended certificate	50% gained an Extended certificate 25% gained a Diploma	20% gained Entry 2 English and ICT	None entered this year

## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

#### Overview of destination data

Year	Key stage	Destination	Number	Percentage
2022	4 (Year 11)	Exeter House	4	100%
		Fairfield Farm	0	0
	5 (Year 13/14)	Fairfield Farm	2	33%
		Wiltshire College	1	17%
		Out of county education placement	1	17%
		Able Hands social care package	2	33%

Current Ofsted grade	Good (September, 2017)
Current Challenge Partner Grade	Effective (March, 2020)

#### Going concern

After making appropriate enquiries, the SRET Board have a reasonable expectation that SRET has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Financial review

In the period covered by this report the Trustees report an in-year revenue surplus of £300,873 (2021: surplus £212,231) This is calculated by removing the fixed asset fund and local government pension scheme costs and movement. See the calculation below:

2021/22 Surplus for year	£4,843,482
Adjustments for	
Remove Capital Grant income	(£630,765)
Add back FRS 102 Pension Costs	£732,000
Add back FRS 102 Actuarial gains	(£5,139,000)
Add back depreciation	£414,553
Contributions from revenue to capital	£80,603
Revenue Surplus	£300,873

The in-year surplus of £300,873 was in the main because of backdated SEN funding increases.

Most of the Trust's income is obtained from the Education Schools Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to a particular purpose which in our case, is the purpose of the Trust.

Additional funding is received from Local Authorities for provision to high needs students. The grants received from the ESFA and Local Authorities during the period to 31 August 2022 and associated expenditure are shown as restricted funds in the statement of activities.

At the 31 August 2022 the balances in the Trust's revenue funds were:

Restricted:	£689,274
Unrestricted:	£274,859

As of the 31st August 2022 the Trust had a surplus restricted balance of £770,274. In prior years this has recognised a significant pension fund deficit for the Local Government Pension Scheme which has been included within the restricted funds resulting in the overall position becoming a deficit. In this financial year the Local Government Pension Scheme is in surplus. However, this does not mean that an immediate liability or asset for this amount crystallises.

During this financial year, we have implemented structural changes at all our schools and with the support of Wiltshire County Council agreed a more appropriate approach to funding special needs education. This work is reflected in the in-year revenue surplus of £300k (after contributions to CIF / capital).

In 2022/23 and onwards the schools are under financial pressure due to as yet unfunded cost increases, such as support and teaching staff pay agreements. The original forecast in 21/22 included an assumed increase of 2.75% for support staff with effect from 1.4.22 the actual agreed increase was significantly higher. The actual results include a provision for the backdated pay agreement which totals an estimated additional £85k of costs across the trust. The cost of this has been calculated across the trust for 22/23 and beyond and shared with trustees. At the present time no information has been seen regarding additional funding to cover additional staffing costs.

#### In-year revenue results by each academy:

Exeter House - Surplus	£175,942
St Marks - Surplus	£101,982
Wyndham Park - in year deficit	£4,949
SRET - Surplus	£27,898



## SOMERSET ROAD EDUCATION TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

#### Capital works: Condition Improvement Fund (CIF)

This year we had submitted two CIF bids to help improve, expand, and upgrade our premises, the one noted below was successful. The Trustees had agreed that funds could be drawn from reserves to meet our required contribution to this fencing project.

Exeter House invested in a sunken trampoline at a cost of £54k which will improve the Rebound therapy and benefits it offers and is hoped that the facility will also be made available to pupils across the trust.

Across the Trust		St Marks	
Resource Bases		Safeguarding CIF (fencing)	
Cost	£300,000	Cost:	£260,600
LA Contribution	£300,000	CIF Funding:	£231,283
Academy Contribution	£0	Academy Contribution	£29,317

As in earlier years the Trust has worked in conjunction with the Local Authority to add another classroom and additional quiet spaces to the Resource Base Provision to increase its numbers to 18 overall at Wyndham Park. This work also involved the relocation of the current reception class to a state-of-the-art Mobile classroom. This also enabled significant ground works to occur to enhance the provision of the early years area at Wyndham Park. Work was also started on Exeter House to increase its classroom numbers by 2 which would enable growth to a total of 177 students. It is envisaged that work will be completed in December 2022. An additional car park has been added to the site with the re-configuration of the old caretaker's garden into this additional space. Car parking remains at a premium.

Condition Surveys were also carried out across the Trust in July 2022. This information has now been linked to the Estates Management Strategy to ensure that there is an appropriate rolling program of works that is linked to need and CIF Bid requests.

#### Reserves policy

During the year, the SRET Board has reviewed its previously agreed reserve policy. The policy has been set to reflect the Trust strategic coherence and forecast financial sustainability. Accordingly, we have set our self the target of achieving a Prudential Financial margin to enable the academies to weather business disruption. These reserves will not be designated for specific projects but will enable the Trust to better deal with changes and uncertainties in the current educational environment. At the end of the period, the Trustees agreed to c/f some of the in year credit balances to enable the Trust to continue to improve IT and infrastructure moving forward.

The balances are as follows:

Exeter House School £482,218 equivalent to 14% of annual payroll costs

St Marks C.E. School £287,970 equivalent to 24% of annual payroll costs

Wyndham Park School £163,533 equivalent to 16% of annual payroll costs

SRET £30,412 equivalent to 10% of annual payroll costs

Across the trust revenue reserves of £964,133 equivalent to 16% of annual payroll costs

#### Investment policy

The Trust's investment policy is one of minimal risk, accordingly if funds are available these may only be placed on short-term deposit at the most favourable rate available from providers who are covered by the Financial Services Compensation Scheme. The board have delegated this responsibility to the CEO/ Executive Principal.

# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Principal risks and uncertainties

To deliver a strong risk management framework we have sought to develop:

- An effective Member Panel.
- A strong and diverse board with Trustees who have the time and skill to commit to their roles.
- Effective delegation to board sub - committees, all with appropriate terms of reference.
- A board agreed risk appetite.
- Risk management standards, particularly the identification and evaluation of risk.

The risks to the Trust are regularly monitored and fall into four main categories:

- Strategic and reputational risk.
- Operational risk.
- Compliance risk.
- Financial risk.

The key risks have been determined as:

Insufficient numbers on student roll – the risk that the various academies fail to recruit sufficient students or that numbers decline. Our pupil intake in September 2022 for St Marks C.E School and Wyndham Park School reflect a falling roll whereas Exeter House School is expanding.

Measures in place to mitigate this risk

- Robust school improvement strategies in place.
- Recent results in phonics and EYFS, KS2 and outcomes at Exeter House demonstrate successful school improvement.
- Accessible school personnel to prospective parents, open days, newsletters etc.
- Marketing Campaign.

Legal risk – risk that legislation requirements are not known or not complied with including GDPR (General Data Protection Regulations).

Measures in place to mitigate this risk

- The Trust accesses the legal knowledge of a respected legal firm where a retainer is in place.
- Scrutiny of circular letters from central government and national educational associations who publish, comment and will provide support or guidance in these areas.
- Training is undertaken as appropriate on new legislation.
- Ongoing review and update of policies and procedures to ensure they remain within the law.

Recruitment risk – not being able to recruit appropriate candidates, or recruiting unsuitable employees to work with children.

Measures in place to mitigate this risk

- Recruitment and selection policy and procedures in place.
- All interview panels include at least one member with up-to-date safer recruitment training.
- Advice and support from the Trust's centralised HR team on all recruitment issues.
- A commitment to staff development including continuing professional development.
- All staff have enhanced DBS certification.
- Active governing body membership.

Information Technology – ensure that the technology is strong robust secure and fit for purpose.

Measures in place to mitigate this risk

- We have established a variety of appropriate policies, employ IT specific personnel who are supported by a contract with an external support company.
- The Trust's IT provision has been centralised to deliver standards and practices across the Trust that are more than ever expected in this digital age.
- The Trust has moved MIS (Management Information Systems) Systems from Capita Sims. Personnel to Arbor and moved to Access for finance.
- The Trust has invested in a SharePoint Project across the schools and this is now fully implemented to mitigate risk by becoming cloud based.

# SOMERSET ROAD EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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Financial risk – impacts of the National Funding Formula and pressures on salary cost.

Measures in place to mitigate this risk

- A clear strategic plan and objectives, annual budget and medium-term financial forecasting for all academies and the Trust.
- School financial reports – close monitoring of income and expenditure against budget, bank reconciliations and prudent reserves are in place. Leadership team and governing bodies all fully aware of current circumstances.
- Our costs, like most schools, are dominated by the cost of employment. Where appropriate we review leadership structures and our teaching and teaching assistant complement. A SRMA review was welcomed by the Trust in March 2022.

### Fundraising

The board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

- Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the board retains the responsibility for ensuring fundraising is undertaken appropriately.
- The board are committed to ensuring that fundraising activities are carried out in an ethical manner; and
- The guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The board will have regard to the Charity Commissions publication, "Charity Fundraising"
- Fundraising activities carried out by individual academies, including their PTA (Parents and Staff Association) will comply with all relevant laws
- Any communications to the public made while carrying out a fundraising activity shall be truthful and non-deceptive
- All monies raised from fundraising activities will be for the stated purpose of the appeal and will comply with the stated mission and purpose.
- All personal information collected by the Trust is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Trust shall accept commissions, bonuses, or payment for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door to door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- The Trust does not work with any third-party commercial participators or professional fundraisers to raise funds.
- There have been no fundraising complaints in 2021/22.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.
- All Trustees, Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk; and
- Complaints will be dealt with in accordance with the Trust's complaints procedure.

Some fund raising has occurred throughout the year, however this has unfortunately been curtailed due to the Covid situation.

Exeter House has also had some amazing donations amounting to circa £6,000. All donations received are used to enhance the curriculum and to bring some additional enjoyment and fun into the lives of our pupils. This year an anonymous donation of £4,000 went towards the trampoline.

Friends of St Mark's (PTA) raised £15,000 and Wyndham Parents and Staff Association (PTA) spent £3,120 which was used for classroom resources. These funding sources are greatly appreciated and show how dedicated our parents and carers are.



## **SOMERSET ROAD EDUCATION TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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##### **Plans for future periods**

Our plans are subject to regular board reviews and a formal annual review. We have and will continue to rigorously review our performance against agreed KPIs, measures and outcomes.

We have a demonstrable track record in delivering for our pupils and have been recognised for our ability to deliver school improvements and become a centre of excellence for special needs education.

Going forward our plan is to further develop and demonstrate these capabilities and continue to share our knowledge with local schools and MATs, so they may share and benefit from what we do.

We are a small Trust of three schools with less than a thousand pupils. The Trustees have determined that growth in pupil numbers either organically, by acquisition or partnering with other schools, with similar values and beliefs, provides opportunities for future efficiencies. This in turn should enable more of the Trust's funding to be spent directly on pupils. Whilst growth should lead to more efficient methods of working, we are determined to protect our existing students from any negative impacts of such growth as well as any new students joining the MAT. As a Board we are now looking into how we may grow this Trust as we wish to bring other schools into the Trust. We are currently doing this in liaison with the RSC as we wish to gain sponsorship.

Staff moving between schools, sharing continuous professional development are clear advantages of MATs. However, many of the benefits of being in a MAT are realised through a close geographical focus with a schools-led collaborative model, with all in the group drawing on each other's strengths and addressing weaknesses together.

##### **Funds held as custodian trustee on behalf of others**

No funds are held as custodian trustee on behalf of others.

##### **Auditor**

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 14 December 2022 and signed on its behalf by:



T Branch  
Chair of Trustees

# **SOMERSET ROAD EDUCATION TRUST**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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### **Scope of responsibility**

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

The board has delegated the day-to-day responsibility to the Chief Executive Officer/ Executive Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between SRET and the Secretary of State for Education. They are also responsible for reporting to the board any material weaknesses or breakdowns in internal control.

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

# SOMERSET ROAD EDUCATION TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### Governance

Members have an overview of the governance arrangements of the Trust, they can amend the articles and may do so to support stronger governance arrangements. The role of a Member is to keep an oversight of the Trust board but not to be involved in the day to day management of the Trust.

The membership have formally met once this year, where attendance has been as follows:

Member	Meetings attended	Out of possible
T Branch (Member and Trustee)	1	1
D Goldsmith	1	1
A Mayhew (Representative of the Corporate Member)	0	1
D Melville	1	1
M Podkolinski	1	1

The board's purpose is to:

- Ensure the Trust complies with charity and company law, its Articles of Association, all other applicable legislation, and DfE and ESFA requirements relating to the Trust and its academies.
- Ensure proper use of public funds and compliance with the various funding agreements.
- Ensure the Trust is solvent, well run, and meets the needs of pupils and staff in its academies.
- Ensure the Trust acts in accordance with its constitution and powers, promote the success of the Trust, and exercise sound judgement and diligence in all its affairs.
- Ensure that all Trustees are skilled in understanding, interpreting, and comparing school/ academy performance data and are kept fully apprised of the performance of each academy at all times.
- Ensure that all Trustees have the skills, knowledge, and information to assess the Trust's financial performance.
- Ensure the EP/CEO and all senior staff have the skills, knowledge, and experience to run the Trust and its individual academies and to effectively manage its financial, human, and physical resources and assets.

The Board of Trustees have formally met six times during the year including one extraordinary meeting, where attendance was as follows:

Trustees	Meetings attended	Out of possible
T Branch (Chair of Trustees)	6	6
M Sambrook (CEO/Executive Principal & Accounting Officer)	6	6
R McClatchey (Chair of Resources Committee & Chair of Audit Committee)	6	6
J Baylis	5	6
O Bourne (Resigned 25 May 2022)	3	4
D McKay (Resigned 2 February 2022)	0	3
D Bray	6	6
P Daniel (Resigned 28 September 2022)	6	6
D Bellows (Appointed 25 May 2022)	1	1
C Davies (Appointed 23 March 2022)	3	3
A Tucker (Appointed 8 September 2022)	0	0

Key changes are reflected in the above appointments and resignations which took place during 21/22.



## SOMERSET ROAD EDUCATION TRUST

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

An NGA Governance Review took place in November 2021 which included the core areas; having the right skill set of Trustees/Governors, control of conflict of interest and quality of documentation received by Trustees.

#### Key Findings of the NGA Review – With regard to having the right people round the Table

1. This detailed review has evidenced that governance within the trust is improving, and a proactive approach is being taken to continue this journey. In some areas, such as the effectiveness of the internal scrutiny program and appointment of an executive clerk, the impact of this is clear. The trust board has worked hard to build relationships across the tiers of governance and improvements can also be seen here. In other areas, such as local tier governance, frameworks have been put in place but there is work to be done for these to gain traction and become fully effective. Action is also needed to avoid over reliance on, and excessive workload for, any individual holding multiple trustee and local governance roles.

Findings regarding its core governance functions:

2. Being strategic – overall, the trust board is clear on its role regarding strategic oversight. However, support should be provided to LGCs to ensure they understand strategic priorities of the trust and specific expectations of local governance in relation to these.
3. Holding to account – the trust board receives detailed information from the executive principal about the trust and triangulates this with an effective program of internal scrutiny. However, work is needed to ensure governance oversight expected at a local level is what is happening in practice and that it supports, but does not duplicate, the work of the trust board.
4. Oversight of financial performance – trustees have good oversight of finances. Again, however, clarity is required as to what is required of LGCs in this area along with appropriate support and information to do this.
5. Implementation of the recommendations from this report will help ensure effective governance in place now and have a scalable structure in place to support any future growth plans of the trust.

#### Holding executive leaders to account for the educational performance of the organization and its pupils, and the performance management of staff

Trustees receive a comprehensive set of information with which they can hold the executive principal to account. The consultant also saw evidence of these reports being expanded in response to trustee requests for additional information in specific areas.

Trustees also recognize the value of external validation. The November 2020 minutes show a trustee raising concerns about the limited scope of internal scrutiny across the trust. Significant improvement can be seen for 2021 with trustees making effective use of external professionals to provide independent assurance, with the program focusing on both financial and non-financial areas.

#### Resources Committee

The Resources Committee is a sub-committee of the main board of Trustees which has met four times this year. Its purpose is to:

- Support the board in monitoring and reporting the use of resources including finance
- To deliver the requirements placed on the Trust by the government as detailed in The Financial Handbook written by the ESFA.
- As part of the Governance Review the Resources & Audit & Risk committee have been combined.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Branch (Chair of Trustees)	4	4
M Sambrook (CEO/Executive Principal & Accounting Officer)	4	4
R McClatchey (Chair of Resources Committee & Chair of Audit Committee)	4	4
D Bray	4	4

## SOMERSET ROAD EDUCATION TRUST

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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#### The Standards Committee

This is a board sub-committee which has met three times this year. Its purpose is to:

- Ensure that the standards and pupil outcomes across the Trust continue to improve.
- Ensure a strategy is in place for continued improvement of standards at all academies, with a view to each academy achieving and sustaining outstanding performance.

The committee will focus on improving standards and pupil outcomes in three main areas:

- Performance in national tests for specific key stages and other nationally published data (for example SATs, Phonics, EYFS data etc.)
- Performance against pre-determined KPI's are monitored regularly for each academy. This includes the quality of teaching and learning and how this is leading to improved outcomes and the achievement of specific milestones for reading, writing and maths.
- Performance of vulnerable groups, specifically pupils eligible for pupil premium funding and those with special educational needs.

Attendance in the meetings during the year was as follows:

Trustee	Meetings attended	Out of possible
J Baylis	3	3
O Boume (Chair until 25 May 2022)	1	1
M Sambrook	3	3

#### Audit Committee

This is SRET Committee. Its purpose is to support the Board:

- To fulfil its corporate governance and oversight responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.
- To fulfil its legal, social, and corporate responsibilities in the provision of schooling in a safe environment.
- As a result of the Governance Review it was decided to merge the Audit Committee into the Resources Committee.

Attendance in the meetings during the year was as follows:

Trustee	Meetings attended	Out of possible
R McClatchey (Chair of Audit Committee)	3	3
T Branch	3	3
M Sambrook	3	3
D Bray	2	2

#### **Local Governing Committees (LGCs)**

Each LGC meets six times a year. These are sub-committees of the Trust board. Their remit is as follows:

- Reporting to the board, they work together in providing a focused governance for academies at a local level, ensuring the delivery of the boards wish to ensure that the responsibility to govern the academies is vested in those closest to the impact of decision-making.
- The LGCs monitors the academies' key performance indicators and acts as a critical friend to the Headteacher/Head of School and the senior leadership teams.
- The LGCs carry out their functions in relation to their respective academy on behalf of the board and in accordance with policies determined by the board. The act of delegation from the board to the LGCs, is a delegation of powers and duties and not a shedding of responsibilities.

## **SOMERSET ROAD EDUCATION TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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##### Review of value for money

As Accounting Officer, the Executive Principal 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 education and wider community outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust uses of its resources has provided good value for money during each academic year, and reports to the Trust board where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Driving Trust wide benefits and improvements in educational outcomes
- Centralised all services provided across the trust
- Delivering a strategic plan for the Trust that creates a self-sustaining school system that ensures financial sustainability
- Ensured that the LA have agreed to the uplift of banding at entry level to Exeter House to Upper 2

The Trust strategy plans for the achievement of the best possible education and wider community outcomes through the economic, efficient, and effective use of all Trust resources.

The Trust has developed its approach to create income through outreach and training programs. The Trust has continued to generate some financial benefit from these programs this year, which have been supported by the adapted systems and structures. Through this work the profile of the Trust has also been raised and we have demonstrated we are an outwardly facing Trust, not only happy to share our expertise and help improve outcomes at other schools but also very capable of doing so.

The Trust Board wishes to grow this Trust to incorporate other schools to ensure ongoing financial sustainability and expanding the success of our School Improvement Model into other local 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 our vision, goals and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust vision, goals 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 SRET for the period from 1st September 2021 to 31st August 2022. They have continued in place, up to the date of that this annual report and financial statements were approved.

##### **Capacity to handle risk**

The SRET Board has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks.

The SRET Board is of the view that there is a formal on-going process for identifying, evaluating, and managing the Trust's significant risks that has been in place for the period 1st September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the SRET Board.

##### **The risk and control framework**

The Trusts 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.

## **SOMERSET ROAD EDUCATION TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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It includes:

- Comprehensive 3-year plan, budgets, and monitoring systems.
- Monthly financial reports reviewed and agreed by the board.
- Regular reviews by the Resource Committee including reports on financial performance against plan, major planned purchases, capital, and expense expenditure.
- Setting targets and measuring performance against plan.
- Regular review of internal controls summarised in the Trusts Financial Handbook
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The board's internal audit function is under review. Currently our internal auditor is Bath & South East Somerset but where appropriate we contract with other trusted third-party organisations. Having gone out to tender we have again awarded our external auditor contract to Moore South.

The Trust Risk Register is a key document for the Trust.

The Trust was able to facilitate and undergo a rigours timetable of internal scrutiny this year, it branched into other areas and are as listed below:

- GDPR Audit – One West (Bath & North East Somerset Council)
- Challenge Partners
- Safeguarding Audit
- H&S Audit – Safety Mark
- Governance Review – NGA
- Challenge Partners – School Improvement

Other areas of financial scrutiny will reflect and depend upon the next Management Letter points that will be known in December 2022. We will continue with internal scrutiny in the following areas:

- H&S
- Cyber Security/IT
- Challenge Partners – School Improvement
- SCR Audit

No high-level risks were identified by the internal auditors.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

#### **Review of effectiveness**

As Accounting Officer, the Chief Executive/ Executive Principal 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 work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework



## **SOMERSET ROAD EDUCATION TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. The Trust will seek to look to other avenues to provide internal audit to ensure that the Trust benefits from the most rigorous approach.

Approved by order of the board of Trustees on 14 December 2022 and signed on its behalf by:



T Branch  
Chair of Trustees



M Sambrook  
CEO/Executive Principal & Accounting Officer

## **SOMERSET ROAD EDUCATION TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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

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

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



M Sambrook  
Accounting Officer

14 December 2022



## **SOMERSET ROAD EDUCATION TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the board of Trustees on 14 December 2022 and signed on its behalf by:



T Branch  
Chair of Trustees

# **SOMERSET ROAD EDUCATION TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

We have nothing to report in this regard.

## **SOMERSET ROAD EDUCATION TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the incorporated strategic report and directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report and directors' report have 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 multi-academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report and directors' report, including the incorporated strategic report.

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

#### **Responsibilities of Trustees**

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

#### **Auditor's responsibilities for the audit of the accounts**

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Academy Trust.



## **SOMERSET ROAD EDUCATION TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Charity SORP, Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the academy trust complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the academy trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of documentation to confirm that relevant entries were reflected in the accounting records and allocated to the correct period and
- reviewed minutes of trustees' meetings and confirmed income sources mentioned were included correctly within the accounts.

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

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



## **SOMERSET ROAD EDUCATION TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOMERSET ROAD EDUCATION TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **Use of our report**

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



**Esme Shakeshaft (Senior Statutory Auditor)  
for and on behalf of Moore (South) LLP**

*21 Dec 2022*

**Chartered Accountants  
Statutory Auditor**

**33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ**

## **SOMERSET ROAD EDUCATION TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOMERSET ROAD EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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In accordance with the terms of our engagement letter dated 7 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Somerset Road Education Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Somerset Road Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Somerset Road Education Trust's funding agreement with the Secretary of State for Education dated 20 August 2021 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

## **SOMERSET ROAD EDUCATION TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **Conclusion**

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

*Moore South LLP*

**Reporting Accountant**  
Moore (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

Dated: 21 Dec 2022

# SOMERSET ROAD EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	52,300	-	630,765	683,065
Charitable activities:					
- Funding for educational operations	4	-	7,392,139	-	7,392,139
Other trading activities	5	150,394	69,402	-	219,796
Investments	6	129	-	-	129
<b>Total</b>		<b>202,823</b>	<b>7,461,541</b>	<b>630,765</b>	<b>8,295,129</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Grants	9	-	152,043	-	152,043
- Educational operations	10	223,882	7,800,169	414,553	8,438,604
<b>Total</b>	7	<b>223,882</b>	<b>7,952,212</b>	<b>414,553</b>	<b>8,590,647</b>
<b>Net income/(expenditure)</b>		<b>(21,059)</b>	<b>(490,671)</b>	<b>216,212</b>	<b>(295,518)</b>
Transfers between funds	18	-	80,603	(80,603)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	5,139,000	-	5,139,000
<b>Net movement in funds</b>		<b>(21,059)</b>	<b>4,728,932</b>	<b>135,609</b>	<b>4,843,482</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		295,918	(3,958,658)	14,744,821	11,082,081
Total funds carried forward		274,859	770,274	14,880,430	15,925,563



# SOMERSET ROAD EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	37,665	16,446	283,656	337,767
Charitable activities:					
- Funding for educational operations	4	-	6,597,577	-	6,597,577
Other trading activities	5	84,799	81,841	-	166,640
Investments	6	107	-	-	107
<b>Total</b>		<b>122,571</b>	<b>6,695,864</b>	<b>283,656</b>	<b>7,102,091</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Grants	9	-	14,687	-	14,687
- Educational operations	10	101,229	6,820,248	412,479	7,333,956
<b>Total</b>	7	<b>101,229</b>	<b>6,834,935</b>	<b>412,479</b>	<b>7,348,643</b>
<b>Net income/(expenditure)</b>		<b>21,342</b>	<b>(139,071)</b>	<b>(128,823)</b>	<b>(246,552)</b>
Transfers between funds	18	-	(128,040)	128,040	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(1,143,000)	-	(1,143,000)
<b>Net movement in funds</b>		<b>21,342</b>	<b>(1,410,111)</b>	<b>(783)</b>	<b>(1,389,552)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		274,576	(2,548,547)	14,745,604	12,471,633
Total funds carried forward		295,918	(3,958,658)	14,744,821	11,082,081

# SOMERSET ROAD EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14		14,634,634		14,575,277
<b>Current assets</b>					
Debtors	15	600,758		358,966	
Cash at bank and in hand		1,510,800		1,040,102	
		2,111,558		1,399,068	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(901,629)		(566,264)	
<b>Net current assets</b>			1,209,929		832,804
<b>Net assets excluding pension liability</b>			15,844,563		15,408,081
Defined benefit pension scheme asset/ (liability)	20		81,000		(4,326,000)
<b>Total net assets</b>			15,925,563		11,082,081
<b>Funds of the multi-academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			14,880,430		14,744,821
- Restricted income funds			689,274		367,342
- Pension reserve			81,000		(4,326,000)
<b>Total restricted funds</b>			15,650,704		10,786,163
<b>Unrestricted income funds</b>	18		274,859		295,918
<b>Total funds</b>			15,925,563		11,082,081

The accounts on pages 38 to 64 were approved by the Trustees and authorised for issue on 14 December 2022 and are signed on their behalf by:



T Branch  
Chair of Trustees

Company Number 09343767

# SOMERSET ROAD EDUCATION TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		313,714		170,824
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		129		107	
Capital grants from DfE Group		287,034		125,996	
Capital funding received from sponsors and others		343,731		157,660	
Purchase of tangible fixed assets		(473,910)		(294,585)	
<b>Net cash provided by/(used in) investing activities</b>			156,984		(10,822)
<b>Net increase in cash and cash equivalents in the reporting period</b>			470,698		160,002
Cash and cash equivalents at beginning of the year			1,040,102		880,100
<b>Cash and cash equivalents at end of the year</b>			1,510,800		1,040,102

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

Somerset Road Education Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

##### 1.1 Basis of preparation

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

The accounts are prepared in sterling which is the functional currency and rounded to the nearest £1.

Somerset Road Education Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants

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

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

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

###### Sponsorship income

Sponsorship income provided to the multi-academy 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.



# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 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 multi-academy trust has provided the goods or services.

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 multi-academy trust's accounting policies.

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	50 years (Buildings only)
Property improvements	20 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 years

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

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

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

#### 1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the multi-academy 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 and include grants from the Education Funding Agency.

### 2 Critical accounting estimates and areas of judgement

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

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. Further additions of property have also been measured at fair value. The valuation of buildings involves a significant degree of estimation, refer to note 14 for further detail to this estimation.

The value of the donation of occupying Diocese property rent free has also been considered. A notional rental value has not been included as it cannot be reliably measured.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	630,765	630,765	283,656
Other donations	52,300	-	52,300	54,111
	<u>52,300</u>	<u>630,765</u>	<u>683,065</u>	<u>337,767</u>



# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Funding for the multi-academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	4,068,505	4,068,505	3,814,312
Other DfE/ESFA grants:				
- UIFSM	-	102,858	102,858	111,151
- Pupil premium	-	170,267	170,267	154,023
- Teacher pay	-	-	-	28,671
- Teacher pension	-	-	-	81,012
- PE grant	-	54,080	54,080	54,100
- Others	-	39,290	39,290	23,528
	-	4,435,000	4,435,000	4,266,797
<b>Other government grants</b>				
Local authority grants	-	2,880,647	2,880,647	2,189,318
Other Government Grants	-	7,923	7,923	8,499
	-	2,888,570	2,888,570	2,197,817
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	-	-	85,120
Other DfE/ESFA COVID-19 funding	-	48,211	48,211	10,337
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	20,358	20,358	37,506
	-	68,569	68,569	132,963
<b>Total funding</b>	-	7,392,139	7,392,139	6,597,577

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	20,096	-	20,096	16,785
Catering income	60,508	-	60,508	37,287
Parental contributions and clubs	54,349	-	54,349	17,027
Supply insurance income	-	68,502	68,502	49,876
Other income	15,441	900	16,341	45,665
	150,394	69,402	219,796	166,640

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	129	-	129	107

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Academy's educational operations					
- Direct costs	5,153,452	414,553	405,451	5,973,456	5,495,456
- Allocated support costs	1,377,400	583,573	504,175	2,465,148	1,838,500
Grants - support costs	-	152,043	-	152,043	14,687
	6,530,852	1,150,169	909,626	8,590,647	7,348,643

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	14,400	13,750
- Other services	4,970	4,750
Operating lease rentals	4,157	3,589
Depreciation of tangible fixed assets	414,553	412,479
Net interest on defined benefit pension liability	77,000	50,000

### 8 Central services

The multi-academy trust has provided the following central services to its academies during the year:

- human resources and recruitment;
- financial services and internal audit;
- legal services;
- IT services;
- clerk

The multi-academy trust charges for these services on the following basis for this financial year:

- 3.25% GAG income, plus an allocation of HR costs and IT costs (2021: 3.25% GAG income, plus an allocation of HR costs ).

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2022 £	2021 £
Exeter House Special School	163,452	107,832
St Marks CE Junior School	156,724	59,268
Wyndham Park Infants School	46,538	42,144
Somerset Road Education Trust	-	-
	<u>366,714</u>	<u>209,244</u>

### 9 Analysis of grant expenditure

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Improvements to diocesan property occupied by the multi-academy trust	-	152,043	152,043	14,687

Improvements to Diocesan property costs relate to the Conditional Improvement Fund received in the year from the ESFA in respect of safeguarding, fencing and Capital funding received from the Local Authority for the Resource Base expansion project

### 10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Direct costs</b>				
Educational operations	61,452	5,912,004	5,973,456	5,495,456
<b>Support costs</b>				
Educational operations	162,430	2,454,761	2,617,191	1,853,187
	<u>223,882</u>	<u>8,366,765</u>	<u>8,590,647</u>	<u>7,348,643</u>

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Charitable activities

(Continued)

Analysis of costs	2022	2021
	£	£
<b>Direct costs</b>		
Teaching and educational support staff costs	5,153,452	4,783,373
Staff development	56,166	27,460
Depreciation	414,553	412,479
Technology costs	56,286	63,015
Educational supplies and services	205,894	140,517
Examination fees	1,072	1,648
Educational consultancy	39,135	37,312
Other direct costs	46,898	29,652
	<u>5,973,456</u>	<u>5,495,456</u>
<b>Support costs</b>		
Support staff costs	1,377,400	1,097,678
Technology costs	71,134	63,302
Recruitment and support	71,848	67,864
Maintenance of premises and equipment	416,121	144,011
Cleaning	169,948	97,054
Energy costs	105,315	98,810
Rent, rates and other occupancy costs	26,941	26,784
Insurance	14,934	14,228
Security and transport	17,603	12,213
Catering	162,430	99,096
Finance costs	77,000	50,000
Legal costs	7,637	10,638
Other support costs	75,827	41,926
Governance costs	23,053	29,583
	<u>2,617,191</u>	<u>1,853,187</u>

Premises costs include an asset donation to the Salisbury Diocesan Board of Education of £152,043 (2021: £14,687 in relation to works at St Marks Junior School).



# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 11 Staff

#### Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	4,362,844	4,077,059
Social security costs	367,454	334,317
Pension costs	1,685,425	1,377,526
Staff costs - employees	6,415,723	5,788,902
Agency staff costs	115,129	92,149
	6,530,852	5,881,051
Staff development and other staff costs	56,166	27,460
Total staff expenditure	6,587,018	5,908,511

#### Staff numbers

The average number of persons employed by the multi-academy trust during the year was as follows:

	2022 Number	2021 Number
Teachers	55	54
Administration and support	154	155
Management	9	9
	218	218

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1

#### Key management personnel

The key management personnel of the multi-academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the multi-academy trust was £447,668 (2021: £310,194).

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the multi-academy trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration, whilst in post as trustee, and other benefits was as follows:

M Sambrook (CEO, Head teacher and Trustee)  
Remuneration £90,001 - £95,000 (2021: £90,001 - £95,000 )  
Employers Pension £20,001 - £25,000 (2021: £20,001 - £25,000)

During the period ended 31 August 2022, no expenses were reimbursed to trustees (2021: £Nil).

Other related party transactions involving the trustees are set out within the related parties note.

### 13 Trustees' and officers' insurance

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

### 14 Tangible fixed assets

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2021	15,661,028	697,023	182,336	273,272	102,829	16,916,488
Additions	150,000	200,836	68,699	54,375	-	473,910
Disposals	-	-	(14,480)	-	(1,000)	(15,480)
At 31 August 2022	15,811,028	897,859	236,555	327,647	101,829	17,374,918
<b>Depreciation</b>						
At 1 September 2021	1,830,510	136,700	118,349	166,695	88,957	2,341,211
On disposals	-	-	(14,480)	-	(1,000)	(15,480)
Charge for the year	276,380	72,040	29,057	32,119	4,957	414,553
At 31 August 2022	2,106,890	208,740	132,926	198,814	92,914	2,740,284
<b>Net book value</b>						
At 31 August 2022	13,704,138	689,119	103,629	128,833	8,915	14,634,634
At 31 August 2021	13,830,518	560,323	63,987	106,577	13,872	14,575,277

## SOMERSET ROAD EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

#### 14 Tangible fixed assets

(Continued)

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding agency as at the 31 March 2015.

Each school's land and builds has been valued as follows:

	Land	Buildings
Exeter House Special School	£1,180,000	£11,139,000
Wyndham Park Infants School	£662,000	£2,342,000

The trust committed to a property leasehold agreement with Wiltshire Council in September 2016, the lease is for 125 years on a peppercorn rent basis from 1st January 2015. The value of the property has been introduced into the accounts as a gift for the value of £300,000, which has been agreed by the directors as a reasonable value based on guide prices for the property.

The land and buildings for Exeter House Special School and Wyndham Park School are leased to the Academy Trust by Wiltshire Council under a 125 year lease.

The St Mark's CE Junior School land and buildings are not included within fixed assets following clarification by the ESFA on Church owned land and buildings operated by the trust on a Church Supplementary Agreement. A notional rent value has not been included as it is not possible to obtain a reasonable estimate at this point.

During the year the local authority donated a mobile classroom to Wyndham Park School for the new resource base which has been valued at £150,000.

15 Debtors	2022 £	2021 £
Trade debtors	84,600	-
VAT recoverable	115,165	35,032
Other debtors	332,296	251,050
Prepayments	68,697	72,884
	<u>600,758</u>	<u>358,966</u>
16 Creditors: amounts falling due within one year	2022 £	2021 £
Trade creditors	125,649	87,092
Other creditors	402,813	190,807
Deferred income	373,167	288,365
	<u>901,629</u>	<u>566,264</u>

## SOMERSET ROAD EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

##### 17 Deferred income

	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	373,167	288,365
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2021	288,365	259,130
Released from previous years	(288,365)	(259,130)
Resources deferred in the year	373,167	288,365
	<u>          </u>	<u>          </u>
Deferred income at 31 August 2022	373,167	288,365
	<u>          </u>	<u>          </u>

The deferred income relates to income received in the period to 31 August 2022 which relates to the year ending 31 August 2023. The above deferred income relates to the following:

UIFSM	£61,036
SEN Top Up 21/22	£211,725
LA Top Up Overpayment	£6,612
LA Teachers' Pension Funding	£92,400
School Trip Deposits	£1,394
Total	<u>£373,167</u>



# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	334,767	4,068,505	(3,796,177)	80,603	687,698
UIFSM	-	102,858	(102,858)	-	-
Pupil premium	-	170,267	(170,267)	-	-
Catch-up premium	11,000	-	(11,000)	-	-
Other DfE/ESFA COVID-19 funding	-	48,211	(48,211)	-	-
Other Coronavirus funding	-	20,358	(20,358)	-	-
Other DfE/ESFA grants	21,575	93,370	(113,369)	-	1,576
Other government grants	-	2,888,570	(2,888,570)	-	-
Other restricted funds	-	69,402	(69,402)	-	-
Pension reserve	(4,326,000)	-	(732,000)	5,139,000	81,000
	<u>(3,958,658)</u>	<u>7,461,541</u>	<u>(7,952,212)</u>	<u>5,219,603</u>	<u>770,274</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>14,744,821</u>	<u>630,765</u>	<u>(414,553)</u>	<u>(80,603)</u>	<u>14,880,430</u>
<b>Total restricted funds</b>	<u>10,786,163</u>	<u>8,092,306</u>	<u>(8,366,765)</u>	<u>5,139,000</u>	<u>15,650,704</u>
<b>Unrestricted funds</b>					
General funds	<u>295,918</u>	<u>202,823</u>	<u>(223,882)</u>	<u>-</u>	<u>274,859</u>
<b>Total funds</b>	<u>11,082,081</u>	<u>8,295,129</u>	<u>(8,590,647)</u>	<u>5,139,000</u>	<u>15,925,563</u>

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

The fixed asset fund was created based on the EFA valuation of the school's land and buildings which were transferred on conversion from the governing body. The cost is reflected in order to ensure there is adequate substance over form for accounting purposes. Additional assets are added to the fund, as they are required, and they will be written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the Academy, and other related DfE or other authority grants.

Unrestricted funds are general donations and fund raising activities of the Academy and are used to support the provision of education with the Academy.

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

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

Additional breakdown of restricted fixed asset fund:

	B/Fwd	Capital grants	Grants	Other funds	Deprn	C/Fwd
	£	in year	defrayed	transfers	charged	£
	£	£	£	£	£	
LA resource base	18,855	193,731	(149,100)	(63,486)		-
LA capital donation	-	150,000	(150,000)			-
DFC funds	-	26,434	(11,709)	(14,725)		-
CIF	59,842	260,600	(28,361)	(76,151)		215,930
Other committed capital	90,847		(93,356)	32,375		29,866
Other			(41,384)	41,384		-
NBV assets	14,575,277		473,910		(414,553)	14,634,634
Per SOFA	14,744,821	630,765	-	(80,603)	(414,553)	14,880,430

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	120,718	3,814,312	(3,472,223)	(128,040)	334,767
UIFSM	-	111,151	(111,151)	-	-
Pupil premium	3,000	154,023	(157,023)	-	-
Catch-up premium	-	85,120	(74,120)	-	11,000
Other DfE/ESFA COVID-19 funding	-	10,337	(10,337)	-	-
Other Coronavirus funding	-	37,506	(37,506)	-	-
Other DfE/ESFA grants	51,990	187,311	(217,726)	-	21,575
Other government grants	745	2,197,817	(2,198,562)	-	-
Other restricted funds	-	98,287	(98,287)	-	-
Pension reserve	(2,725,000)	-	(458,000)	(1,143,000)	(4,326,000)
	<u>(2,548,547)</u>	<u>6,695,864</u>	<u>(6,834,935)</u>	<u>(1,271,040)</u>	<u>(3,958,658)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	14,745,604	283,656	(412,479)	128,040	14,744,821
	<u>14,745,604</u>	<u>283,656</u>	<u>(412,479)</u>	<u>128,040</u>	<u>14,744,821</u>
<b>Total restricted funds</b>	<u>12,197,057</u>	<u>6,979,520</u>	<u>(7,247,414)</u>	<u>(1,143,000)</u>	<u>10,786,163</u>
<b>Unrestricted funds</b>					
General funds	274,576	122,571	(101,229)	-	295,918
	<u>274,576</u>	<u>122,571</u>	<u>(101,229)</u>	<u>-</u>	<u>295,918</u>
<b>Total funds</b>	<u>12,471,633</u>	<u>7,102,091</u>	<u>(7,348,643)</u>	<u>(1,143,000)</u>	<u>11,082,081</u>

#### Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Exeter House Special School	482,218	306,276
St Marks CE Junior School	287,970	185,988
Wyndham Park Infants School	163,533	168,482
Somerset Road Education Trust	30,412	2,514
	<u>964,133</u>	<u>663,260</u>
Total before fixed assets fund and pension reserve	964,133	663,260
Restricted fixed asset fund	14,880,430	14,744,821
Pension reserve	81,000	(4,326,000)
	<u>15,925,563</u>	<u>11,082,081</u>
Total funds	15,925,563	11,082,081

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Exeter House Special School	2,796,623	612,480	209,355	581,869	4,200,327	3,601,416
St Marks CE Junior School	1,045,541	155,108	116,833	353,342	1,670,824	1,513,681
Wyndham Park Infants School	823,679	161,397	78,010	171,025	1,234,111	1,154,954
Somerset Road Education Trust	127,441	76,284	1,250	133,555	338,530	208,113
	<u>4,793,284</u>	<u>1,005,269</u>	<u>405,448</u>	<u>1,239,791</u>	<u>7,443,792</u>	<u>6,478,164</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	14,634,634	14,634,634
Current assets	274,859	1,590,903	245,796	2,111,558
Current liabilities	-	(901,629)	-	(901,629)
Pension scheme asset	-	81,000	-	81,000
<b>Total net assets</b>	<u>274,859</u>	<u>770,274</u>	<u>14,880,430</u>	<u>15,925,563</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	14,575,277	14,575,277
Current assets	295,918	933,606	169,544	1,399,068
Current liabilities	-	(566,264)	-	(566,264)
Pension scheme liability	-	(4,326,000)	-	(4,326,000)
<b>Total net assets</b>	<u>295,918</u>	<u>(3,958,658)</u>	<u>14,744,821</u>	<u>11,082,081</u>



## SOMERSET ROAD EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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#### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £543,634 (2021: £519,737)

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

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

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 20 Pension and similar obligations

(Continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for 2022/23 are 25.4% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £472,000.

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

Total contributions made	2022 £	2021 £
Employer's contributions	472,000	490,000
Employees' contributions	107,000	111,000
Total contributions	579,000	601,000

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
- Males	21.7	21.9
- Females	24.2	24.4
Retiring in 20 years		
- Males	22.6	22.9
- Females	26.0	26.2

#### Sensitivity Analysis

Change in assumptions at 31 August 2022:

	Approximate % Increase in employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	163
0.1% increase in the Salary Increase Rate	0%	7
0.1% increase in the Pension Increase Rate	2%	158
1 year increase in member life expectancy	4%	276

# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

<b>20 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Defined benefit pension scheme net asset/(liability)</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Scheme assets	6,969,000	6,854,000
Scheme obligations	(6,888,000)	(11,180,000)
Net asset/(liability)	81,000	(4,326,000)
<b>The multi-academy trust's share of the assets in the scheme</b>	<b>2022</b>	<b>2021</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	3,763,260	3,769,700
Bonds	2,160,390	2,261,820
Cash	-	68,540
Property	1,045,350	753,940
Total market value of assets	6,969,000	6,854,000
The actual return on scheme assets was £(297,000) (2021: £767,000).		
<b>Amount recognised in the statement of financial activities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Current service cost	655,000	408,000
Interest income	(116,000)	(99,000)
Interest cost	193,000	149,000
Total operating charge	732,000	458,000
<b>Changes in the present value of defined benefit obligations</b>	<b>2022</b>	
	<b>£</b>	
At 1 September 2021	11,180,000	
Current service cost	1,127,000	
Interest cost	193,000	
Employee contributions	107,000	
Actuarial (gain)/loss	(5,552,000)	
Benefits paid	(167,000)	
At 31 August 2022	6,888,000	

## SOMERSET ROAD EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

##### Changes in the fair value of the multi-academy trust's share of scheme assets

	2022 £
At 1 September 2021	6,854,000
Interest income	116,000
Actuarial loss/(gain)	(413,000)
Employer contributions	472,000
Employee contributions	107,000
Benefits paid	(167,000)
At 31 August 2022	<u>6,969,000</u>

Local Government Pension Scheme funding valuations are completed every three years with the latest triennial valuation related to the period ended 31 March 2019. In the years succeeding this valuation, the accounting valuation methodology is adopted. The aim of the funding valuation is to ensure that each employer's share of the Fund's assets alongside future expected investment returns and contributions will be sufficient to meet future benefit payments from the Fund. The purpose of an accounting valuation, as conducted in the current and prior year, is to facilitate a consistent comparison of pension positions between employers. An accounting valuation has no effect on the cash contributions that will be certified for an employer.

In conducting an accounting valuation, actuaries have used the projected unit credit method of valuation as required by FRS 102 accounting standards. Results have been projected forward from the latest 2019 funding valuation using approximate roll forward methods to the accounting date of 31 August 2022. Allowances are made for changes in financial and demographic assumptions, benefit accrual, actual pension increases and estimated cashflows over the period. Allowances are also made for bulk transfers, business combinations and settlements where applicable.

Actuaries cannot assess the accuracy of roll forward estimates without another full funding valuation being undertaken. This is due to take place in respect of the period ending 31 March 2022 with results therefore impacting the financial statements for the year ended 31 August 2023.

Financial and demographic assumptions are detailed below and are assessed specifically to the accounting date of 31 August 2022. As at the accounting date, the net discount rate (discount rate net of inflation) has significantly increased compared to the prior year from 1.65% to 4.25%. The significant increase in discount rate assumption coupled with an increase in CPI assumption, from 2.90% to 3.05%, has resulted in a large gain on the balance sheet as at 31 August 2022.

Under FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The trustees acknowledge their responsibilities requiring them to make judgement and estimates that are reasonable and prudent. The present valuation of the LGPS defined benefit position has been highlighted as a critical accounting estimate per page 45. Reductions to employer contributions rates are anticipated for future periods.



# SOMERSET ROAD EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(295,518)	(246,552)
Adjusted for:			
Capital grants from DfE and other capital income		(630,765)	(283,656)
Investment income receivable	6	(129)	(107)
Defined benefit pension costs less contributions payable	20	655,000	408,000
Defined benefit pension scheme finance cost	20	77,000	50,000
Depreciation of tangible fixed assets		414,553	412,479
(Increase) in debtors		(241,792)	(151,969)
Increase/(decrease) in creditors		335,365	(17,371)
Net cash provided by operating activities		313,714	170,824

### 22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,040,102	470,698	1,510,800

### 23 Long-term commitments

#### Operating leases

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

	2022 £	2021 £
Amounts due within one year	4,157	4,157
Amounts due in two and five years	4,676	8,834
	8,833	12,991

## SOMERSET ROAD EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

#### 24 Capital commitments

	2022	2021
	£	£
Expenditure contracted for but not provided in the accounts	215,930	-

Capital commitments at 31 August 2022 relate to the Conditional Improvement Funds at Exeter House and St Marks.

#### 25 Related party transactions

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

In entering into these transactions, the multi-academy trust has complied with the requirements of the Academies Financial Handbook 2022.

No related party transactions, other than those outlined in note 11.

##### Income related party transactions

During the year Mr R McClatchey a Trustee donated £25,000 (2021: Nil) to the academy trust.

#### 26 Members' liability

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