

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 15
Governance Statement	16 - 20
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities Incorporating Income and Expenditure Account	29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32 - 65

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	I Smith D Stokes M Davis
Trustees	J Wincott, Chair of Trustees D Stokes P Hennessy (resigned 31 August 2022) K Hudson (resigned 31 August 2022) C Jones C Laidler J Morgan K Dines C Bliss (appointed 23 February 2022) S Brettle (appointed 23 February 2022)
Company registered number	08401607
Company name	Rayleigh Schools Trust
Principal and registered office	Rayleigh Schools Trust Sir Walter Raleigh Drive Rayleigh Essex SS6 9BZ
Company secretary	S Smith
Senior Management Team	K Dines, CEO & Headteacher (Sweyne Park School) J Edwards, Deputy Headteacher, Acting Glebe Headteacher from 1 April 2022 (Sweyne Park School) N Welch, Deputy Headteacher (Sweyne Park School) S Pemberton, Associate Deputy Headteacher (Sweyne Park School) S Smith, Chief Finance Officer E Hawkins, Assistant Headteacher (Sweyne Park School) A Robertson, Assistant Headteacher (Sweyne Park School) R Bradley, Assistant Headteacher (Sweyne Park School) M Shangolis, Assistant Headteacher (Sweyne Park School) N Bache, Headteacher (resigned 1 April 2022) (Glebe Primary School) H Coote, Deputy Headteacher, Acting Headteacher from 1 April 2022 (Glebe Primary School)
Independent auditor	MHA MacIntyre Hudson Colchester Business Park 910 The Crescent Colchester Essex CO4 9YQ

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers Lloyds Bank
 78 High Street
 Rayleigh
 Essex
 SS6 7EB

Solicitors Essex Legal Services
 c/o County Hall
 Market Road
 Chelmsford
 Essex
 CM1 1QH

**RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

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

The Trust operates 2 academies for pupils aged 3 to 18 serving a catchment area in Rayleigh and its surrounds. It has a pupil capacity of (Nursery 30 Reception to Year 6, 420 and on roll 388) (Year 7 – 13, 1308 and on roll of 1311) (Year 12 – 13, 240 and a roll of 189) at 21st October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Rayleigh schools Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates 2 schools, The Sweyne Park School and Glebe Primary Schools.

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law which would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. This cover is provided within the Risk Protection Arrangement (RPA) provided by the Department for Education.

Method of Recruitment and Appointment or Election of Trustees

Trustees are selected on a skill, knowledge and experience basis. The CEO will carry out due diligence prior to the Members appointing by ordinary resolution up to 6 Trustees to satisfy the objectives of the Trust.

The Trustees will appoint a Local Governing body for each school within the MAT. Staff representatives will sit on the LGB of each school. Parent governors sit on the Local Governing body of the respective schools within the MAT and are appointed in accordance with the terms of reference determined by the Trustees. The method of appointment is set out within the MAT Articles.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Policies and Procedures Adopted for the Induction and Training of Trustees

Prior to any appointment the CEO will conduct discussions and interviews during the appointment process to establish the profile of a prospective member. At the commencement of each academic year a skills audit of training needs will be reviewed. This informs training requirements during the year. The Governing Body of each school subscribes to a training package from Essex Governor Services. Trustees may attend internal any external sessions. Attendance at training sessions is recorded. Formal Safeguarding training is given to Trustees at the start of their term and is refreshed annually. An Induction Pack is provided to all new Trustees and Governors on appointment, this is discussed with them.

Organisational Structure

Members. Will normally meet once a year at their AGM. There may be additional meeting should there be a requirement or to discharge duties covered within the Scheme of Delegation.

Trustees. Will meet 6 times a year. Additionally, the Assets committee will meet 6 times a year. The Trustees are the strategic decision making body of the Trust. Their duties and responsibilities are set out in the Scheme of Delegation which they will agree each year.

The Assets committee is delegated to undertake examination of financial and audit matters and report to the Trustees.

The Scheme of Delegation sets out the Trustees role. Summarised by;

- Setting suitable aims and objectives;
- Agreeing policies, targets and priorities
- Monitoring and reviewing aims and objectives and whether the policies, targets and priorities are being achieved in order to hold the school to account;
- Setting and monitoring a balanced financial budget;

Ensuring the schools are a welcoming and safe place and providing a positive learning environment

Local Governing Body (LGB)

Trustees will appoint an LGB to each of the Trust Schools. The LGB shall undertake the duties and responsibilities as set out in the Scheme of Delegation. The LGB is where representation shall sit from Staff and Parents.

The LGB administration shall comprise of full LGB meeting, a Resources committee and a Standards & curriculum committee each meeting once a term.

CEO The CEO shall always be the Headteacher of the lead school within the MAT (The Sweyne Park School) and shall be responsible for the day-to-day running of the MAT and the lead school. They shall have the strategic lead in the delivery of education and administration of assets. They shall report to and deliver the policies of the Trustees. They shall also work closely with the LGB. The CEO will be the accounting officer.

Headteacher A Headteacher who is not a CEO shall be responsible for the administration and oversight of the strategic direction for their school. Their role and responsibilities are set out in the Scheme of Delegation. They shall work closely with their LGB.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting pay and remuneration of key management personnel

The Trusts Key Management Personnel comprise of the CEO, Headteacher and their Leadership teams.

All key personnel are paid according to the relevant national and Essex pay body recommendations. The Trustees are responsible for CEO/Headteacher performance and pay and changes to staffing structures that will influence pay.

The CEO/Headteachers implement a performance reviews that will inform pay decisions for all other staff.

Members receive no remuneration for undertaking their responsibilities.

Trustees receive no remuneration for undertaking their responsibilities.

The Local Governing Body members receive no remuneration for their responsibilities

Trade union facility time

Trade Union facility time is purchased as part of the Essex County Council public duties fund that the Trust subscribes to. The cost equates to £1 per pupil. The Headteachers have regular meetings within directed time with Union representatives. The Trust supports wider union representation at County Level. Expenditure is less than 0.1% of the wage bill.

Related Parties and other Connected Charities and Organisations

Across the Trust, its schools are members of, or subscribes to, wider networks of schools that include close links with The Rayleigh Teaching School Alliance, The Benfleet Teaching School Alliance, Rochford District Schools Partnership Trust (LDG) and Castle Point & Rochford Association of Secondary Heads' Essex (ASHE), EnPro (an informal Trust of Essex Schools with a RBHIP). South Essex Teaching Institute (SETI), The South Essex Teaching School Alliance, The Deanes Schools Sports Partnership, Essex Primary Headteachers Association (EPHA). Castle Point and Rochford Senior schools Behaviour and Attendance Partnership (CPR BAP) Trustees have all completed a declaration of interest form along with senior staff.

Lynda Walker is a Director of Rochford District Schools Partnership Trust. Ceri Jones was Headteacher at Chipping Hill Primary and now CEO of the Connected Learning MAT who are a training provider to the Trust, Simon Smith was an elected member of Rochford District Council, for the period covered by this report.

Engagement with employees (including disabled persons)

The ethos of the Trust promotes a shared approach and joint responsibility. Employees are kept up to date with operational and strategic matters by way of regular briefings and weekly news letters. There are a regular timetabled meeting with representatives of professional organisations. All levels of management have an informal "open door" policy to ensure that all issues can be raised. The management system allows for goals to be set for individuals, curriculum areas and schools as a whole. Examples of positive practice include, staff use of "hearing dogs" and the high level of acoustic treatment within the school for deaf staff and pupils.

Disability and all matters related to employment is managed as determined in law without discrimination.

**RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

The Trust's object is specifically restricted to the advancement, for the public benefit, of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum to ensure the highest possible educational standards.

The principal aim of the Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become good citizens and emotionally well-balanced young people.

Objects and Aims

The Trustees have complied with their duty under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Trust provides education to children and young people that is:

- 1) balanced and broadly based;
- 2) promotes the spiritual, moral, cultural, mental and physical development of students at the school and society;
- 3) prepares students at the school for the opportunities, responsibilities and experiences of later life;
- 4) promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Trust operates 2 schools and serves pupils within Rayleigh and its surroundings. It is subject to the current statutory arrangements as laid down in the national Admissions Code. Current arrangements for entry to the schools are available in the section of the respective school websites dealing with admission arrangements.

Objectives, Strategies and Activities

Key influences on the Trust Development Plans for the period under review were the significant on-going resulting from Covid -19, the recovery programme and review and transition of pupil numbers.

Achievements in Teaching and Learning, Leadership, Spiritual, Moral, Social and Cultural, Behaviour, Safety and Child Protection priorities as identified via the school's Self-Evaluation Form and legislation.

Key activities and targets are set out in the school Development Plan for Sweyne Park and are available on request, the key priorities are set out on the website, www.sweynepark.com. Glebe Primary continues to receive assistance in many operational areas and has strong links with Chipping Hill Primary.(in the reporting period) Key activities and targets are set with the MAT and are presented within the School Development Plan. This is available on request.

Sweyne Park has formally increased its PAN to 270 pupils in each of Yrs 7-11.

Public Benefit

In setting our objective and planning out activities the trustees have carefully considered the Charity Commission's general guidance on public benefit. A full range of activities have resumed during the reporting period. The MAT supports numerous community activities and has sought to build a high public profile within its local community.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

Sweyne Park School

The school continues to run successfully as a MAT, supporting Glebe Primary School in all aspects of school life.

Following the extensive disruption caused by the pandemic, there has been a greater sense of normality returning to school life. The lifting of restrictions during the year has meant that we have been in a position to hold in-person events again, which has helped with our external marketing. Pupil numbers remain very strong and in spite of our increased PAN, we were oversubscribed with applications for Year 7. Recruitment of Sixth Formers was not as strong as we had hoped, once again, called into question the future viability of the provision in its current form. The completion of the new carbon zero building, funded by the Local Authority is helping to accommodate the increased number of pupils within the building. In addition, the end to restrictions has seen commercial lettings return and grow in number. Throughout the year, attendance of both staff and pupils remained lower than in pre-pandemic days due to the ongoing number of COVID-19 cases, and the need to self-isolate. The financial and educational impact of this was significant given the number of agency staff needed to be sourced to cover lessons. A further financial strain has been in meeting the additional academic, social and emotional needs of the pupils since returning to full-time education. Whilst a 'Catch-up' fund has been allocated centrally, this has not been sufficient to meet the level of need identified. The increase in the number of pupils presenting with mental health issues and requiring counselling has been unprecedented and not assisted by any additional funding.

For the first time since 2019, pupils were, once again, able to take external examinations this summer. The outcomes for both A-Level and GCSE were very much in line with the 2019 results. In Year 13, students saw a pass rate of 99.3% of which 76% were A* – C grades, and 50% were A* – B grades. The average A-Level grade achieved by our Year 13 students was a C+. The average vocational qualification grade was Distinction*-. At GCSE level, 48.1% achieved Basics (both English and Mathematics) at grade 5 or above, and 67.2% achieved Basics at grade 4 or above. The overall Attainment 8 score was 46.2. EBacc entry was at 51.1%

During the year we were required to engage with a DfE Schools Resources Management Advisor (SMRA), having forecast a potential future deficit budget. Given the pressure on the budget caused by the percentage cost of staffing, the main recommendations from the report related to changes that can be made to reduce head count. Whilst we will seek to guard against a redundancy situation, we have adopted a policy of non-replacement of staff where possible, and sought to replace staff leaving with more junior staff. The school remains fully staffed with qualified teachers and we continue to engage with Initial Teacher Training providers to ensure a positive future recruitment stream.

Performance Indicators

The Trustees, during the course of the year, with assistance from the LGBs, will monitor all aspects of financial performance and benchmark against data that is centrally produced. For the first time in two years there is external data for both schools within the Trust for Trustees to scrutinise.

Financial income streams and transactions are monitored against projections. Challenge and rigour are provided to the CEO and the Chief Financial Officer by the Finance and Assets Committee and the Board of Trustees. The newly acquired financial system, PS Financial, is providing more accurate budgetary and reporting tools which are shared with the Board.

External education section trends and influences are closely monitored and feed into Trustee's agendas. External advice and opinion are taken from our Auditors.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Glebe Primary School

The most significant event of 2021-22 was our OFSTED report which graded the school as Requires Improvement overall. As outlined on our report, the key priorities are:

- Leaders must ensure that the chosen reading scheme is implemented with fidelity. This includes supporting all staff to learn the teaching techniques, and ensuring resources, such as reading books, support pupils to make the best start in reading.
- Leaders must ensure that staff training needs are identified and addressed, so that subject leadership and the implementation of the new ambitious curriculum improves the quality of education, including in the early years.
- Leaders must implement a system of assessment and train teachers to carefully check pupils' retention of knowledge.
- Leaders must implement a rigorous system of challenge to ensure their expectations are clear about all pupils attending school regularly.

We were successful against many areas in the Rapid improvement plan during summer Term. We still need to secure the use of the assessment system. The curriculum continues to be developed. Phonics in place and training implemented. Books matched to phonic ability. Leadership was distributed and roles assigned.

The Statutory Assessment data for 2021-22 is as follows:

Statutory Assessment Data July 2022

Reception ELG

Glebe Primary School Data		National Data
% of pupils with GLD 2019	% of pupils with GLD 2022	% of pupils meeting with GLD 2019
70%	68%	71.8%

Phonics Year 1 and 2

Subject	Glebe Primary School Data		National Data
	% of pupils meeting threshold in 2019	% of pupils meeting threshold in 2022	% of pupils meeting threshold in 2022
Year 1	94%	88%	75%
Year 2	85%	94%	87%

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

KS1 End of Key Stage Results

Subject	Glebe Primary School Data		National Data
	% of pupils meeting expected standard in 2019	% of pupils meeting expected standard in 2022	% of pupils meeting expected standard in 2022
Reading	78%	72%	67%
Writing	76%	60%	58%
Maths	76%	66%	68%
Science	-	84%	77%

All KS1 results were broadly in line, if not slightly above, with National. Nationally results are lower than 2019 which is likely to be an impact of COVID19.

Year 4 MTC Check (Score out of 25)

Average Score- 19 23% of pupils achieved the maximum score.

KS2 End of Key Stage Results

Subject	Glebe Primary School Data		National Data	
	% of pupils meeting expected standard in 2019	% of pupils meeting expected standard in 2022	% of pupils meeting expected standard in 2019	% of pupils meeting expected standard in 2022
Reading	72%	83%	73%	74%
Writing	70%	75%	78%	69%
Maths	72%	70%	79%	71%
Grammar, Punctuation and Spelling	82%	75%	78%	72%
Science	-	83%	83%	79%
Reading, Writing, Maths Combined	52%	62%	65%	59%

Other than Maths which was broadly in line, all other results were above national for KS2.

Class Comparison to Pupil Premium and SEND

Year 6 End of Key Stage Data

	Working Towards Expected Standards			Working at Expected Standards			Greater Depth		
	Class	PP	SEN	Class	PP	SEN	Class	PP	SEN
Reading	17%	30%	50%	83%	70%	50%	23%	0%	0%
Writing	25%	40%	60%	75%	60%	40%	18%	0%	10%
Maths	30%	60%	60%	70%	40%	40%	22%	0%	0%
Combined	38%	60%	70%	62%	40%	30%	13%	0%	0%
GPS	25%	50%	60%	75%	50%	40%	30%	0%	0%
Science	17%	30%	40%	83%	70%	60%	-	-	-

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Year 2 End of Key Stage Data

	Working Towards Expected Standards			Working at Expected Standards			Greater Depth		
	Class	PP	SEN	Class	PP	SEN	Class	PP	SEN
Reading	28%	44%	87%	72%	56%	13%	18%	0%	13%
Writing	40%	44%	75%	60%	56%	25%	10%	0%	13%
Maths	34%	33%	62%	66%	67%	38%	18%	0%	13%
Combined	50%	67%	87%	50%	33%	13%	8%	0%	13%
Science	16%	22%	50%	84%	78%	50%	-	-	-

Attainment for PP children has improved upon previous years. SEN data remains an area for improvement.

Attendance

We have worked hard to implement a new robust attendance procedure as per the OFSTED report. Last years attendance year to date was 91%. You can see a vast improvement already. The cumulative impact shows typical Autumn illnesses over a short space of time and numerous unauthorised holiday requests.

Termly attendance

The attendance percentages and cumulative percentage attendances for each half term.

	% Attendance					
	Autumn		Spring		Summer	
	half term 1	half term 2	half term 1	half term 2	half term 1	half term 2
Half term	95.24					
Cumulative	95.24					

		% Attendance / Week						Current	Target
		1	2	3	4	5	6		
2022-2023	Cumulative	98.09	97.09	96.55	95.98	95.34	95.17	95.24	97.00
	Week	98.09	96.17	95.25	94.44	92.93	94.37	95.97	

Staffing

A new leadership structure exists, including the Headteacher. Stability of staff is good. Any departures are from the resource base, many for progression or personal circumstances. We have two ECTs.

Going Concern

There is concern about ongoing education funding that is presenting challenges across the education sector particularly as a result of unfunded pay increases and Energy costs during the coming year. During the coming year only, consideration may need to be given toward use a reserves to cover an in year deficit. The MAT financial management is actively managing all cost during 22/23 to avoid this. However, after making appropriate enquiries and consideration of previous performance, the Board of Trustees has a reasonable expectation that the Trust has adequate resources and skill 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.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

The Trustees have established a system of strategic overview for Trust finances. Monthly management reports are presented along with budget setting progress reports. These also benefit from the examination of detail by the LGBs of the respective schools. The Trust purchased an internal scrutiny review in line with the Academies Handbook requirement. Reports were presented to Trustees. The Trust's accountants attend (at Partner level) key strategic meetings. The MAT accounts will change during 22/23 as recommended in the Financial handbook. The Trust has established strong support links with Glebe Primary to ensure Financial stability. Staff within the Finance teams are now able to provide mutual support. Trustees have also given due consideration to the risk associated with financial mismanagement and / or compliance failures.

The Sweyne Park School and Glebe Primary are operating in a period of considerable financial uncertainty there has been notification of significant pay increases, significant energy cost increase and significant levels of general inflation. There is some reasonable expectation that the education sector as a whole will receive some additional funding, but this is not yet announced. Financial planning is focused on maintaining the breadth and quality of future work in the context of lack of clarity in budgets. The LGB of both schools has taken a closer monitoring role with the budget in the period covered by this report with monthly management reports being presented for examination. During the reporting period meeting took place with normal reporting.

The principal funding for the operation of the school is provided by the Education Funding Agency. A formal funding agreement is in place for this. Other funding is provided by Essex County Council and other local authorities who receive invoices for education provided for pupils who live in their administrative area. The School's governance arrangements ensure that financial performance is reviewed on a half termly basis. An overall increase in pupil numbers has helped to mitigate other cost pressures at SPS, at Glebe there is still a 2 year dip to work through.

Monthly accounts are produced, and a financial review is carried out with results circulated to the Assets Committee. Budget planning is started in detail by November each year to ensure continuity. All sources of income, especially those around pupils' numbers are examined for robustness and sustainability. Support is provided by our auditors at key points. The day to day management of financial matters is handled on-site by a skilled team. It has become clear during the year that further robustness could be created by an even more integrated approach to finance management. Enhanced budgeting and accounting software have rejected this year as not providing a demonstrable benefit compared to the increased on-going cost. This will receive further review during the next year.

During the period covered by the report, there was no use of reserves. The change of Headteacher at Glebe created a period of neutrality during which some funding was not spend and some savings made. Reserves were increased. The school was able to undertake all its planned activities during the year. Without additional funding provided by the ESFA arrived in year that was not announced at budget setting. This helped. Cashflow at both schools were good at all periods of the year, consideration is being given to short term low risk cash deposit investment. It should be noted that Trustees are aware and concerned about inflationary pressures around prices, wages, energy and taxation which are difficult to quantify at this point.

The MAT has been able to gain from an increased profile from the carbon neutral status of its History building.

Pupil numbers have been strong in the Nursery provision. However, there are still concerns resulting from the demographic area wide dip in pupil numbers in years 1 and 2. Recruitment of pupils into Yr12 has also again not been strong for 22/23. During the forthcoming year a strategic overview will be required on the implication of these figures. Both these factors will impact budget setting for 23/24. A review of the Financial management structure will be undertaken due to staff movements.

**RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees are open to further expansion of the MAT. Any expansion would have good grounding in the raising of academic performance as well as financial and administrative efficiency.

At the start of the reporting period the new Financial system PS Financials and Iris planner. This also allowed the new ESFA Chart of Accounts to be used. The scale of the move was a significant undertaking for the MAT. The level of support from PS was poor, staff also had challenges in adapting. There are still on-going training needs. It may take some time for the staff to learn all of the operating procedures. Financial reporting was not to our required standards for the first few months of 21/22. The change was challenging for the MAT, however the ongoing use will improve our financial standards. External support was purchased during the period. During 20/21 a new payroll provided as appointed via the previous contract with ECC. The start of the transition in this reporting period was extremely unsatisfactory and continues to be an area of concern. Service provision has been poor. During 21/22, the decision was made to bring the payroll function in house. The anticipated start date will be April 23 after running at least 2 parallel pay runs.

Planning ahead has provided challenges due to the late announcement of new and extended funding streams. An SRMA review took place during 22/22. The results were reported to Trustees and appropriate assurances were made.

During the year 2 more Trustees were appointed as 2 Trustees were due to retire. Their skill set will further enhance the Trustees skills profile.

COVID-19 related factors

COVID- 19 has still impacted on the operation of the Trust over the reporting period. Staff absence, pupil mental health demands and catch-up all provided pressures. Some of these will continue into 22/23. Financially lettings picked up allowing for a very successful year.

Control measures that were put in place are now fully removed. Both trust schools remained fully open during the year. Cleaning requirements remained at an increased level for the whole of 21/22. For some pupil's, use was made of the "schools meal voucher" system. Catch-up funding is and has allowed for the delivery of extra help to pupils.

The longer-term impact on staff and pupils is hard to quantify. The Trust benefited from some exceptional levels of commitment and sheer numbers of hours worked to maintain its operation. Additional resources have been directed to deal with staff and pupil absence, staff and pupil moral, staff and pupil welfare, staff and pupil mental health issues, staff and pupil family issues and many other aspects. The Trust has been able to recruit specialist support to assist with some aspect of the items mentioned.

The MAT is confident that from the experiences gained it will be able to respond effectively to any future requirements. The open and transparent administration of finances will ensure that proper and effective management continues.

**RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)**

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

Reserves Policy

The Trust as a whole holds a reserve to deal with strategic issues. Schools may make requests to access these funds for a specific purpose. They should not be used to maintain on going revenue costs. The Trustees have overall control of the use of reserves in consultation with Headteachers and LGB's. The ambition is to hold 1 months running cost as reserves A target reserves figure of £1,000,000 is set for 2026. There is no plan to specifically not spend all funds allocated for the education of pupils to build reserves. Capital funds need to be built up to allow for larger spend items that will occur on a periodic basis.

At 31 August 2022 the total funds comprised:

Unrestricted		496,034
Restricted:	Fixed asset funds	19,141,902
	Pension reserve	(1,053,000)
	Other	<u>474,252</u>
		19,059,188

Investment Policy

The Trust will invest reserves only within a low risk environment of a commercial high street bank. There were no investments during the period covered by this document. During 22/23 it is planned to make short term investment of cashflow reserves.

Principal Risks and Uncertainties

The principal risks facing the Trust are set out in the Academy's Risk Management policy and Risk Register which is reviewed annually by the Trustees. The Trustees and LGB's accept that managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trustees and LGB's, whilst more minor risks are dealt with by senior staff. Principle risks is a regular agenda item for Trustees.

Trustees have identified the following principal risks and uncertainties facing the MAT:

The MAT is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of potential diminishing budgets. Trustees have given due consideration to the risk associated with financial mismanagement and / or compliance failures. Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. Regular and detailed monitoring gives opportunity for timely examination and intervention.

The direction of travel for national education funding has been difficult to predict. The overall view is taken that the strength of argument in support of increased funding may at best result in neutral funding in real terms. A reduction in pupil numbers would cause a significant impact on long term finances. Value for money checks take place during the year. DfE benchmarking data is used for comparison with other and similar schools/MATs.

The monthly financial management reporting should be accurate to the end of year position and direction of travel. If flawed this could lead to mis representation of a mid-year financial position on which management and future budget decisions could be made. Ongoing efforts are required to mitigate this risk. The introduction of PS Financials will improve budget reporting.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

The continuing success of Sweyne Park School and the building success of Glebe depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of students. Ofsted judgements can have a wide ranging impact. Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc., with policies reviewed regularly.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	1,773,818
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	369.06
Owned transport – mini-buses	0.00
<u>Total scope 1</u>	369.06
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	44.30
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee-owned vehicles	0.00
Total gross emissions in metric tonnes CO₂e	413.36
<u>Intensity ratio</u>	
TonnesCO ₂ e per pupil	0.27

Qualification and Reporting Methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have continued to install smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers. Governors also independently scrutinises the school's Single Central Record, the operation of child protection policies of the school, the training and support, to protect the young people in its care. There are staff specifically appointed with Child protection responsibilities. All staff receive refresher training annually. The vice Chair of each LGB on is also the safeguarding Governor.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

Significant Changes in Staff

Trustees continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff. Staff training and development has consistently provided opportunity for internal promotions. Staff are requested to advise of upcoming plans in advance. The Finance administrative structure shall be reviewed during 22/23

FUNDRAISING

Both schools within the MAT have Parent Associations who will carry out fundraising activities for the benefit the respective schools. At present Glebe have strong support. Support is weak at Sweyne Park. A member of staff from each school acts as a liaison. Sweyne Park School is used by a large number of local groups and clubs who pay for the use of facilities. This use provides a significant additional income stream and also further develops its links with the local Community. There is also some use of Glebe for this. Voluntary contributions to wider school life are sought from parents in Yr7. The Trust does not use any external fundraisers.

PLANS FOR FUTURE PERIODS

The Trustees remain open to further expansion of the MAT and has undertaken information gather discussions but accepts that this needs to be supported with a clear Government direction of travel. There are no plans for further formal expansion of numbers in either of the Trust Schools. 6th form uptake will need to be prioritised. The Trust will continue to make CIF bids to help maintain the fabric of its schools. The Trust will continue to develop the quality of its Teaching and Learning at all levels.

MHA have acted as auditors to the MAT since its formation and the Academy before that. In line with best practice the auditors will be changed after 21/22. The Trustees wish to place on record their thanks for the work and assistance that has been provided during this period.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The MAT does not hold any funds on behalf of other parties. It acts as an agent of the ESFA to distribute 6th form Bursary funds.

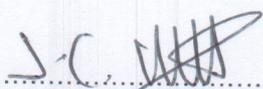
AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Members have confirmed that a process to appoint new auditors for the period 22/23 is in place.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors and signed on the Board's behalf by:


.....
Jonathan Charles Wincott

Chair of Trustees

Date: 9/12/22

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO/Headteacher 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 Rayleigh Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Full Board Meetings

	22/10/21	10/12/21	11/02/22	01/04/22	20/05/22	08/07/22
Jo Wincott	✓	✓	✓	✓	✓	✓
Katharine Dines	✓	✓	✓	✓	✓	✓
Debbie Stokes	✓	X	✓	X	✓	X
Clare Laidler	X	✓	✓	X	✓	✓
Ceri Jones	X	✓	✓	X	✓	X
June Morgan	✓	✓	X	✓	✓	✓
Peter Hennessy	✓	✓	✓	✓	✓	✓
Keith Hudson	X	X	✓	✓	✓	✓
Craig Bliss	N/A	N/A	Guest	✓	X	✓
Sarah Brettle	N/A	N/A	Guest	✓	✓	X

Finance, Assets, Audit & Scrutiny Committee

	08/10/21	26/11/21	28/01/22	11/03/22	06/05/22	17/06/22
Peter Hennessy	✓	✓	✓	✓	✓	✓
June Morgan	✓	✓	✓	✓	✓	✓
Keith Hudson	✓	✓	✓	✓	✓	✓
Craig Bliss	N/A	N/A	Guest	✓	✓	✓
Sarah Brettle	N/A	N/A	Guest	✓	X	✓
Katharine Dines	X	✓	✓	✓	✓	✓

**RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)**

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

The CEO Teaching and Learning Group had 6 meetings during the year. Reports from these meetings feature in CEO and headteachers reports.

Trustees take the strategic overview of school operation and performance and inform the decision making process. Their skills profile is used to provide rigour and challenge. 2 new Trustees were appointed during the reporting period. Their skill set has allowed for a smooth transition as 2 Trustees retire.

The Scheme of Delegation sets out the responsibilities at the different levels of Trust management and administration. This is reviewed annually. There have been no changes in the last year.

Trustee Assets Finance, Scrutiny and Audit Committee is a sub-committee of the main Board of Trustees. It meets six times a year. Its purpose is to: monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of Trustees for the purposes of the Trust; to monitor and ensure compliance with DfE, EFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to ensure appropriate insurance cover is in place; to receive monthly reports from the Chief Financial Officer, to report the Trust's financial position to the full Trustee Board each half term. The Trustee Assets Committee assumes the role of an Audit Committee. This role is further supported by regularity visits from the school's auditors. A teaching and learning group is run by the CEO with Trustees to deliver specific education based scrutiny to the running of Glebe Primary School. Education based scrutiny at Swayne Park School is undertaken by external education professionals.

The LGB continue to take an active part in the development of the school's and the formation of the MAT. Governor visits to the school take place on a regular basis. They inform the decision making process. Attendance is good and skill levels have been increasing with a greater ability to scrutinise and analyse information and statistics that are presented covering all aspects of the school operation. It should be noted that at Glebe primary there is a need to recruit additional members of the LGB. At all levels of Governance, an annual audit is carried out of skills and training requirements. LGB support packages are purchased. Professional clerking is provided to all formal meetings. Each school has an LGB Committee that will focus on Finance and examination of all finance matters below the strategic view of the Trustees.

Data to inform Trustee and LGB considerations is provided by the staff within schools but external benchmarking is considered along with our independent Auditor opinion.

Conflicts of interest

Conflicts of interest are declared and refreshed each year for both Trustees senior budget holders and members of the LGB. Each meeting also covers Conflict of interest as a standing agenda item. There are no formally registered interests at present.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

REVIEW OF VALUE FOR MONEY

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

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

- Integrated and share best practice for the new teaching block.
- Placed new Trustees and LGB members
- Recruited a new Headteacher at GPS
- Remodelled office hours and not replaced where possible.
- Made MAT savings by use of SPS premises team at Glebe
- Made CIF bids for larger capital projects.
- Improved opportunities for CPD via Chipping Hill.
- Placed a new Catering contract at Glebe to provider given value for money.
- Continued sourcing of ICT support and equipment within the Trust.
- Reported and reviewed the financial position on a monthly basis.
- Undertaken a review of support staff grades
- Developed the use of specialist support staff for Pastoral support
- Maintaining links with other schools and agencies so the good practice can be shared
- Maximizing use of the schools for lettings.
- Reviewed key performance indicators and benchmarked for education and administrative functions.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees engaged SBM, an independent schools finance services provider to perform focused checks on specific areas according to the Academies financial handbook. Their findings were presented to Trustees. This is supplemented by the work of the Trustees Assets committee and LGB's resources committees and at SPS the Finance working party.

*the revised FRC Ethical Standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. Where applicable, the trust should also describe how its internal scrutiny arrangements have been affected by the requirements of the FRC Ethical Standard for auditors. Further guidance on the internal scrutiny arrangements is available in the Academies Financial Handbook and in ESFA's good practice guide.

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

- Payroll
- Banking
- Cash

On an annual basis SBM prepare a summary report to the Trustees outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

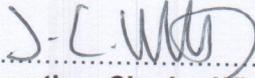
REVIEW OF EFFECTIVENESS

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

- the work of SBM services
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor
- the work with the SRMA

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control to ensure continuous improvement of the system is in place.

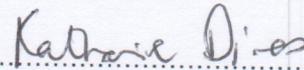
Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Jonathan Charles Wincott

Chair of Trustee

Date: 9/12/22



.....
Katharine Dines

Chief Executive Officer

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Rayleigh Schools Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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

Katharine Dines

.....
K Dines

Accounting Officer

Date: 9/12/22

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

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

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

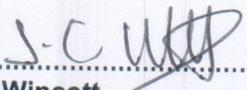
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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


.....
J Wincott
Chair of Trustees

Date: 9/12/22

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAYLEIGH SCHOOLS TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAYLEIGH SCHOOLS TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF RAYLEIGH SCHOOLS TRUST (CONTINUED)

Responsibilities of Trustees

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

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

Auditor responsibilities for the audit of the financial statements

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

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

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RAYLEIGH SCHOOLS TRUST (CONTINUED)**

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

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

Colchester, United Kingdom

Date: 19 December 2022

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 11 July 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 Rayleigh Schools Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Rayleigh Schools Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rayleigh Schools 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 Rayleigh Schools Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rayleigh Schools Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Rayleigh Schools Trust's funding agreement with the Secretary of State for Education dated 27 March 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

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

The work undertaken to draw our conclusions includes:

- reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors of the Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Statutory Auditor
Colchester, United Kingdom

Date: 19 December 2022

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted general funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	50,900	-	3,915,445	3,966,345	170,109
Other trading activities	6	231,194	-	-	231,194	103,354
Investments	7	253	-	-	253	137
Charitable activities	5	211,895	11,594,698	-	11,806,593	11,134,739
Total income		494,242	11,594,698	3,915,445	16,004,385	11,408,339
Expenditure on:						
Charitable activities	9,10	269,242	11,805,083	519,141	12,593,466	12,218,639
Total expenditure	8	269,242	11,805,083	519,141	12,593,466	12,218,639
Net movement in funds before other recognised gains/(losses)						
		225,000	(210,385)	3,396,304	3,410,919	(810,300)
Actuarial gains/(losses) on defined benefit pension schemes	27	-	5,002,000	-	5,002,000	(22,000)
Net movement in funds		225,000	4,791,615	3,396,304	8,412,919	(832,300)
Reconciliation of funds:						
Total funds brought forward		271,034	(5,370,363)	15,745,598	10,646,269	11,478,569
Net movement in funds		225,000	4,791,615	3,396,304	8,412,919	(832,300)
Total funds carried forward		496,034	(578,748)	19,141,902	19,059,188	10,646,269

The Statement of Financial Activities includes all gains and losses recognised in the year.

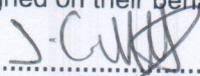
The notes on pages 32 to 65 form part of these financial statements.

RAYLEIGH SCHOOLS TRUST
 (A Company Limited by Guarantee)
 REGISTERED NUMBER: 08401607

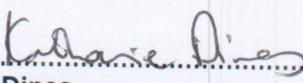
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	17		19,016,902		15,596,927
Current assets					
Debtors	18	373,643		119,308	
Cash at bank and in hand	24	1,515,014		1,018,583	
		<u>1,888,657</u>		<u>1,137,891</u>	
Creditors: Amounts falling due within one year	19	(793,371)		(597,549)	
Net current assets			<u>1,095,286</u>		<u>540,342</u>
Total assets less current liabilities			<u>20,112,188</u>		<u>16,137,269</u>
Defined benefit pension scheme liability	27		(1,053,000)		(5,491,000)
Total net assets			<u><u>19,059,188</u></u>		<u><u>10,646,269</u></u>
Funds of the Trust					
Restricted funds:					
Restricted fixed asset funds	20	19,141,902		15,745,598	
Restricted general funds	20	474,252		120,637	
Restricted funds excluding pension liability	20	<u>19,616,154</u>		<u>15,866,235</u>	
Restricted general funds - pension reserve	20	(1,053,000)		(5,491,000)	
Total restricted funds	20		<u>18,563,154</u>		<u>10,375,235</u>
Unrestricted funds	20		<u>496,034</u>		<u>271,034</u>
Total funds			<u><u>19,059,188</u></u>		<u><u>10,646,269</u></u>

The financial statements on pages 29 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf by:



J Wincott
 Chair of Trustees
 Date: 9/12/22



K Dines
 Chief Executive Officer

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

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash generated from/(used in) operating activities	22	230,733	<i>(182,692)</i>
Cash flows generated from investing activities	23	265,698	92,333
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		496,431	<i>(90,359)</i>
Cash and cash equivalents at the beginning of the year		1,018,583	1,108,942
Cash and cash equivalents at the end of the year	24, 25	1,515,014	1,018,583
		<hr/> <hr/>	<hr/> <hr/>

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

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

1. General information

Rayleigh Schools Trust is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation is detailed on page 1.

The nature of the Trust's operations and principal activity are detailed in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

The financial statements are prepared in Pound Sterling which is the functional currency of the Trust and are rounded to the nearest Pound Sterling.

2.2 Going concern

The Trustees have assessed the going concern status of the Trust. That assessment includes the impact of COVID-19.

The Trustees consider that the Trust has sufficient liquid resources and support to enable the Trust to cover its costs and pay its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

Consequently, the Trustees have concluded that there are no material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

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

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

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

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	- 14-50 years
Fixtures and fittings	- 5-125 years
Computer equipment	- 5 years

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

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

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

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

2. Accounting policies (continued)

2.11 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

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

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

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

2. Accounting policies (continued)

2.13 Pensions

The Trust operates two defined benefit pension schemes and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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.

2.14 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then the amounts due to the ESFA will be included within, Creditors: Amounts falling due within one year.

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

2. Accounting policies (continued)

2.15 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgement:

The Trustees consider there to be no critical areas of judgement that effect the amounts recognised in these financial statements.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	50,900	3,650,000	3,700,900
Capital grants	-	265,445	265,445
Total 2022	<u>50,900</u>	<u>3,915,445</u>	<u>3,966,345</u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	57,949	-	57,949
Capital grants	-	112,160	112,160
<i>Total 2021</i>	<u>57,949</u>	<u>112,160</u>	<u>170,109</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

5. Charitable activities - Funding for the Trust's educational operations

	Unrestricted funds 2022 £	Restricted general funds 2022 £	Total funds 2022 £
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	9,777,989	9,777,989
Other DfE/ESFA grants			
Pupil Premium	-	333,456	333,456
Teachers' Pay Grant	-	17,774	17,774
Teachers' Pension Grant	-	50,222	50,222
PE Sports Grant	-	18,860	18,860
Universal Infant Free School Meals	-	105,763	105,763
Rates Reclaim	-	169,775	169,775
16-19 funding	-	10,353	10,353
Others	-	105,343	105,343
	-	10,589,535	10,589,535
Other Government grants			
Local Authority revenue grants	-	792,459	792,459
Other Government revenue grants	-	648	648
	-	793,107	793,107
Other income from the Trust's educational operations	211,895	51,180	263,075
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	137,754	137,754
	-	137,754	137,754
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	-	23,122	23,122
Total 2022	211,895	11,594,698	11,806,593

There were no unfulfilled conditions or other contingencies attached to the government grants above.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

5. Charitable activities - Funding for the Trust's educational operations (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted general funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations			
DfE/ESFA grants			
General Annual Grant (GAG)	-	9,093,601	9,093,601
Other DfE/ESFA grants			
Pupil Premium	-	354,569	354,569
Teachers' Pay Grant	-	120,627	120,627
Teachers' Pension Grant	-	369,182	369,182
PE Sports Grant	-	12,530	12,530
Universal Infant Free School Meals	-	52,607	52,607
	-	10,003,116	10,003,116
Other Government grants			
Local Authority revenue grants	-	763,170	763,170
Other Government revenue grants	-	54,445	54,445
	-	817,615	817,615
Other income from the Trust's educational operations	12,800	71,879	84,679
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	174,920	174,920
Other DfE/ESFA COVID-19 funding	-	10,969	10,969
	-	185,889	185,889
COVID-19 additional funding (non-DfE/ESFA)			
Mass testing	-	43,440	43,440
	-	43,440	43,440
Total 2021	12,800	11,121,939	11,134,739

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Rental income	186,028	186,028
Risk protection arrangement claims	1,750	1,750
Income from services provided	36,382	36,382
Shop income	7,034	7,034
Total 2022	<u>231,194</u>	<u>231,194</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Rental income	76,492	76,492
Receipts from supply teacher insurance claims	59	59
Risk protection arrangement claims	10	10
Income from services provided	21,103	21,103
Shop income	5,690	5,690
<i>Total 2021</i>	<u>103,354</u>	<u>103,354</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest receivable	253	253
	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest receivable	137	137
	<hr/> <hr/>	<hr/> <hr/>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

8. Total expenditure

	Staff costs 2022 £	Premises costs 2022 £	Other costs 2022 £	Total 2022 £
Educational operations:				
Direct costs	8,701,165	-	600,494	9,301,659
Support costs	1,558,263	851,519	882,025	3,291,807
Total 2022	<u>10,259,428</u>	<u>851,519</u>	<u>1,482,519</u>	<u>12,593,466</u>
	<i>Staff costs 2021 £</i>	<i>Premises costs 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total 2021 £</i>
Educational operations:				
Direct costs	8,487,635	-	922,167	9,409,802
Support costs	1,397,111	789,193	622,533	2,808,837
<i>Total 2021</i>	<u>9,884,746</u>	<u>789,193</u>	<u>1,544,700</u>	<u>12,218,639</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational operations	269,242	12,324,224	12,593,466

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Educational operations	333,799	11,884,840	12,218,639

10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	9,301,659	3,291,807	12,593,466

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	9,409,802	2,808,837	12,218,639

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

10. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Defined benefit pension scheme finance cost	91,000	80,000
Support staff costs	1,467,263	1,317,111
Depreciation	230,025	230,413
Technology costs	180,055	-
Premises costs	851,519	789,193
Other costs	448,405	365,745
Governance costs	23,540	26,375
	<u>3,291,807</u>	<u>2,808,837</u>

11. Governance costs

	2022 £	<i>2021 £</i>
Auditor's remuneration - Audit of the financial statements	16,350	15,875
Auditor's remuneration - Other services	7,100	10,500
Other governance costs	90	-
	<u>23,540</u>	<u>26,375</u>

12. Net income/(expenditure)

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

	2022 £	<i>2021 £</i>
Operating lease rentals	105,489	129,924
Depreciation	230,025	230,413
Auditor's remuneration - Audit of the financial statements	16,350	15,875
Auditor's remuneration - Other services	7,100	10,500
	<u>458,964</u>	<u>526,712</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£	£
Wages and salaries	7,138,650	<i>7,109,939</i>
Social security costs	702,729	<i>689,851</i>
Pension costs	2,141,955	<i>2,004,956</i>
	9,983,334	<i>9,804,746</i>
Agency staff costs	185,094	<i>-</i>
Defined benefit pension scheme finance cost	91,000	<i>80,000</i>
	10,259,428	<i>9,884,746</i>

b. Staff numbers

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

	2022	<i>2021</i>
	No.	No.
Teachers	128	<i>141</i>
Administration and support	116	<i>136</i>
Management	16	<i>14</i>
	260	<i>291</i>

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

13. Staff (continued)

c. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>4</i>
In the band £70,001 - £80,000	2	<i>2</i>
In the band £80,001 - £90,000	1	<i>-</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>
	=====	=====

The above employees participated in both the Teachers' Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2022 pension contributions for these staff members amounted to £124,578 (*2021 - £123,175*).

d. Key Management Personnel

The Key Management Personnel of the Trust comprise the Trustees and the Members of the Senior Management Team and other senior staff as listed on the Reference and Administrative Details page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Trust was £727,067 (*2021 - £922,862*).

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

14. Central services

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

- ICT support services
- Premises team support
- HR support

The Trust charges for these services on the following basis:

Rayleigh Schools Trust charge an annual levy of 3% of expenditure at the time of budget setting for the forthcoming year. This charge is collected on a monthly basis. 3% was considered to be the appropriate minimum by consulted parties at the time of conversion but is subject to a review by the Trustees on an annual basis.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Glebe Primary School	88,306	103,194

No central service charge was made during 2022.

15. Related Party Transaction - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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. The value of Trustees' remuneration and other benefits was as follows:

		2022	2021
		£	£
K Dines, CEO and Accounting Officer	Remuneration	90,000 -	95,000 -
		95,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

16. Trustees' and Officers' insurance

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

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

17. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	17,270,100	121,981	70,575	17,462,656
Donations from Local Authority	3,650,000	-	-	3,650,000
Disposals	-	(2,000)	-	(2,000)
At 31 August 2022	<u>20,920,100</u>	<u>119,981</u>	<u>70,575</u>	<u>21,110,656</u>
Depreciation				
At 1 September 2021	1,719,998	75,156	70,575	1,865,729
Charge for the year	221,036	8,989	-	230,025
On disposals	-	(2,000)	-	(2,000)
At 31 August 2022	<u>1,941,034</u>	<u>82,145</u>	<u>70,575</u>	<u>2,093,754</u>
Net book value				
At 31 August 2022	<u>18,979,066</u>	<u>37,836</u>	-	<u>19,016,902</u>
At 31 August 2021	<u>15,550,102</u>	<u>46,825</u>	-	<u>15,596,927</u>

Included in long-term leasehold property is land at valuation of £6,334,000 (2021 - £6,334,000) which is not depreciated. The land valuation is comprised of land at Sweyne Park School of £4,084,000 (2021 - £4,084,000) and land at Glebe Primary School of £2,250,000 (2021 - £2,250,000).

The leasehold property at the Sweyne Park School site was valued as at 31 March 2014 by Mouchel, a RICS registered valuer using the Depreciated Replacement Cost Method. The leasehold property at the Glebe Primary School site was revalued as at 31 August 2018 by Montagu Evans, a RICS registered valuer using the Depreciated Replacement Cost Method. This revaluation has caused the revaluation to long-term leasehold property shown above.

The freehold relating to the above leasehold property is held by Essex County Council. The Trust holds a 125 year lease on a peppercorn rent from 1 April 2013 at Sweyne Park School and 1 October 2017 at Glebe Primary School.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

18. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	12,528	-
Other debtors	51,366	63,784
Prepayments and accrued income	309,749	55,524
	<u>373,643</u>	<u>119,308</u>

19. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	63,029	45,559
Other taxation and social security	133,080	172,770
Other creditors	190,931	214,715
Accruals and deferred income	406,331	164,505
	<u>793,371</u>	<u>597,549</u>

	2022 £	2021 £
Deferred income		
Deferred income at 1 September	107,864	71,319
Resources deferred during the year	85,378	107,864
Amounts released from previous periods	(107,864)	(71,319)
Deferred income at 31 August	<u>85,378</u>	<u>107,864</u>

At the Balance Sheet date the Trust was holding funds received in advance for:

- Funds received in advance from the ESFA for the 2022/23 academic year.
- Funds received in advance for Local Authority Early Years funding for the 2022/23 academic year.
- Funds received in advance for school trips in the 2022/23 academic year.
- Funds received in advance for school materials to be used in the 2022/23 academic year.

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

20. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General funds	271,034	494,242	(269,242)	-	496,034
Restricted general funds					
General Annual Grant (GAG)	120,637	9,777,989	(9,480,809)	-	417,817
Pupil Premium	-	333,456	(333,456)	-	-
Other DfE / ESFA revenue grants	-	478,090	(421,655)	-	56,435
Local Authority revenue grants	-	792,459	(792,459)	-	-
Other Government revenue grants	-	648	(648)	-	-
Other Educational income	-	51,180	(51,180)	-	-
Exceptional Government funding	-	160,876	(160,876)	-	-
Pension reserve	(5,491,000)	-	(564,000)	5,002,000	(1,053,000)
	<u>(5,370,363)</u>	<u>11,594,698</u>	<u>(11,805,083)</u>	<u>5,002,000</u>	<u>(578,748)</u>
Restricted fixed asset funds					
NBV of fixed assets	15,596,927	3,650,000	(230,025)	-	19,016,902
DfE / ESFA capital grants	148,671	265,445	(289,116)	-	125,000
	<u>15,745,598</u>	<u>3,915,445</u>	<u>(519,141)</u>	<u>-</u>	<u>19,141,902</u>
Total Restricted funds	<u>10,375,235</u>	<u>15,510,143</u>	<u>(12,324,224)</u>	<u>5,002,000</u>	<u>18,563,154</u>
Total funds	<u><u>10,646,269</u></u>	<u><u>16,004,385</u></u>	<u><u>(12,593,466)</u></u>	<u><u>5,002,000</u></u>	<u><u>19,059,188</u></u>

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

20. Statement of funds (continued)

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

The General fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the ESFA to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE / ESFA revenue grants fund represents a variety of other grant incomes that are received from the ESFA that fall outside of the core funding of the Trust.

The balance within Other DfE/ESFA revenue grants will be spent within 22/23. The spending will be on staffing but is not planned to have any unfunded impact on revenue funds beyond 22/23 Staff will be used to further move forward the Ofsted rapid action plan at Glebe and for targeted High needs pupil support at Sweyne Park. The 2 items spending in planned at around £240,000.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Trust's revenue expenditure.

The Other Government grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The Other Educational income fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The Exceptional Government funding has been set up in response to the COVID-19 pandemic.

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. As tangible fixed assets are purchased from other funds, a transfer is made into this fund.

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

20. Statement of funds (continued)

The DfE/ESFA capital grants fund has been created to recognise capital grants received from the ESFA and the DfE. Capital grants spent on capital expenditure are shown as a transfer within the Restricted fixed asset fund between the Capital grants fund and the NBV of fixed assets fund. Capital grants spent on revenue expenditure are shown as expenditure within the Capital grants fund. Capital grants received and receivable, but not yet spent, are held as current assets within the Restricted fixed assets fund.

In 22/23 the carry forward figure with DfE/EFSA Capital grants shall be used to deliver projects that have previously been delayed as a result of logistics, Covid and staff issues. The funds have built over time to enable larger spend items. The items of work have been identified within assets reports to Trustees and include flooring replacement and specialist room refurbishment.

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

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General funds	370,238	174,240	(253,480)	(19,964)	-	271,034
Projects and initiatives fund	80,319	-	(80,319)	-	-	-
	<u>450,557</u>	<u>174,240</u>	<u>(333,799)</u>	<u>(19,964)</u>	<u>-</u>	<u>271,034</u>
Restricted general funds						
General Annual Grant (GAG)	128,199	9,093,601	(9,101,163)	-	-	120,637
Pupil Premium	-	354,569	(354,569)	-	-	-
Other DfE / ESFA revenue grants	-	554,946	(554,946)	-	-	-
Local Authority revenue grants	-	763,170	(763,170)	-	-	-
Other Government revenue grants	-	54,445	(54,445)	-	-	-
Other Educational income	-	71,879	(71,879)	-	-	-
Exceptional Government funding	-	229,329	(229,329)	-	-	-
Pension reserve	(5,016,000)	-	(453,000)	-	(22,000)	(5,491,000)
	<u>(4,887,801)</u>	<u>11,121,939</u>	<u>(11,582,501)</u>	<u>-</u>	<u>(22,000)</u>	<u>(5,370,363)</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Restricted fixed asset funds						
NBV of fixed assets	15,807,376	-	(230,413)	19,964	-	15,596,927
DfE / ESFA capital grants	108,437	112,160	(71,926)	-	-	148,671
	<u>15,915,813</u>	<u>112,160</u>	<u>(302,339)</u>	<u>19,964</u>	<u>-</u>	<u>15,745,598</u>
Total Restricted funds	<u>11,028,012</u>	<u>11,234,099</u>	<u>(11,884,840)</u>	<u>19,964</u>	<u>(22,000)</u>	<u>10,375,235</u>
Total funds	<u><u>11,478,569</u></u>	<u><u>11,408,339</u></u>	<u><u>(12,218,639)</u></u>	<u><u>-</u></u>	<u><u>(22,000)</u></u>	<u><u>10,646,269</u></u>

Total funds analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£	£
Sweyne Park School	599,812	230,276
Glebe Primary School	356,643	147,646
Rayleigh Schools Trust	13,831	13,749
	<u>970,286</u>	<u>391,671</u>
Total before fixed asset funds and pension reserve	970,286	391,671
Restricted fixed asset fund	19,141,902	15,745,598
Pension reserve	(1,053,000)	(5,491,000)
Total	<u><u>19,059,188</u></u>	<u><u>10,646,269</u></u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
Sweyne Park School	7,053,062	1,078,579	442,697	1,081,444	9,655,782
Glebe Primary School	1,648,103	479,684	157,797	422,075	2,707,659
Trust	<u>8,701,165</u>	<u>1,558,263</u>	<u>600,494</u>	<u>1,503,519</u>	<u>12,363,441</u>

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2021 £</i>
Sweyne Park School	6,849,514	971,585	727,880	873,589	9,422,568
Glebe Primary School	1,638,121	425,526	194,287	307,724	2,565,658
Trust	<u>8,487,635</u>	<u>1,397,111</u>	<u>922,167</u>	<u>1,181,313</u>	<u>11,988,226</u>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	19,016,902	19,016,902
Current assets	1,289,405	474,252	125,000	1,888,657
Creditors due within one year	(793,371)	-	-	(793,371)
Defined benefit pension scheme liability	-	(1,053,000)	-	(1,053,000)
Total	496,034	(578,748)	19,141,902	19,059,188

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	15,596,927	15,596,927
Current assets	868,583	120,637	148,671	1,137,891
Creditors due within one year	(597,549)	-	-	(597,549)
Defined benefit pension scheme liability	-	(5,491,000)	-	(5,491,000)
Total	271,034	(5,370,363)	15,745,598	10,646,269

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

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

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,410,919	<i>(810,300)</i>
Adjustments for:		
Depreciation charges	17 230,025	230,413
Capital grants from DfE/ESFA and other capital income	4 (265,445)	<i>(112,160)</i>
Investment income	7 (253)	<i>(137)</i>
Donation of buildings from Local Authority	4 (3,650,000)	-
Defined benefit pension scheme cost less contributions payable	27 473,000	373,000
Defined benefit pension scheme finance cost	27 91,000	80,000
(Increase)/decrease in debtors	18 (254,335)	222,105
Increase/(decrease) in creditors	19 195,822	<i>(165,613)</i>
Net cash generated from/(used in) operating activities	230,733	<i>(182,692)</i>

23. Cash flows from investing activities

	2022 £	2021 £
Investment income	7 253	137
Purchase of tangible fixed assets	-	<i>(19,964)</i>
Capital grants from DfE/ESFA and other capital income	4 265,445	112,160
Net cash generated from investing activities	265,698	92,333

24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,515,014	1,018,583
Total cash and cash equivalents	1,515,014	1,018,583

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

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,018,583	496,431	1,515,014
	<u>1,018,583</u>	<u>496,431</u>	<u>1,515,014</u>

26. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>29,345</u>	<u>-</u>

27. Pension commitments

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

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

Contributions amounting to £186,017 were payable to the schemes at 31 August 2022 (2021 - £191,165) and are included within creditors.

Teachers' Pension Scheme

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

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

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

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,286,000 (2021 - £1,255,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £478,000 (2021 - £468,000), of which employer's contributions totalled £383,000 (2021 - £377,000) and employees' contributions totalled £95,000 (2021 - £91,000). The agreed contribution rates for future years are 25.0 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in Note 2.13 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
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	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate +0.1%	(150)	(247)
Discount rate -0.1%	154	253
Mortality assumption - 1 year increase	200	443
Mortality assumption - 1 year decrease	(194)	(426)

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£	£
Equities	3,283,000	3,549,000
Gilts	112,000	140,000
Other bonds	259,000	258,000
Property	553,000	387,000
Cash	174,000	154,000
Alternative assets	875,000	616,000
Other managed funds	581,000	441,000
Total market value of assets	5,837,000	<i>5,545,000</i>

The actual return on scheme assets was £15,000 (2021 - £1,003,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	<i>2021</i>
	£	£
Current service cost	(856,000)	<i>(750,000)</i>
Interest income	91,000	<i>67,000</i>
Interest cost	(182,000)	<i>(147,000)</i>
Total amount recognised in the Statement of Financial Activities	(947,000)	<i>(830,000)</i>

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

	2022	<i>2021</i>
	£	£
At 1 September	11,036,000	<i>9,194,000</i>
Current service cost	856,000	<i>750,000</i>
Interest cost	182,000	<i>147,000</i>
Employee contributions	95,000	<i>91,000</i>
Actuarial (gains)/losses	(5,081,000)	<i>955,000</i>
Benefits paid	(198,000)	<i>(101,000)</i>
At 31 August	6,890,000	<i>11,036,000</i>

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	5,545,000	4,178,000
Interest income	91,000	67,000
Actuarial (losses)/gains	(79,000)	933,000
Employer contributions	383,000	377,000
Employee contributions	95,000	91,000
Benefits paid	(198,000)	(101,000)
At 31 August	5,837,000	5,545,000

Reconciliation of opening to closing defined benefit pension scheme liability

	2022 £	2021 £
Balance brought forward at 1 September	5,491,000	5,016,000
Defined benefit pension scheme cost less contributions payable	473,000	373,000
Defined benefit pension scheme finance cost	91,000	80,000
Actuarial (gains)/losses	(5,002,000)	22,000
Balance carried forward at 31 August	1,053,000	5,491,000

Amounts recognised in the Balance Sheet are as follows:

	2022 £	2021 £
Present value of the defined benefit obligation	(6,890,000)	(11,036,000)
Fair value of scheme assets	5,837,000	5,545,000
	(1,053,000)	(5,491,000)

RAYLEIGH SCHOOLS TRUST
(A Company Limited by Guarantee)

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

28. Operating lease commitments

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

	2022 £	2021 £
Within 1 year	99,858	6,607
Between 1 and 5 years	129,268	12,040
	<u>229,126</u>	<u>18,647</u>

29. Members' liability

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

30. Related party transactions

Simon Smith, the company secretary and also the Learning Environment Leader, is a Member of Rochford District Council. During the year ended 31 August 2022 the Trust was invoiced £30,302 (2021 - £37,371) by Rochford District Council, a district council with regards to council rates for the year. The services are in accordance with the Trust's financial regulations and standard procurement procedures. There was a no balance (2021 - £NIL) outstanding at 31 August 2022 in respect of these transactions.

Lynda Walker, Chair of Sweyne Park Local Governing Body (LGB), is a Trustee of Rochford District Schools Partnership Trust, being the representative for this Trust. During the year ended 31 August 2022 the Trust was invoiced £16,465 (2021 - £8,000) by Rochford District Schools Partnership Trust, a charitable trust which provides support for children in local schools through the provision of support services which are provided at cost and Lynda Walker derives no personal benefit. The services are in accordance with the Trust's financial regulations and standard procurement procedures. There was no balance (2021 - £NIL) outstanding at 31 August 2022 in respect of these transactions.

31. Agency arrangements

The Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. During the year the Trust received funds of £10,353 (2021 - £15,529) and disbursed £10,353 (2021 - £14,029). £NIL (2021 - £1,500) was retained to cover administration expenses and therefore a balance of £NIL (2021 - £NIL) relating to undistributed funds is repayable to the ESFA as at the Balance Sheet date.

32. Controlling party

The Trustees consider there to be no ultimate controlling party.