

Registration number: 09795288



# The Cherry Tree Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

# The Cherry Tree Trust

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# The Cherry Tree Trust

## Reference and Administrative Details

<b>Members:</b>	Dr Matthew Johnson Mr Phil Moore Mr Andy Jordan (resigned March 2017) Mrs Leslie Culf Mr Dan Lampard Mr Barry Dawson
<b>Trustees (Directors):</b>	Mrs Sarah Rudd Mr Andrew Wild (appointed 2015) Mr Barry Dawson (resigned Jan 2022) Mr Dan Lampard (resigned Dec 2021) Mr David Thomas (appointed April 2021) Miss Jennifer Deegan (appointed November 2018) Mr Steven Endress (appointed 17 <sup>th</sup> June 2021) Mr Roger Stone (appointed 4 <sup>th</sup> November 2021) Mrs Joanne Reynolds (appointed 17 <sup>th</sup> June 2021)
<b>Senior Management Team:</b>	
Executive Headteacher & AO	Mrs Sarah Rudd
Head of School	Mrs R Perry
Assistant Head	Mrs J Stroud
Assistant Head	Mrs S Tait
Assistant Head	Miss K McKenzie
Assistant Head	Mr T Rudd
Deputy Head	Mrs E Pattenden
<b>Company Name:</b>	The Cherry Tree Trust
<b>Principal and Registered Office:</b>	Firbank Road Newall Green Manchester M23 2YH
<b>Company Registration Number</b>	09795288
<b>Independent Auditor:</b>	Xeinadin Audit Limited 8 <sup>th</sup> Floor Beckett House 36 Old Jewry London EC2R 8DD

# The Cherry Tree Trust

## Reference and Administrative Details

**Bankers:**

Lloyds Bank  
Market Street  
Manchester  
M1 1PW

**Solicitors:**

Browne Jacobson  
5<sup>th</sup> Floor, Tower 12  
18 – 22 Bridge Street  
Spinningfields  
Manchester  
M3 3BZ

# The Cherry Tree Trust

## Trustees' Report

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under Company Law.

The trust operates 1 primary school in Wythenshawe, called Newall Green Primary School. The school's pupil capacity is 720 and had a roll of 634 in the school census on 1st October 2022.

### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Cherry Tree Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cherry Tree Trust Academy. The company registration number is: 09795288.

Details of the trustees who served during the year 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

Under the Companies Act 2006 s236 the directors confirm there are no third-party indemnity provisions in operation.

### Method of Recruitment and Appointment or Election of Trustees

The Trust was established in 2015 by Members who wanted to provide an educational setting that provided education for the pupils of Wythenshawe. The unique position of the community situated near to Wythenshawe Hospital and Manchester Airport, meant that the area was a corridor for commuting by professionals who lived outside of the area. The concern of the Members was that the families within the Newall Green area were being overlooked, aspirations were low which in turn meant that the pupils had low expectations and poor academic outcomes.

Working in a Multi-Academy Trust which could take ownership of the curriculum meant that the Members could develop a community that worked together to develop children's Personal Development and create an outstanding learning environment.

Working closely with BW3 (this is a group of companies working together in Wythenshawe), the Members of the Cherry Tree Trust approach this group of professionals to recruit new Trustees. On completion of the Skills Audit, potential Trustees with suitable knowledge and expertise can be approached.

The Articles of the Cherry Tree Trust allow 5 Trustees. The Trustees are directors of the charitable company for the purpose of the Companies Act 2006 and trustees for the purposes of charity legislation. As there is a Local Governing Body, Members have decided to utilise the relationships and knowledge that Parents Governors bring at the Local Governing Body level.

# The Cherry Tree Trust

## Trustees' Report (continued)

### Administrative details;

#### Organisational Structure

The Cherry Tree Trust Financial Procedures Manual sets out the schemes of delegation for the decision making within the Trust. The purpose of the document is to give each stakeholder a clear picture of the roles and responsibilities they should undertake.

The Cherry Tree Trust Board of Trustees x 6



Local Governing Body (LGB) x 7



School Leadership Team

Trustees serve in office for a period 4 years.

The 6 Trustees are;

Mr Andrew Wild  
Miss Jennifer Deegan  
Mr Steven Endress  
Mr Roger Stone  
Mrs Joanne Reynolds  
Mr David Thomas

#### Policies and Procedures adopted for the induction and training of Trustees.

Trustees are trained by;

- Face to face meetings where structures and systems are explained.
- Decision making tables so roles and responsibilities are out-lined.
- External providers such as NGA or Manchester Governance Unit.
- On-line training such as Safeguarding, KCSIE, Risk Management
- Face to face Curriculum presentations- subject specific and the Roles and Responsibilities of Trustees.
- Trust handbook setting out the roles of Trustees.

The CTT Trustees have delegated powers to the Local Governing Body (LGB). This has the constitution of;

- Two elected parents
- One elected member of staff
- Four committee members appointed by the trust, one of whom will be the chair

#### The functions of the LGB are

The Local Governing Board are responsible for the link between the trust, the parents and the community, feeding into the Trust's oversight and management of the school. The board delegates to them the following functions:

1. Building an understanding of the Trust's ambitions for the school and its pupils – its vision and strategy and how this is realised at school level out-lined in the School Development Plan. Monitor the implementation of the School Development Plan in accordance with the actions out-lined in the plan.
2. Knowing the trust's values and becoming familiar with key policies, understanding how these work in practice so that they are creating a healthy culture for all. Evidence by observation and discussion that actions outlined on the plan are being put into place.

## **The Cherry Tree Trust**

### **Trustees' Report (continued)**

- 3.Ensuring that trustees and the CEO are aware of parents' and community views.
- 4.Support and challenge NGPS leaders to ensure that the curriculum and the learning environment is the best that can be achieved for the pupils in NGPS.
- 5.Monitoring the work of the school, escalating any concerns to the CEO and / or trustees by:
  - a. Scrutinising reports on the school's progress with achieving its ambitions
  - b. Scrutinising reports on how the school complies with key policies
  - c. Visiting the school during the school day and attending events
- 6.Reviewing key decisions made by the headteacher e.g. pupil exclusions and responses to complaints

#### **Subsidiaries, joint ventures and associates**

There have been no planned joint ventures or subsidiaries of the CTT.

#### **Management of the Academy Trust**

##### **Executive Positions**

Executive Head Teacher who is also the Accounting Officer  
Business Manager who is also the CFO

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

The pay is set for the Executive Head Teacher, Head of School and Leadership team following the guidelines in the Teachers Terms and Conditions. It is out-lined in the Trust Pay Policy.

The pay for the Executive Head Teacher is determined on the 'group size' of the school. Additional discretionary pay points are agreed with the Board of Trustees on the outcome of the Executive Leaders Performance Management Review. Governors and Trustees are not a paid position within the Trust.

The minimum pay ranges are identified below.

All individual Leadership pay ranges will be reviewed at the time of appointment of a new post holder into an Executive Role. All leadership pay ranges will be reviewed if a new school was to enter the trust but this is not a guarantee that they will change.

##### **Chief Executive Officer**

L26 – L30

##### **Chief Financial Officer**

Grade 8 point 31-35

##### **Senior Leadership positions within Newall Green Primary School**

Head of School  
L12 - L16

Deputy Headteacher  
L9 – L11

Assistant Headteacher x4  
L3 – L8

## **The Cherry Tree Trust**

### **Trustees' Report (continued)**

#### **Trade union facility time**

There are no relevant union officials within Newall Green Primary School however, we do support the Trade Unions and pay into Facility Time the contribution of £1,710.26. We pay this to Manchester City Council.

#### **Related Parties and other Charities and Organisations**

NGPS is not part of a soft federation, nor is it part of any other organisation which impacts on the operating policies of The Cherry Tree Trust.

#### **Equal Opportunity Policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the work place. The Cherry Tree Trust aims to establish equal opportunity in all areas of activity including creating a working environment in which the contribution and needs of all people are fully valued. Equal opportunities apply to all persons connected with the trust regardless of gender, race, religion or disability.

#### **Wider network**

CTT Trustees encourage staff to engage with the local community, as one of the aims of the Trust is to empower organisations in the local community to raise expectations and standards. Through 2021-2022,

- Exec Head LLE leads Wythenshawe Cluster of Schools working on educational issues collaboratively.
- Staff members sit on Manchester Early Help Operations Board, MARAC, Early Years Advisory Board and Manchester Schools Alliance.

#### **The objectives and activities of the Academy Trust**

The principle activity of The Cherry Tree Trust is the operation of Newall Green Primary School (NGPS) to provide education to the pupils aged 3-11.

This is more complex than it seems, in an area with high levels of deprivation. Currently 65% of the pupils within NGPS are in receipt of Pupil Premium. Typically, this means that families are harder to engage as they have to overcome the complexities facing disadvantaged families and the additional challenges that these children face to meet the age-related expectations.

The Aims for 2021-2022 were

- Strengthen learning so that missed learning opportunities through Covid were addressed.
- Provide a curriculum that develops pupils personal development skills so that they have the personal qualities needed to overcome additional challenges.
- Engage parents in learning so that they can access the work place themselves. This in turn raises aspirations within the household.

The Key Performance Indicators were;

- To reach the data targets
- To develop the Curriculum and learning environment as out-lined in the SDP.

Success would be measured by;

1. Observations made by Manchester City Council Quality Assurance team and Senior Leaders, would evidence the Personal Development and Behaviour for Learning of pupils within school.
2. Monitoring the number of parents who engaged with the Parent Support Team either through Early Help Opportunities or through Educational Activities.
3. Testing of prior knowledge would identify the missed concepts that could be taught through class time, extra tuition or homework opportunities.



## **The Cherry Tree Trust Trustees' Report (continued)**

**The CCTs activities undertaken to further the academy trusts purpose for the public benefit include;**

- Delivering courses to help parents with SEND children develop their parenting skills.
- Accommodate 60 International Arrivals from Afghanistan within school. Transitioning the children into school, supporting the families with uniform, transport and interpreters. Providing holiday activities so that the children had suitable holiday experiences. Much of which has not yet been funded by the DfE.
- Support families who are struggling financially with before and after school care, uniform, foodbank vouchers, walking bus – to support attendance and work experience opportunities.
- CCT have an Alternative Provision which provides respite for pupils who are struggling to attend and learn in a local primary school. This provision gives the time for the necessary support to be put in place to prevent a Permanent Exclusion.
- CCT have a Resourced Provision which provides 6 places for Manchester City Council to allocate children a place who are in receipt of an Education Health & Care Plan (EHCP).

**The charitable purpose out-lined in the CCT Articles is;**

To promote for the benefit of the inhabitants of the areas, in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation, of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

To fulfil the above we;

- Offer the local Scouts group the school hall for a very small charge.
- We allow local NHS providers use of the building to hold meetings with parents free of charge. For example, Speech and Language professionals hold a clinic in a space within school.
- We use Early Help Services well and arrange for parents to meet monitoring advisors, housing officer etc within school supported by a Parent Support Officer.
- We provide translation services for those schools who need support with the Afghanistan International Arrivals.

**The benefit to the local area;**

Over the last five years the families that are in the catchment area to school have seen an increase in crime, an increase in domestic violence and a decrease in funds and services. The area experiences more poverty than it did five years ago. The organisations that used to be available to support families cease to exist and school has had to take up this slack. Consequently, the support for parents and families has had to grow within school to meet the needs of the families.

The NGPS website and the drop-in time available each morning signpost parents to activities, support and guidance. We have strong links with the community and the Parent Support Team have excellent relationships with parents. New parents / families establish links through open mornings, drop in days and sign posting by school staff to the Parent Support Team.

The Attendance Team worked closely with families to overcome difficulties within the family that may prevent a child attending school. The impact has been that the vulnerable children have made good progress in their skill and knowledge development whilst at NGPS.

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

# The Cherry Tree Trust

## Trustees' Report (continued)

### Strategic Report

#### The Achievements and Performance of the CCT

The 2 Key Performance Indicators are;

1. To reach the data targets
2. To develop the Curriculum and learning environment as out-lined in the SDP.

KPI 1. The end of key stage data is;

Target from FFT	Predictions 2022	actuals
2022		2022
660+		632
96%		
80%+		59%
82%		61/76%
<b>SATs KS1</b>		
75%		57/62%
69%		43/49%
76%		58/63%
83%		
		15/17%
		11/13%
		41/47%
<b>SATs KS2</b>		
79%+	75%	76%
83%+	76%	76%
83%+	59%	65%
72%+	55%	58%
		71%
36%		27.5%
30%		
34%		15%
17%		8%
		32%

<b>Key Stage 2</b>		Reading	Writing	Maths
average progress scores in reading, writing and maths	2022	0.3	0.1	-1.5
	2019	-0.7	0.1	0.0
	2018	-0.3	-0.6	0.5
average 'scaled scores' in reading and maths	2022	105	N/A	102
	2019	103	N/A	105
	2018	104	N/A	104

<b>Key Stage 2</b>		Reading	Writing	Maths	RWM Comb
percentage of pupils who achieved the <b>expected standard</b> or above in reading, writing and maths	2022	75%	74%	63%	58%
	2019	75%	83%	79%	65%
	2018	71%	76%	81%	64%
percentage of pupils who achieved a <b>high level of attainment</b> in reading, writing and maths	2022	26%	11%	15%	8%
	2019	14%	11%	17%	4%
	2018	16%	14%	20%	9%

<b>Key Stage 1</b>		Reading	Writing	Maths	Science
percentage of pupils who achieved the <b>expected standard</b>	2022	57%	48%	58%	65%
	2019	77%	69%	75%	83%
	2018	77%	73%	75%	87%
percentage of pupils who achieved <b>greater depth</b>	2022	13%	7%	11%	
	2019	23%	18%	22%	n/a
	2018	22%	18%	27%	

<b>Phonics Screening Check</b>		Y1
percentage of pupils who achieved the <b>expected standard (32/40)</b>	2022	61%
	2019	78%
	2018	79%

<b>Early Years Foundation Stage</b>		Good Level of Development (GLD)
percentage of pupils who achieved the good level of development (GLD)	2022	59%
	2019	74%
	2018	74%

The end of Key Stage Assessment procedures does not account for pupils taking holidays within school time and consequently missing the test or new children joining EYFS & KS1, who have English as an additional language. Consequently, the end of key stage data was lower than had been anticipated. This was unavoidable as even the Government had not predicted that they would need to accommodate so many families in such a short time frame.

## **The Cherry Tree Trust**

### **Trustees' Report (continued)**

KPI 2.

Monitoring the School Development Plan we can evidence that we have;

- Introduced Read Write Inc- to support children with lost phonic learning due to Covid.
- Introduced Purple Mash, an ICT scheme of work.
- Started to work with the Numeracy Hub – to identify the fall in attainment in Maths at the end of KS2.
- Developed the EYFS learning environment.
- Promoted staff and pupil's well-being.
- Developed the Personal development Curriculum.

#### **To ensure a sound financial position Trustees have reviewed**

- The Trusts Financial Position in the context of income to cover the pay rises, cost of resources, energy rises and lack of grants from DfE.
- The ability to keep the staff, pupils and visitors safe within the school building.
- Condition of the building to check that it is fit for purpose.
- The numbers of children attending school as this is the funding source.
- The quality of the education provided for the children within NGPS.

The findings show that due to the increased costs associated with the increase in materials for building works and energy prices in conjunction with an increased staffing costs, the trust will see an in-year deficit.

Falling numbers within EYFS due to low birth rates within the area and the lack of local social housing means that there is a fall in the income that pupil numbers generates.

Following return from Covid measures, pupils and staff within the school have had more mental health needs, which again has seen an increase in associated costs.

Supply staff have had to be employed to cover the absence due to Covid illness which again has increased spending dramatically.

The School is perceived in a good light by Manchester City Council and the local community. The Quality Assurance Adviser evidences that the school performs strongly and is lead well.

In addition:

The trustees have assessed the major risks to The Cherry Tree Trust as part of The Cherry Tree Trust risk assessment. In particular those relating to the specific teaching, child protection, provision of facilities and the operational area of the Trust and its finances.

The Cherry Tree Trust has implemented a number of systems to diminish the risks that the Trust faces. Operational procedures are in place to ensure staff are appropriately vetted as part of the recruitment programme. Staff are trained in child protection and Health & Safety, so that the establishment is a safe place in which children can learn and flourish.

Systems are in place should the establishment suffer damage of either reputation or damage to the building. Loss of data or key personnel is also planned for.

Attainment which may affect the community's perception of the school is also planned for using the school development plan. The school reports regularly to The Cherry Tree Trust Trustees the key performance indicators, so that progress to target can be established and strategic plan amended where appropriate.

## **The Cherry Tree Trust**

### **Trustees' Report (continued)**

Finances are closely monitored so that funding cuts etc. are planned for. The appropriate insurances are held so that the risk of financial loss is minimised.

ICT policies & secure systems are in place so that data is confidential, children can use the ICT equipment and internet safely and information is backed up to prevent loss. Robust internal checking procedures ensure that there is a defined division of duties to prevent fraud.

#### **Going Concern**

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

#### **Financial Review**

The CTT started the year with a significant carry forward from the previous year. This was due to the planned building work that had been organised but had not yet taken place.

A CiF bid had provided funds for a heating replacement system which was practically finished. Increased costs in the materials and labour meant that reserves needed to be kept to make up the short fall.

A window replace bid had also been submitted to the ESFA and reserves had been kept to add some additional criteria to this bid. Mainly the windows being of a tinted nature to remove the need for window blinds which do pose a safety risk in a prefab building.

The school is a large building, three form intakes with the capacity to house over 700 children with additional office space. Consequently, the fixed assets are quite a large amount due to the size of the building and the land surrounding it.

The area surrounding school as mentioned before is an area of low income. Therefore, parental contributions and donations are low.

Most of the income is obtained from the Department of Education in its general annual grant (GAG). The school also charges for school meals and receives income from school meals. There are no companies adding to the finances through lettings but income is generated through a school run breakfast and after school club. In addition, we offer the local Scout Group space to hold their cubs & scouts' meetings which generates a small income.

Additional funds are generated from the Resources Provision and Alternative Provision. This pays for the increased number of support staff that are required when providing a suitable learning environment for children, who have hard to manage behaviour or additional learning needs.

During the year ended 31st August 2022, total expenditure of £4,244,904 was incurred (which excludes depreciation of £170,673 and FRS 102 service and interest costs of £404,000. Recurrent grant income from the ESFA, together with other incoming resources totalled £4,422,244. The in-year deficit of general reserves was £9,923. Total general reserves carried forward amount to £433,177. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Generally, CTT has seen an in-year surplus but there is an in-year deficit caused by the increase of staff costs to cover the significant increase in numbers from the international arrivals, as these children were not on the previous years census. They will affect the 2022-2023 monies too, as they joined the school in November and missed the October census. Currently the trust is owed in the region of £150,000 from the DfE. Due to all the politics, Manchester City Council has not been paid what is due to them and consequently they have not paid school.

## **The Cherry Tree Trust**

### **Trustees' Report (continued)**

At the 31st August 2022 the net book value of the fixed assets amounted to £3,890,062 and movements in fixed assets are shown in note 11 of the financial statements. The cost of fixed asset additions during the year ended 31st August 2022 amounted to £564,095.

The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

During this period the school contributed £257,672 to the Teachers' Pension Scheme (TPS) and £170,159 to the Greater Manchester Local Government Pension scheme (LGPS) for non-teaching school employees.

£5,610 was also paid for staff insurance & maternity insurance.

#### **Principle risks and uncertainties**

The current political environment contributes to the risks and uncertainties as with every educational establishment.

The CTT is working to minimise these risks by looking at improving energy efficiencies and reducing the carbon footprint. The CTT has organised and completed a programme to replace the boiler, radiators and pipes.

A second programme is due to start in 2022 where single pane windows are removed and replaced with double glazed units.

The CTT Trustees are currently seeking advice and guidance to plan a project to install solar panels and LED lighting.

Falling numbers of pupils due to lower birth rates and an increase in staff costs is also causing an uncertainty which is being closely monitored by Trustees.

#### **Plan for managing risks**

- Monitor pupil numbers and reduce number of classes if needed
- Work with other schools to share the costs of services where possible
- Apply best value for money principle
- Monitor spending and avoid unnecessary costs.
- Generate income through the fees generated supporting other establishments.

#### **Principle Funding Sources**

No funds are held as a custodian Trustee

#### **Reserves Policy**

The trustees (Audit, Risk & Finance Committee) review the reserve funding level of the Academy annually when setting the annual budget. The Trust Board hold a working capital within the account so that the day to day business of the trust can continue.

This is 3 MONTHS reserve cash.

The total reserves identified on the balance sheet at 31<sup>st</sup> August 2022 are £4,118,808, including £4,177,631 of fixed assets reserve which can only be realised by disposing of tangible fixed assets, and the deficit to the Local Government Pension Scheme (LGPS) of £492,000.

The Trust's current level of restricted general reserves is £nil.

All tangible assets are fully utilised by the Trust and therefore we are unable to generate income by disposing of them.

# The Cherry Tree Trust

## Trustees' Report (continued)

### Investment Policy

Where the academy has surplus cash reserves, these are reviewed and placed on deposit. The academy does not invest in the capital markets.

### Plan for future periods

The aim for the next three years is to invest in systems that reduce costs. Initially the CTT's next priority is to reduce the energy bill and improve our carbon emissions through solar panels and LED lighting. Then it is to grow the size of the Trust so that economics in buying power can be utilised.

The experience gained from research and investigation shows that in manageable sized trusts, the positives of a number of schools working together is evident. When a Trust becomes too large it is questionable if this is the right approach to take.

### Lessons learnt through 2021-2022.

The CTT Trustees have investigated working with other schools to grow the trust. Through speaking to leaders within the area we know the schools who are willing to collaborate.

Applying to be a sponsor school and self-evaluation of current systems, has also helped Trustees to develop and secure systems that allow schools to join the Trust successfully.

### Policies towards employees and disabled persons

The company does not employ over 250 people however, we are an inclusive Trust who hold Peace Mala values, as a Trust we promote inclusion of staff and pupils.

### 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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on **15 December 2022** and signed on the board's behalf by:

A Wild



Trustee

**15 December 2022**

# The Cherry Tree Trust

## Governance Statement

### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Cherry Tree Trust has an effective and appropriate system of control, financial and otherwise as set out in the Governance handbook 2020. 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 of implementing the strategic framework to the Executive Head, (Accounting Officer.) They ensure financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Cherry Tree 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

#### Trust Board Meetings

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 5 times during the year. So that the Board are fully aware of the financial position a Trustee has been invited to each Finance Planning meeting. All Trustees are sent a monthly report so they are up to date with the current financial position and LGB minutes are reviewed to ensure the finances put into place to deliver the priorities in the School Development plan are being utilised effectively.

#### Attendance

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Possible No of Meetings</b>
Mrs Sarah Rudd	6	6
Mr Andrew Wild	6	6
Mr David Thomas	2	2
Miss Jennifer Deegan	4	6
Mr Steven Endress	4	6
Mr Roger Stone	2	2
Mrs Joanne Reynolds	3	6

Key changes to the Trust Board this year include recruiting Roger Stone to support the Trust as it seeks to grow. Also, David Thomas returned to the Trust Board after a period of illness.

Coverage of work; The Trustees have undertaken a review of the systems and practices that are in place to make sure that they are workable should another school join the CTT.

CTT Trustees have worked to strengthen the Trust Board and the LGB membership so the right people are in place with clearly defined roles.

The School Development Plan has been reviewed and developed so that the vision is clear and explicit. Using the student Council to inform this plan, the Vision of the Trust has been reviewed and developed. Pupil voice has been central to ensuring children feel safe and are ready to learn. Trustees have ensured that Safeguarding requirements are in place.

Educational Standards have been central to the decision-making process as pupils addressed the skills and knowledge gaps caused through on-line learning. The trustees have monitored the additional funding allocated to the trust for this purpose so that funds are used effectively.

## The Cherry Tree Trust

### Governance Statement (continued)

The Governance calendar ensures that there is a planned approach to decision making, monitoring and evaluation. Systems have been established so that parents are able to share their views and Parent Governors are able to collect these to inform Trustees decisions.

Policies and training have been put into place so that every member of the Trust knows their role in keeping children safe and preventing children being at risk of extremism and radicalisation.

The Performance of the Board.

The board has performed well and consequently;

- The curriculum has developed the pupil's knowledge and skills
- Finances have been spent well
- A full heating system has been installed
- 60 Afghan International Arrivals have joined the school – all at the same time – not in a phased programme.
- Supporting our most vulnerable pupils through the Alternative and Resourced Provisions. This has allowed us to generate income whilst ensuring that children within the Trust access education adapted to suit their learning needs.
- Key Stage 2 data showed that 67% of the cohort were deemed to be disadvantaged children. The percentage of children in NGPS attained better than the percentage for disadvantaged pupils nationally and nearly in-line with all pupils nationally. This evidences that we use the funding well to make maximum impact using targeted interventions.
- Personal Development of the pupils and behaviour for learning within school is outstanding. This means children have the right environment to learn. The use of support staff within school seems high when using benchmarking tools but the impact is we can support families to overcome difficulties at home which prevent parents from bringing their child to school. We can support children with Social and Emotional needs so they feel ready to learn. We can successfully engage the children in learning so that they can develop their skills and knowledge to have an equal chance engaging in the world of work.

#### The Challenges

- Acquiring the funds needed to employ the extra staff needed.
- Covid and the changes to practices and procedures -living with the virus.
- Extra costs – on day to day running & CiF bid work due to Covid

#### Conflicts of Interest

Each year and at every meeting, Governors and Trustees must declare their conflicts of interest.

This is recorded in all meeting minutes. If a conflict of interest is identified then suitable steps are followed to ensure that decisions are made in an unbiased way. There are no transactions taking part between the CTT and a company of a Trustee or Governor.

#### Governance Reviews

Annual self-assessment has taken place by reviewing the practices and trustees and governors' skills set. Manchester City Council Audit were also commissioned to undertake an independent review.

The findings are that there needs to be clearer documentation which has since been addressed with the rewriting of the Financial Procedures Manual.

The CTT intends to continue with this external review of governance through 2022-2023.

#### Audit Risk and Finance subcommittee

Its purpose is to set and monitor the budget and provide assurance to the Trust Board that the systems and practices within the Trust adhere to the Academy Trust handbook.

Trustee	Meetings attended	Out of a possible
Jo Reynolds	1	1
Roger Stone	1	1



## **The Cherry Tree Trust**

### **Governance Statement (continued)**

We are aware that we have not had enough meetings for the ARF committee as we have had an FMGR review. We will be complying with the recommendations in 2022-2023. These are that the board should have met 3 times. The meetings are set for 2022-2023 so that this will take place.

#### **Review of value for money**

As Accounting officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by;

- Random sampling of the procurements made ensures that we are getting the highest quality for the best possible price.
- Benchmarking against similar Trusts is used to verify decision making so that value for money is achieved.
- Consultation for best practices allows us to draw upon the experience of professionals to engage services within school that are high quality. For example, we have renegotiated contracts so that we have best value for money from our energy suppliers.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cherry Tree Trust for the period 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 academy 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<sup>st</sup> 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.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Audit, Risk & Finance 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.
- review policies annually so that fraud and theft is prevented.
- The fixed asset register is also checked to prevent fraud and theft.

## **The Cherry Tree Trust**

### **Governance Statement (continued)**

Work still to be completed is planned for 2022-2023 which includes;

- implementing the recommendations from the Financial Management and Governance Review
- Obtaining written reports three times a year from the Internal Auditors as currently this has been verbal feedback.

The board of trustees has decided: to employ Manchester City Council as internal auditor. This option has been chosen because the firm providing external audit cannot provide internal audit.

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

- Allocation of financial roles and responsibilities
- Long term financial planning, budget approval and monitoring and recovery planning
- Key financial reconciliations
- Purchasing
- Payroll
- Income collection and recording

For the period we are reporting for the auditor only made one reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The audit provided reasonable assurance over the adequacy, application and effectiveness of financial control systems operating at your school. The reason we are unable to provide a higher level of assurance currently is due to the lack of quotations and tenders for our sample testing of expenditure over £2000 and the widespread use of confirmation orders, with minimal evidence of advance approval of purchases by authorised signatories.

Systems have been modified to address the recommendations which the Audit Risk and Finance Committee will continue to monitor.

The Audit, Risk and Finance Committee have identified the risks using the risk register. The Risk Register has been established through analysis of data, finances and review of the political agenda that affects budget planning.

By reviewing previous year's performance and making a three-year plan Trustees and Governors know the areas on which to focus to ensure that there is effective management of the day to day business of the Cherry Tree Trust.

Practice, policy and implementation has been monitored by Governors and Trustees so that financial and non-financial risks are reduced.

Internal audit has been procured from Manchester City Council and assurances have been made to Trustees. Where there is need for improvement a plan has been established to address areas where improvements need to take place.

**The Cherry Tree Trust**  
**Governance Statement (continued)**

**Review of Effectiveness**

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

- the work of the Internal Auditor
- the Financial Management and Governance Self-Assessment Process
- A Financial Management and Governance Review from the DfE
- Obtained one written report from the Internal Auditors.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Risk and Finance committee and a plan to address weaknesses as identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 December 2022 and signed on its behalf by:

  
**A Wild**  
Trustee

  
**S Rudd**  
Accounting Officer

## The Cherry Tree Trust

### Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Cherry Tree Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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



.....  
S Rudd  
Accounting Officer

15 December 2022

## The Cherry Tree Trust

### Statement of Trustees' Responsibilities

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

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2022 and signed on its behalf by:



.....  
Mr Andrew Wild  
Trustee

## The Cherry Tree Trust

### Independent Auditor's Report on the Financial Statements to the Members of The Cherry Tree Trust

#### Opinion

We have audited the financial statements of The Cherry Tree Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

## The Cherry Tree Trust

### Independent Auditor's Report on the Financial Statements to the Members of The Cherry Tree Trust (continued)

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

We have nothing to report in this regard.

#### **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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

## The Cherry Tree Trust

### Independent Auditor's Report on the Financial Statements to the Members of The Cherry Tree Trust (continued)

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:

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with directors and other management, and from our commercial knowledge and experience of the academies sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the trust, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charges with governance
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC



## The Cherry Tree Trust

### Independent Auditor's Report on the Financial Statements to the Members of The Cherry Tree Trust (continued)

- identify and test journal entries, in particular any journal entries posting with unusual account combinations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Xeinadin Audit Limited, Statutory Auditor

8th Floor Becket House  
36 Old Jewry  
London  
EC2R 8DD

Date: 16/12/22

## The Cherry Tree Trust

### Independent Reporting Accountant's Assurance Report on Regularity to The Cherry Tree Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 May 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 The Cherry Tree Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the The Cherry Tree Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Cherry Tree Trust's funding agreement with the Secretary of State for Education dated 27 October 2015 and the Academies Financial Handbook extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

## The Cherry Tree Trust

### Independent Reporting Accountant's Assurance Report on Regularity to The Cherry Tree Trust and the Education and Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the Internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

#### Conclusion

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

  
.....

Reporting Accountant

Xeinadin Audit Limited

8th Floor Becket House  
36 Old Jewry  
London  
EC2R 8DD

Date: 16/12/22  
.....

## The Cherry Tree Trust

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	1,000	6,095	-	201,560	208,655
Other trading activities	4	41,115	-	-	-	41,115
Investments	5	73	-	-	-	73
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	4,373,961	-	-	4,373,961
<b>Total</b>		42,188	4,380,056	-	201,560	4,623,804
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	4,244,904	404,000	170,673	4,819,577
Net income/(expenditure)		42,188	135,152	(404,000)	30,887	(195,773)
Transfers between funds		(52,111)	(135,152)	-	187,263	-
<b>Other recognised gains and losses</b>						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	-	2,625,000	-	2,625,000
Net movement in (deficit)/funds		(9,923)	-	2,221,000	218,150	2,429,227
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2021		443,100	-	(2,713,000)	3,959,481	1,689,581
Total funds/(deficit) carried forward at 31 August 2022		433,177	-	(492,000)	4,177,631	4,118,808

## The Cherry Tree Trust

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	3,585	-	551,629	555,214
Other trading activities	4	45,686	-	-	-	45,686
Investments	5	58	-	-	-	58
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	3,910,641	-	-	3,910,641
<b>Total</b>		<b>45,744</b>	<b>3,914,226</b>	<b>-</b>	<b>551,629</b>	<b>4,511,599</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	3,892,378	279,000	152,859	4,324,237
Net income/(expenditure)		45,744	21,848	(279,000)	398,770	187,362
Transfers between funds		(2,503)	(25,348)	-	27,851	-
<b>Other recognised gains and losses</b>						
Actuarial (losses) / gains on defined benefit pension schemes	24	-	-	(386,000)	-	(386,000)
Net movement in funds/(deficit)		43,241	(3,500)	(665,000)	426,621	(198,638)
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2020		399,859	3,500	(2,048,000)	3,532,860	1,888,219
Total funds/(deficit) carried forward at 31 August 2021		443,100	-	(2,713,000)	3,959,481	1,689,581

**The Cherry Tree Trust**  
**(Registration number: 09795288)**  
**Balance Sheet as at 31 August 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	3,890,061	3,496,639
<b>Current assets</b>			
Debtors	12	646,466	614,708
Cash at bank and in hand		<u>494,850</u>	<u>440,268</u>
		1,141,316	1,054,976
Creditors: Amounts falling due within one year	13	<u>(328,758)</u>	<u>(134,394)</u>
Net current assets		<u>812,558</u>	<u>920,582</u>
Total assets less current liabilities		4,702,619	4,417,221
Creditors: Amounts falling due after more than one year	14	<u>(91,811)</u>	<u>(14,640)</u>
Net assets excluding pension liability		4,610,808	4,402,581
Defined benefit pension scheme liability	24	<u>(492,000)</u>	<u>(2,713,000)</u>
Net assets including pension liability		<u>4,118,808</u>	<u>1,689,581</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	15	4,177,631	3,959,481
Restricted pension fund	15	<u>(492,000)</u>	<u>(2,713,000)</u>
		3,685,631	1,246,481
<b>Unrestricted funds</b>			
Unrestricted general fund	15	<u>433,177</u>	<u>443,100</u>
Total funds		<u>4,118,808</u>	<u>1,689,581</u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue on 15 December 2022 and signed on their behalf by:



.....  
Mr Andrew Wild  
Trustee

## The Cherry Tree Trust

### Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	339,873	(474,569)
Cash flows from investing activities	20	(362,462)	414,313
Cash flows from financing activities		<u>77,171</u>	<u>14,640</u>
Change in cash and cash equivalents in the year		54,582	(45,616)
Cash and cash equivalents at 1 September		<u>440,268</u>	<u>485,884</u>
Cash and cash equivalents at 31 August	21	<u>494,850</u>	<u>440,268</u>

# The Cherry Tree Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1 Accounting policies

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

#### **Basis of preparation**

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

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

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



## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### **Sponsorship income**

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

##### **Donations**

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

##### **Other income**

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

##### **Donated goods, facilities and services**

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

##### **Donated fixed assets**

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

##### **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.

All resources expended are inclusive of irrecoverable VAT.

##### **Expenditure on raising funds**

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

# The Cherry Tree Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### **Charitable activities**

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

#### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land	0.80% straight line
Leasehold buildings	2% straight line
Furniture, fittings and equipment	20% reducing balance
Computer hardware	33.33% straight line
Plant & Machinery	20% reducing balance
Motor Vehicles	25% straight line

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.

#### **Liabilities**

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

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### **Provisions**

Provisions are recognised when the academy 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.

##### **Leased assets**

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

##### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Taxation**

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

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

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### **Pension benefits**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(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.

##### **Fund accounting**

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

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

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

Restricted pension funds comprise all income, costs and actuarial valuations associated with the Local Government pension scheme (LGPS).

##### **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.

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2021/22 Total £	2020/21 Total £
Educational trips and visits	-	6,095	-	6,095	3,585
Capital grants	-	-	201,560	201,560	530,893
Other donations	1,000	-	-	1,000	-
Donated fixed assets	-	-	-	-	20,736
	<u>1,000</u>	<u>6,095</u>	<u>201,560</u>	<u>208,655</u>	<u>555,214</u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	2021/22 Total £	2020/21 Total £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	2,735,502	2,735,502	2,603,649
Other DfE/ESFA grants	170,534	170,534	111,972
Teachers pension grant	8,426	8,426	84,621
Pupil premium	497,071	497,071	488,141
	<u>3,411,533</u>	<u>3,411,533</u>	<u>3,288,383</u>
<b>Other government grants</b>			
Local authority grants	962,428	962,428	572,293
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Catch-up premium	-	-	45,280
Other COVID-19 funding	-	-	4,685
	<u>-</u>	<u>-</u>	<u>49,965</u>
Total grants	<u>4,373,961</u>	<u>4,373,961</u>	<u>3,910,641</u>

#### 4 Other trading activities

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	210	210	-
Catering income	13,500	13,500	13,528
Other sales	27,405	27,405	32,158
	<u>41,115</u>	<u>41,115</u>	<u>45,686</u>

#### 5 Investment income

	Unrestricted funds £	2021/22 Total £	2020/21 Total £
Short term deposits	73	73	58

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 6 Expenditure

	Non Pay Expenditure			2021/22	2020/21
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Academy's educational operations</b>					
Direct costs	2,864,433	149,427	265,092	3,278,952	2,935,332
Allocated support costs	<u>764,278</u>	<u>301,642</u>	<u>474,705</u>	<u>1,540,625</u>	<u>1,388,905</u>
	<u>3,628,711</u>	<u>451,069</u>	<u>739,797</u>	<u>4,819,577</u>	<u>4,324,237</u>

#### Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating leases - other leases	40,619	50,723
Fees payable to auditor - audit	8,300	7,800
- other audit services	5,200	5,200
Depreciation	<u>170,673</u>	<u>160,718</u>

#### 7 Charitable activities

	Total 2022 £	Total 2021 £
Direct costs - educational operations	3,278,952	2,935,332
Support costs - educational operations	<u>1,540,625</u>	<u>1,388,905</u>
	<u>4,819,577</u>	<u>4,324,237</u>

	Educational operations £	2021/22 Total £	2020/21 Total £
<b>Analysis of support costs</b>			
Support staff costs	764,278	764,278	665,240
Depreciation	21,246	21,246	32,806
Technology costs	2,050	2,050	7,822
Premises costs	280,396	280,396	277,584
Other support costs	458,899	458,899	392,220
Governance costs	<u>13,756</u>	<u>13,756</u>	<u>13,233</u>
Total support costs	<u>1,540,625</u>	<u>1,540,625</u>	<u>1,388,905</u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff

##### Staff costs

	2021/22 £	2020/21 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,445,245	2,329,750
Social security costs	217,349	202,398
Pension costs	784,832	687,149
	3,447,426	3,219,297
Agency staff costs	181,285	46,447
Staff restructuring costs	-	2,600
	3,628,711	3,268,344
		<b>2021 £</b>
<b>Staff restructuring costs comprise:</b>		
Severance payments		2,600

##### Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £2,600).

##### Staff numbers

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

	2021/22 No	2020/21 No
Teachers	29	31
Administration and support	89	78
Management	6	6
	124	115

##### Higher paid staff

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

	2022 No	2021 No
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	1	1



## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £518,919 (2021: £418,661).

#### 9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Mrs Sarah Rudd (Accounting officer) (Headteacher):

Remuneration: £90,000 - £95,000 (2021 - £90,000 - £95,000)

Employer's pension contributions: £20,000 - £25,000 (2021 - £20,000 - £25,000)

Other related party transactions involving the trustees are set out in note 25.

#### 10 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on 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.

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
<b>Cost</b>				
At 1 September 2021	3,478,005	626,173	142,931	4,247,109
Additions	112,524	442,552	9,019	564,095
At 31 August 2022	<u>3,590,529</u>	<u>1,068,725</u>	<u>151,950</u>	<u>4,811,204</u>
<b>Depreciation</b>				
At 1 September 2021	376,283	291,482	82,705	750,470
Charge for the year	70,137	71,864	28,672	170,673
At 31 August 2022	<u>446,420</u>	<u>363,346</u>	<u>111,377</u>	<u>921,143</u>
<b>Net book value</b>				
At 31 August 2022	<u>3,144,109</u>	<u>705,379</u>	<u>40,573</u>	<u>3,890,061</u>
At 31 August 2021	<u>3,101,722</u>	<u>334,691</u>	<u>60,226</u>	<u>3,496,639</u>

#### 12 Debtors

	2022 £	2021 £
VAT recoverable	40,274	35,983
Other debtors	14,640	14,640
Prepayments	7,854	4,157
Accrued grant and other income	583,698	559,928
	<u>646,466</u>	<u>614,708</u>

#### 13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	50,467	40,838
Other creditors	84,331	-
Accruals	172,486	70,752
Deferred income	21,474	22,804
	<u>328,758</u>	<u>134,394</u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 13 Creditors: amounts falling due within one year (continued)

	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 1 September 2021	22,804	24,379
Resources deferred in the period	21,474	22,804
Amounts released from previous periods	<u>(22,804)</u>	<u>(24,379)</u>
Deferred income at 31 August 2022	<u>21,474</u>	<u>22,804</u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM and rates relief in respect of the academic year 2022/23.

#### 14 Creditors: amounts falling due after one year

	2022 £	2021 £
Salix and CIF loans	<u>91,811</u>	<u>14,640</u>

The Cherry Tree Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,735,502	(2,600,350)	(135,152)	-
Other DfE/ESFA grants	-	170,534	(170,534)	-	-
Other restricted income	-	968,523	(968,523)	-	-
Teachers pension grant	-	8,426	(8,426)	-	-
Pupil premium	-	497,071	(497,071)	-	-
	-	<u>4,380,056</u>	<u>(4,244,904)</u>	<u>(135,152)</u>	-
<b>Restricted fixed asset funds</b>					
Fixed assets transferred upon conversion	2,972,962	-	(106,228)	-	2,866,734
DfE/ESFA capital grants	698,173	201,560	(40,648)	-	859,085
Capital expenditure from GAG	267,610	-	(16,886)	187,263	437,987
Donated Fixed assets	<u>20,736</u>	-	<u>(6,911)</u>	-	<u>13,825</u>
	3,959,481	201,560	(170,673)	187,263	4,177,631
	<u>(2,713,000)</u>	-	<u>(404,000)</u>	<u>2,625,000</u>	<u>(492,000)</u>
<b>Restricted pension funds</b>					
Pension reserve	1,246,481	4,581,616	(4,819,577)	2,677,111	3,685,631
Total restricted funds					

The Cherry Tree Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>					
Unrestricted general funds	443,100	42,188	-	(52,111)	433,177
<b>Total funds</b>	<u>1,689,581</u>	<u>4,623,804</u>	<u>(4,819,577)</u>	<u>2,625,000</u>	<u>4,118,808</u>

The Cherry Tree Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,500	2,603,649	(2,581,801)	(25,348)	-
Other DfE/ESFA grants	-	111,972	(111,972)	-	-
Other restricted income	-	575,878	(575,878)	-	-
Teachers pension grant	-	84,621	(84,621)	-	-
Pupil premium	-	488,141	(488,141)	-	-
Coronavirus Job Retention Scheme Grant	-	45,280	(45,280)	-	-
Other COVID-19 funding	-	4,685	(4,685)	-	-
	<u>3,500</u>	<u>3,914,226</u>	<u>(3,892,378)</u>	<u>(25,348)</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Fixed assets transferred upon conversion	3,105,395	-	(132,433)	-	2,972,962
DfE/ESFA capital grants	185,280	530,893	(18,000)	-	698,173
Capital expenditure from GAG	242,185	-	(2,426)	27,851	267,610
Donated Fixed assets	-	20,736	-	-	20,736
	<u>3,532,860</u>	<u>551,629</u>	<u>(152,859)</u>	<u>27,851</u>	<u>3,959,481</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,048,000)</u>	<u>-</u>	<u>(279,000)</u>	<u>(386,000)</u>	<u>(2,713,000)</u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 15 Funds (continued)

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Total restricted funds	1,488,360	4,465,855	(4,324,237)	(383,497)	1,246,481
<b>Unrestricted funds</b>					
Unrestricted general funds	399,859	45,744	-	(2,503)	443,100
<b>Total funds</b>	<u>1,888,219</u>	<u>4,511,599</u>	<u>(4,324,237)</u>	<u>(386,000)</u>	<u>1,689,581</u>

The academy trust is not subject to GAG carried forward limits.

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Academy.

Restricted fixed asset funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Trustees.

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

The Cherry Tree Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,890,062	3,890,062
Current assets	433,177	420,570	287,569	1,141,316
Current liabilities	-	(328,759)	-	(328,759)
Creditors over 1 year	-	(91,811)	-	(91,811)
Pension scheme liability	-	(492,000)	-	(492,000)
Total net assets	433,177	(492,000)	4,177,631	4,118,808

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



The Cherry Tree Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,496,639	3,496,639
Current assets	443,100	149,034	462,842	1,054,976
Current liabilities	-	(134,394)	-	(134,394)
Creditors over 1 year	-	(14,640)	-	(14,640)
Pension scheme liability	-	(2,713,000)	-	(2,713,000)
Total net assets	443,100	(2,713,000)	3,959,481	1,689,581

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Capital commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	<u>152,814</u>	<u>445,093</u>

#### 18 Long-term commitments, including operating leases

##### *Operating leases*

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

	2022 £	2021 £
Amounts due within one year	29,932	18,577
Amounts due between one and five years	<u>42,360</u>	<u>17,209</u>
	<u>72,292</u>	<u>35,786</u>

#### 19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2021/22 £	2020/21 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(195,773)	187,362
Depreciation	170,673	152,859
Capital grants from DfE and other capital income	(201,560)	(530,893)
Interest receivable	(73)	(58)
Defined benefit pension scheme cost less contributions payable	357,000	243,000
Defined benefit pension scheme finance cost	47,000	36,000
Increase in debtors	(31,758)	(509,533)
Increase/(decrease) in creditors	<u>194,364</u>	<u>(53,306)</u>
Net cash provided by/(used in) Operating Activities	<u>339,873</u>	<u>(474,569)</u>

#### 20 Cash flows from investing activities

	2021/22 £	2020/21 £
Dividends, interest and rents from investments	73	58
Purchase of tangible fixed assets	(564,095)	(116,638)
Capital funding received from sponsors and others	<u>201,560</u>	<u>530,893</u>
Net cash (used in)/provided by investing activities	<u>(362,462)</u>	<u>414,313</u>

**The Cherry Tree Trust**

**Notes to the Financial Statements for the Year Ended 31 August 2022  
(continued)**

**21 Analysis of cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash in hand and at bank	<u>494,850</u>	<u>440,268</u>
Total cash and cash equivalents	<u><u>494,850</u></u>	<u><u>440,268</u></u>

**22 Analysis of changes in net debt**

	<b>At 1 September 2021</b>	<b>Cash flows</b>	<b>Other non-cash changes</b>	<b>At 31 August 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash	440,268	54,582	-	494,850
Loans falling due after more than one year	<u>(14,640)</u>	<u>-</u>	<u>(77,171)</u>	<u>(91,811)</u>
Total	<u><u>425,628</u></u>	<u><u>54,582</u></u>	<u><u>(77,171)</u></u>	<u><u>403,039</u></u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 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.

#### 24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough 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.

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

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 24 Pension and similar obligations (continued)

- 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 period amounted to £257,672 (2021: £271,068). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £228,000 (2021 - £226,000), of which employer's contributions totalled £173,000 (2021 - £172,000) and employees' contributions totalled £55,000 (2021 - £54,000). The agreed contribution rates for future years are 18.5 per cent for employers and banded from 5.5 to 12.5 per cent for employees.

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

#### Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment/inflation	3.10	2.90
Discount rate for scheme liabilities	<u>4.30</u>	<u>1.70</u>

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

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 24 Pension and similar obligations (continued)

	2022	2021
<b>Retiring today</b>		
Males retiring today	20.30	20.50
Females retiring today	23.20	23.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.60	21.90
Females retiring in 20 years	<u>25.10</u>	<u>25.30</u>

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 24 Pension and similar obligations (continued)

##### Sensitivity analysis

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Discount rate -0.1%	79,000.00	125,000.00
Salary Increase Rate +0.1%	4,000.00	6,000.00
Pension Increase Rate +0.1%	76,000.00	117,000.00
Mortality assumption – 1 year increase	<u>145,000.00</u>	<u>226,000.00</u>

The academy trust's share of the assets in the scheme were:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Equities	2,160,000	2,088,000
Government bonds	438,000	441,000
Property	282,000	206,000
Cash and other liquid assets	<u>250,000</u>	<u>206,000</u>
Total market value of assets	<u>3,130,000</u>	<u>2,941,000</u>

The actual return on scheme assets was £40,000 (2021 - £473,000).

## The Cherry Tree Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 24 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2021/22	2020/21
	£	£
Current service cost	(357,000)	(243,000)
Interest income	50,000	41,000
Interest cost	<u>(97,000)</u>	<u>(77,000)</u>
Total amount recognized in the SOFA	<u>(404,000)</u>	<u>(279,000)</u>

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

	2021/22	2020/21
	£	£
At start of period	5,654,000	4,357,000
Current service cost	530,000	415,000
Interest cost	97,000	77,000
Employee contributions	55,000	54,000
Actuarial (gain)/loss	(2,635,000)	818,000
Benefits paid	<u>(79,000)</u>	<u>(67,000)</u>
At 31 August	<u>3,622,000</u>	<u>5,654,000</u>

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

	2021/22	2020/21
	£	£
At start of period	2,941,000	2,309,000
Interest income	50,000	41,000
Actuarial gain/(loss)	(10,000)	432,000
Employer contributions	173,000	172,000
Employee contributions	55,000	54,000
Benefits paid	<u>(79,000)</u>	<u>(67,000)</u>
At 31 August	<u>3,130,000</u>	<u>2,941,000</u>

#### 25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

No related party transactions took place in the year of account, other than certain trustees' remuneration and expenses already disclosed in note 9.