



Smailes Goldie Group
CREATING ADVANTAGE

Company Registration Number: 06545396

The Constellation Trust **(A Company Limited by Guarantee)**

Financial Statements

31 August 2022



SD-0207414-1-6

The Constellation Trust

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The Constellation Trust

Reference and administrative details

Members	N Porteus L Probert S Hornby P D Duffield
Trustees (Directors)	N Porteus, (Chairman) JC Wright (resigned 25 March 2022) D Swaby NL Rhodes R Koyuncu (resigned 20 April 2022) L Brattan K Burden E Wharton (resigned 13 July 2022) M Colthup (appointed 28 March 2022)
Company Secretary	R Kennington
Senior Leadership Team	Dr C Taylor, Head of Trust I Ravenscroft, Head of Teaching School G Ransom, Head of School A Dulson, Vice Principal T Taylor, Director of Operations C Fletcher, Head of School T Attwater, Executive Primary Lead R Kennington, Executive Director of Finance and Business S Yardley, Executive Lead - Alternative Provision inc SEN L Richardson, Executive Lead for HR M Langton, Headteacher H Stannard, Head of School L Martin, Head of School C Smith, Headteacher P Mountain-Wade, Head of School J Raw, Head of School A Saunders, Headteacher J Danson, Head of School
Principal and Registered Office	Sirius Academy 296 Anlaby Park Road South Hull HU4 7JB
Registration Number	06545396

The Constellation Trust

Reference and administrative details (continued)

Auditors Smailes Goldie Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Bankers Lloyds Bank Plc
1 Lovell Park Road
Leeds
LS1 1NS

Solicitors Womble Bond Dickinson
1 Whitehall Riverside
Leeds
LS1 4BN

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022

The trustees who are also directors of the Multi-Academy Trust for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2021 to 31st August 2022. The trustees have adopted the provisions of 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) (Effective 1st January 2015) and the Academies Accounts Direction issued by the Education Skills Funding Agency.

The capacity of student places within the Multi-Academy Trust is 5,944 (2021 5,844). This includes 200 sixth form places. The reason for the increase in capacity this year was a Local Authority funded expansion to Sirius Academy North in line with rising secondary numbers in that part of the city. The student numbers on roll as at October 2021 were 5,090 (October 2020: 5,040). The reason for the increase this year was a small increase in pupil numbers at Sirius North in line with projected pupil number increases from the Local Authority (LA).

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Structure, Governance and Management

Governing document

The Multi-Academy Trust is a company limited by guarantee and is registered as an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust. The trustees of The Constellation Trust also act as directors of the charitable company for the purposes of company law. The trustees hold office for a term of 4 years. At the end of their term, trustees are eligible for reappointment to serve a further term. Details of the trustees who served throughout 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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' Indemnities

The Multi-Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Principal Activities

The Multi-Academy Trust's objective as detailed in the Memorandum of Association is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum that is enriched with a diverse range of opportunities which extend beyond timetabled lessons.

The principal activities of the Constellation Trust are to provide all of the pupils who attend the schools within our Trust with a high-quality education that is based on a broad and balanced curriculum enriched with a wide range of enrichment opportunities that engage learners and enable them to achieve the qualifications and experiences that allow them to make the transition into further or higher education or training.

All of the schools within our Trust have invested time into the development of the curriculum to ensure there is a clear logical sequence of lessons that follow the National curriculum at Key Stages 1-3 and examination specification at KS4 and 5. There has been a careful review of the content of the curriculum to clearly define the knowledge that pupils should be taught so that they are able 'to know more and remember more'. Quality assurance systems have been developed to focus on what pupils have learnt and can recall from prior lessons and topics to ensure that learning becomes part of their long-term memory.

In Key Stage 1, pupils are taught to read using the Ruth Miskin phonics scheme 'Read, Write, Inc'. The impact of the programme was shown in the 2022 SATS results. There was a 4% increase in the number of pupils passing their Phonics Reading Test from 2019 to 2022. It should be noted that pupils did not take SATS tests in 2020 or 2021 due to the pandemic. The writing programme, 'Talk for Writing', has been introduced across all primary schools to further develop pupil's ability to write independently with an extended vocabulary. White Rose Maths continues to be used as a framework for the teaching of maths. Outdoor Play and Learning (OPAL) play is a school improvement programme that allows the children freedom to explore play in their own imaginative ways, using a range of resources in the natural outdoor environment. The impact of the programme at Bricknell Primary School has been very positive and OPAL will be rolled out across all primary schools in the forthcoming year.

Key Stage 2 SATS results were published after two years of internal assessments. Outcomes in mathematics were below the national in three primary schools; Francis Askew, Paisley and Appleton. Excellent results in reading, writing and mathematics were reported at Bricknell, Stoneferry and Victoria Dock.

At Sirius Academy North and Sirius Academy West there has been a focus 'catch up' following the time lost during the pandemic. Both schools have used the National catch up premium to aid one-to-one intervention and support. A range of strategies have been developed to remove the barriers to learning in both Key Stage 3 and 4. Examples of the approaches developed include collaborative lesson planning, the design of lesson booklets to clearly define the content of the curriculum and the introduction of 'big questions' that replace lesson objectives. The curriculum content has been defined on a lesson by lesson basis for all subjects taught.

External examinations were reintroduced in 2022 with some guidance provided by the exam board. Attainment at Key Stage 4 improved in the majority of subjects however progress still remains a stubborn challenge due to the impact of those learners who require alternative provision. Strong outcomes were reported in Key Stage 5 especially in Law, Sociology and Psychology.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Principal Activities cont.

Rise Academy continues to provide effective education for pupils who have presented behavioural challenges in other mainstream settings. A bid to change the school's designation and pupil admission number was turned down by the DfE. As a result, the provision at Rising Stars for pupils with Mild Learning Difficulties has been capped at 16 although a further business case will be prepared in the new academic year which will be supported by the LA.

Over the past year four schools within the Trust have been inspected by Ofsted; Rise Academy, Appleton, Sirius Academy West and Paisley have all been judged to be good on the current inspection framework. Paisley School was an ungraded inspection and will be re-inspected within the next 18 months to 2 years. All schools achieved the Optimum Award for Wellbeing.

Method of recruitment and appointment or election of Trustees

Those entitled to make appointments to the board of trustees are the members of The Constellation Trust and the Secretary of State for Education. The Chair of the Trust continues to seek to recruit Trustees who would support the vision and value of the organisation and offer an area of expertise to complement the existing members of the Board.

Policies and Procedures Adopted for the Induction and Training of Trustees

After appointment, trustees receive induction training and are supplied with all necessary documents that they need to fulfil their role as trustees. All new trustees will be given a tour of the Academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, an induction tends to be done informally and is tailored specifically to the individual.

Engagement with employees

The Trust continues to make great strides in increasing communication channels between staff, SLT and ultimately the Board via the creation of a Staff Well Being Committee, which has representatives from SLT, HR and staff. Together with this a Staff Well-Being Policy was drafted and approved by the board in October 2021.

The Trust takes great pride in looking after and engaging with its employees on all matters that may affect them, with the Trust holding an 'Investors in People' silver award as well as having excellent relationships with all of the major Trade Unions with regular JCC meetings taking place.

We continue to support all of our staff through our use of an independent Occupational Health Therapists and Counsellors local to our Area to assist them and ourselves in ensuring employees feel appropriately looked after and supported during difficult times.

There is now a common awareness of the need to budget appropriately at each Academy given the current financial pressures that all Trusts face, with the Heads of Schools, Budgetholders and Director of Finance and Business communicating effectively and linking the individual Academy Development Plans to the Financial Plans of each Academy and the Trust.

Heads of School and Budgetholders share the importance of value for money and managing their budget through appropriate procurement.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Statement of engagement with suppliers, customers and others in a business relationship

The Trust strives to ensure that its engagement with all stakeholders with a business relationship is a positive one that benefits both the Trust and the stakeholder themselves.

Throughout this year where several businesses continue to be impacted upon due to COVID 19 and inflationary pressures from the war in Ukraine, the Trust has had clear dialogue explaining the current situation and where possible supporting both suppliers and customers during the period, either through extension of credit terms for customers or the early payment of creditors where cash-flow has allowed.

Any significant contracts with businesses that are coming to an end or are under review are dealt with professionally and suppliers and stakeholders affected are notified in good time, with robust procurement procedures followed to protect all.

Covid-19

COVID 19 continued to be a significant challenge for all of the Academies within our Trust, due to the continued impact of COVID 19 and the ensuing virus control measures placed upon us by the UK government and the associated guidance from the DfE and Public Health England.

A huge amount of work has been carried out and continues to be carried out by the Senior Leadership team of the Trust and the Heads of each individual academy to ensure that the robust risk assessments that have been agreed, are adhered to, and implemented correctly to help control the spread of the virus in schools and protect students, staff and visitors where possible.

Whilst the relaxing of rules this year has led to a reduced burden on our schools in terms of testing, social distancing and the use of 'Bubbles' and online learning, the Trust and its schools are still having to create an environment which mitigates the number of cases and transmission to keep staff and pupil attendance high.

The pandemic has continued to impact on the Trust financially. Significant additional expenditure has been incurred through a need to invest in additional ICT resources. The school has received significant numbers of laptops from the DfE and the current infrastructure in terms of switches, WiFi and charging trolleys/storage is now insufficient to support all devices. The Trust is currently tendering for new Wifi and switch infrastructure at Sirius Academy West as a result of this.

Finances will continue to be assessed and Reserves utilised where appropriate, to ensure that disruption to schools is minimised, with additional budget to be made available if necessary to support additional spend in Supply, Cleaning and ICT resources. These decisions will be taken at the monthly board meetings alongside a review of the Trusts Risk Register.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Organisational Structure

The organisational structure consists of the Multi-Academy Trust board (the trustees) and the senior leadership team. The aims of the organisational structure are to declare responsibility and encourage involvement in decision making at all levels.

The Multi-Academy Trust has established a Local Governing Body (LGB) for each Academy within the Trust. The LGB's meet several times during the academic year and their role is to receive reports from the Head Teacher and other members of the senior leadership team on key operational matters affecting each Academy. The chair of each LGB is a member of the Chair of Chairs committee together with the Chair of the Trust Board, Chief Executive of the Trust and the Executive Lead Primary. Matters discussed at this meeting can be referred to the Board of Trustees for further consideration.

The Constellation Trust board is responsible for the overall strategic direction of the Multi-Academy Trust and for those statutory duties that cannot be delegated to sub-committees.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi-Academy Trust by the use of budgets and making major decisions about the direction, capital expenditure and senior staff appointments.

In addition to the Trust Board are two sub-committee's, the Pay Committee, which ratifies all senior leader pay decisions, and the Audit Committee, which leads on financial matters and governance. Both these sub-committees support and feed into the Trust Board.

The Multi-Academy Trust leadership team consist of the Chief Executive, Primary Executive Lead, two Heads of School, and Executive Lead for Alternative Provision, Lead for Safeguarding, the Director of Finance & Business, the Director of Operations, Executive Lead for HR and Head of Teaching School. Each school has its own extended leadership team who are responsible for its day to day operation and are accountable for the quality of education provided to the students. They are also accountable for the outcomes achieved by students and must ensure they meet the expectations of the Department for Education (DfE) and Ofsted.

The Multi-Academy Trust team are responsible for implementing the policies and recommendations agreed by the trustees and are required to provide regular and appropriate feedback to furnish trustees with the knowledge and information to provide strategic leadership. Members of the trust team lead the day to day operation of the charitable company, including the authorisation of spending within agreed budgets, the appointment of staff and the curriculum provision. The behaviour and safety of students is also the responsibility of the Multi-Academy Trust team which includes safeguarding young people and providing an infrastructure to ensure children have the appropriate environment conducive to learning.

Arrangements for setting pay and remuneration of key management personnel

The Multi-Academy Trust considers key personnel to be the staff who are members of the senior leadership team. Remuneration of members of the senior leadership team of the Trust and each school is decided by the Pay Committee, the members of which are Trustees.

New appointments and changes to the remuneration of members of the senior leadership team are considered and approved by the Trust Board.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Trade union facility time

Trade unions have the opportunity to hold meetings with their members on the individual school sites, when requests are made. Regular JCC meetings are held between the major unions and the Trust to encourage discussion of emerging staffing matters.

Relevant union officials are allocated time to conduct their business within the school as appropriate to the need of members.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of time spent on facility time

Percentage of time	Number of employees
1%-50%	6

Percentage of pay bill spent on facility time

	2022
Provide the total cost of facility time	385
Provide the total pay bill	32,360,868

Paid trade union activities

	2022
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100

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Trustees' report for the Year Ended 31 August 2022 (continued)

Objectives and activities

Objectives, strategies and activities

The principal objective and activity of the charitable company is to provide an education for students of a wide range of abilities between the ages of 3 and 19 through the operation of the Multi-Academy Trust.

The main objectives of the Multi-Academy Trust during the year ended 31st August 2022 are summarised below:

- To ensure that every child enjoys a high quality education to enable them to achieve or exceed their personal potential;
- To provide a quality education enriched with a wide range of learning opportunities for every pupil who attends a school within our Multi-Academy Trust;
- To refine organisation structures, protocols and practices to reflect the changing needs of the students and to meet with Government targets;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Multi-Academy Trust's business in accordance with the highest standards based on the 7 principles of Public Life.

Schools in the Trust have transitioned back to pre-pandemic systems of operation with the removal of social distancing and remote learning, testing for Covid 19 and the need for isolation together with the return of public examinations. Catch up programmes have been instrumental in enabling pupils to revisit aspects of the curriculum that were completed during the period of National lockdown and home learning. Gaps on education still remain especially for pupils in Key Stages 2 and 4 that is evident from some outcomes reported from the summer 2022 examination results. All schools used the National Tutoring Grants to provide one-to-one support for pupils although it should be noted that facilitating the tutoring programme was challenging; the scheme had to be delivered within the extended school day and by trained mentors on a one-to-one ratio.

Nationally schools have struggled to report the same levels of pupil attendance as prior to the Pandemic. A small but significant number of pupils have found the return to school difficult. Despite rigorous systems for tracking absence and supporting children who do not attend or have limited attendance, attendance outcomes have not returned to their pre-pandemic level. The schools serving areas of the city with the greatest levels of deprivation have been the most affected including Sirius Academy North, Rise Academy, Rokeby Park and Paisley Primary School.

All schools have focussed on the development and refinement of their sequential curriculum. Time has afforded leaders to identify the key knowledge that pupils must know at each stage of their learning. Strategies have been used to ensure pupils have routine opportunities to revisit prior learning especially from previous years to check that factual information has become part of their long-term memory. Recall activities and interleaving form part of the programme of study across all Key Stages. All primary schools have a defined curriculum that states the key knowledge that all pupils will learn. Consistency in approach across the Trust primaries schools has had a positive impact on standards. Read, Write, Inc is the phonic programme adopted by all school together with White Rose mathematics that has allowed the school improvement team to support the implementation and embedding of key learning.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Extensive work has been undertaken in the two secondary schools and Rise Academy to strengthen teaching and learning. Collaborative planning has been adopted to ensure highly structured lessons are provided that focus only on the key elements of curriculum.

Public Benefit

The trustees have reviewed the current activities of the charitable company and confirm that they are in line with its objectives. All of the activities of the organisation carried out during the 2021-2022 academic year are in pursuance with the Multi-Academy Trust's objectives and are considered to be for the public benefit. All services provided are free to all beneficiaries irrespective of capacity, ethnicity, faith, religious conviction or social economic environment. The trustees also confirm that the organisation's aims and objectives fall within the descriptions of purposes in the Charities Act 2006, are recognised as charitable and are carried out for the public benefit. The Multi-Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Multi-Academy Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Multi-Academy Trust is to support recruitment and retention of students and employees with disabilities. The Multi-Academy Trust does this by adapting to the physical environment, by making support resources available and through training and career development.

Risk management

The Trustees have assessed the major risks to which the Multi-Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. They have introduced systems, operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Multi-Academy Trust has an effective system of internal controls and this is explained in more detail in the Governance Statement. The Multi Academy Trust has recently invested in a new risk management software which will help to improve and enhance risk management, throughout the Trust.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

Charitable activities

External examinations were reintroduced in 2022, following two years of centre assessed grades at Key Stage 4 and 5. Centre assessed grades were used by all examination boards to award grades in 2020 and 2021 although the results were not published or used by the DfE or Ofsted.

Attainment (the schools score based on how well pupils performed in up to 8 qualifications) was the strongest results indicator for both secondary schools; Sirius North's attainment score was 37.6 and Sirius West score was 44 (the LA average was 44.2 and National average for England was 48.7). Outcomes in GCSE English and maths was below the National at Grade 5 and above, with Sirius North achieving 27% and Sirius West achieving 28% (the LA average was 42% and National average for England was 50%). The crossover in GSEC English and maths was more positive at Grade 4 or above as Sirius North reported 46% and Sirius West 53%. Outcomes in English were much stronger than maths at Sirius West with 73% pupils gained a Grade 4 or above; this was above the LA average and only 6% below the National. At Sirius North 60% of pupils achieved a grade 4 or above in maths. Achievement in languages was above the National at Sirius West. The challenge remains achievement in both English and maths. Vocational subjects remain a strength of the curriculum at Sirius West but showed a decline at Sirius North.

At Post 16, there was a 100% pass rate. 17% of students achieved grades A* or A. 78% of candidates awarded grades A*-C. This was a slight decline of 7% from 2021 although these were based on centre assessed grades. Vocational outcomes were also very positive with an average achievement Distinction* in their chosen course. The majority of students progressed to their first-choice university.

Rise Academy reported some positive outcomes with pupils gaining GCSE grades in English, maths and science as well as a number of vocational qualifications.

The challenge to recover following the pandemic has been difficult especially for pupils' attendance. Absence has had a huge impact on the education of pupils within the trust. There is a higher number of pupils suffering from SEMH issues, anxiety and stress. The long-term effect of the pandemic, lockdown and their impact on young people's lives will be prevalent for a number of years despite children's apparent resilience.

Rise Academy and Sirius Academy West have been inspected by Ofsted during the academic year 2021 to 2022. A section 8, ungraded inspection was completed at Rise Academy. Inspectors reported that the school remained good. Two areas were identified for further improvement; these included development of the transition curriculum between Key Stage 3 and 4 to allow pupils to reintegrate back into mainstream schools if appropriate and the second aspect was to consider the informal language used by staff.

Sirius Academy West was inspected according to section 8 (a graded inspection) of the Ofsted Inspection Handbook. The overall judgement following the two inspection was the school no longer required improvement but was a good school. Further work was needed to improve attitudes and behaviour.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

The Trust now includes seven primary schools. The schools work closely together, supported by a small primary school improvement team.

During 2021-22, further work was carried out to fully embed the Read Write Inc programme to ensure that phonics and early reading was taught in a sequential and consistent way. This has been supported by full staff training and a series of development days, led by a RWI consultant, to ensure the programme is delivered with fidelity. This has also supported the work on catch up and intervention following the disruption of the pandemic, as reading is a key area of focus. This has impacted positively on outcomes with every Trust school now achieving above national averages on the year 1 phonics screening check in 2022.

National tests were reintroduced in 2022 following the disruption of the pandemic. Key Stage 2 results in four of the primaries were mostly good, with attainment exceeding national averages in all subjects at Bricknell, Stoneferry and Victoria Dock and also at Rokeby Park in all subjects apart from maths. Results at Appleton were broadly average in all subjects apart from maths, but have dipped from 2019. However, results at Francis Askew and Paisley were below national in 2022. This is due to a legacy of weaker teaching in both schools, most of which has now been addressed, as well as the impact of the pandemic on schools with the highest level of deprivation. Both schools are key priorities for Trust support to raise standards and further improve the quality of teaching as outlined below.

A significant amount of Trust support continues to be invested in Francis Askew. Since joining the Trust, the previous deputy has been appointed as Head of School and a new Deputy Head and Assistant Head have been appointed. With support from the Trust, the weakest teaching in school has been targeted during 21/22 through training, support plans, capability procedures and settlement agreements, resulting in a number of teachers leaving the school. As a result, new appointments have been made for September 22, with experienced teachers brought in, including some strong staff from other Trust schools. Further work has been undertaken to develop the curriculum, particularly across foundation subjects. The school is due an Ofsted inspection this year and is currently judged to require improvement. As the school still requires significant support, it has been agreed to provide additional capacity through an Executive Head and the team from Bricknell, which is the largest primary in the Trust and currently judged outstanding.

Paisley Primary School also continues to receive additional support. The school was inspected in January 2022 and although it retained a 'good' judgement, the school is due a full inspection within 1-2 years as there was evidence it may not be good in a full graded inspection. A new Head of School took up post at Easter and the two new experienced leaders have been appointed to Deputy Head posts to strengthen leadership. Support is in place to develop the curriculum as this was an Ofsted priority and to improve the quality of teaching and raise standards.

Further work to develop the curriculum is ongoing, particularly across foundation subjects. Objectives have been slimmed down and sharpened to ensure content for pupils is focused on the core knowledge they need to know and remember. Some additional capacity has been provided to support with this by creating a team of Trust subject leads to work with schools on curriculum development and quality assurance.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

All schools achieved the Optimus Award for wellbeing and have worked to support the workload of staff working in Trust schools.

The Trust's School Centred Initial Teacher Training (SCITT), Yorkshire and Humber Teacher Training (YHTT) has continued to expand its scope to both offer recruitment solutions to the Trust schools and to generate income for Trust activities. Over 300 teachers have now been trained by the SCITT and new partnerships have resulted in a national programme (National Online Teacher Training) being established in 2018 and successfully training a cohort of teachers across the country. In addition, YHTT is the partnership lead for Active Teacher Training (covering the Eastern region) and Ilkley Teacher Training. The SCITT is the national partner for provides teacher training through the apprenticeship programme to a number of local authorities including East Riding of Yorkshire Council, North Yorkshire Council and Wakefield City Council as well as commercial entities and multi academy trusts.

As a registered Apprenticeship Provider, the SCITT and therefore the Trust can draw down levy funding to pay for training. This is utilised for training Teaching Assistants and Teachers both within and beyond the trust. Additionally, we are registered as an End Point Assessment Organisation and receive contracts to quality assure external apprenticeship providers' provision across the country.

The SCITT holds a number of commercial contracts with the DfE and ESFA which allows generated income to be used by the Trust to support its schools. One contract of note is the provision of Subject Knowledge Enhance courses for the DfE.

The Trust's CPD provision, through Blueprint Alliance, delivers training for partners regionally and nationally on a commercial basis. For example, Blueprint facilitates the National Professional Qualification (NPQ) suite of leadership development courses for Best Practice Network. This results in high quality training being made available for Trust school staff and generates income for supporting those schools. Blueprint also delivered the Early Careers Framework (ECF) on a commercial basis to the trust and beyond.

The expectation of all staff members is high and everyone is challenged to develop their knowledge, skill and understanding. The ambition that every student achieves or exceeds their potential is consistently reflected in the expectations from all of the staff and is embedded within the ethos of the Multi-Academy Trust

The Trust is well established with two secondary academies, Rise Academy, the school for alternative provision and seven primary schools. The increased number of secondary aged pupils forecast for places in Year 7 in 2022 led to an increased Pupil Admission Number of 30 to 270 in each year group giving a maximum capacity of 1350. The Local Authority agreed an extension of Sirius West that included four classrooms, an activity studio, additional dining space, and office and extra toilet facilities. The extension was completed on schedule for pupils starting the school in September 2022.

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Trustees' report for the Year Ended 31 August 2022 (continued)

Strategic Report

The application for Rise Academy to change designation to be recognised as a special school with increased numbers was unsuccessful however a new provision catering for pupils with Mild Learning Difficulties has been piloted and as a result there is an appetite to expand this offer to meet the local demand for specialist provision in Key Stage 3. Rise Academy continue to build its excellent reputation for high quality support for pupils with SEMH needs.

Two of the seven primary schools have developed specialist provision for pupils with additional needs. The resource base at Bricknell Primary continues to support a small group of pupils with autism. Pupils are given, where appropriate, the opportunity to integrate with pupils in the mainstream school whilst accessing the help defined on the EHCP. Victoria Dock Primary has also created a resource base for pupils with SEND.

Over the past year, four of the ten schools have been inspected by Ofsted. Three of the four schools were inspected under section 8 of the Ofsted Inspection Handbook and remained their status as a good school although Paisley School will be re-inspected within the next 18-24 months. Sirius Academy West had a graded, section 5 inspection and was judged to be good and no longer requires improvement. All schools, with the exception of Francis Askew Primary, are judged by Ofsted to be good or better. Francis Askew has been provided with extensive support from the Trust School Improvement Team.

The Multi-Academy Trust's arrangements for safeguarding students meet statutory requirements. The single central record is well-maintained and up-to-date.

Key financial performance indicators

The standard of attainment of pupils attending the majority of the Trust's Academies has improved since 2019 (the date of the last published external results). At Key Stage 4, the performance of students in English and Mathematics is a priority for improvement. Additional Support will be maintained for pupils attending Paisley Primary and Francis Askew Primary as their KS2 outcomes remain a cause for concern and although there has been rigorous systems implemented, time is needed to see the necessary impact.

Attendance is also priority for all schools in the trust, particularly the secondary schools. A small but significant group of pupils have not returned to the route of attending school every day following the period of lockdown. There is an increased number of pupils who are suffering from mental health and have become anxious to attend school. A wide range of strategies are being used to improve attendance and recover from the issues that resulted from the pandemic.

Going Concern

After making appropriate enquiries, the Governing Body 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.

Promoting the success of the company

The Board of Trustees recognises the importance of promoting the success of each of its schools and the Constellation Trust as a whole to ensure that it meets its charitable purpose- in this case the teaching, learning, development and safeguarding of the circa six thousand pupils it supports every year.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Promoting the success of the company cont.

All decisions made by the board that will have a direct impact on its pupils and the wider community are subject to rigorous and stringent decision process with the impact on the pupils and the staff being at the heart of the process, to ensure that the decisions made, will have a positive impact on themselves and the Trust itself.

All members of the Board are unpaid and come from a range of backgrounds with different skills and experiences, with the driving force behind their appointment being their commitment to children and young adults and the need to nurture and develop them during their time at the Trust and within its constituent schools.

The Board of Trustees takes great pride in fostering excellent relationships with its staff and with the trade unions that represent numerous members of the workforce.

Staff Wellbeing Committees have been set up, direct lines of communication through SLT are open and regularly used to feedback from the board direct to employees and vice versa to ensure all employees feel well engaged.

Weekly staff briefings are held with a bulletin sent out each week to all staff, all staff are encouraged to contribute to the bulletin, with a clear focus of trying to encourage staff to engage with each other.

Any decisions made at Board level have due consideration for the staff who work within each school with a clear focus of trying to ensure adequate support and challenge is provided for all employees when principal decisions are made that may impact them directly.

The Board, in conjunction with the SLT and Director of Finance & Business has sought to achieve a common awareness of the current financial and economic factors currently affecting the Trust by having allocated budgetholders across the trust.

Staff are given responsibility for financial management of their areas and are encouraged to seek value for money, as well as encouraging staff to communicate with the Finance Team and vice versa to ensure that all staff are well informed with regards to budget.

As noted in the Trustee Report, The Board of Trustees has sought to ensure excellent relationships between its suppliers, customers and other stakeholders have been fostered.

The Trust seeks to support local businesses and when tendering, procuring or renegotiating contracts is always aware of the impact on the current provider and any potential impacts. This need to have close working and business relationships with local businesses has been key during the difficult and ongoing COVID 19 crisis, with the Trust seeking to support where it can.

As can be seen in the SECR report later in the report, the Trust is keen to ensure that it takes due consideration of the impact of its operations on the community as well as the environment.

The Trust has developed an excellent reputation within the local community with its openness and willingness to meet with members of the community and deal with any concerns quickly and sensitively. Where possible schools within the trust offer the use of their facilities, often at a much lower rate than those who operate commercially, to help support local customers as well as offer opportunities to pupils within the Trust Schools and those from outside of the Trust.

The Trust is seeking to reduce its carbon emissions and its footprint by seeking to spend significant amounts of capital funds over the coming years to upgrade to energy efficient lighting and heating systems as well upgrading and refurbishing older school blocks within the Trust.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Promoting the success of the company cont.

The school receives significant capital funding through the SCA fund and one of the highest priority criteria within the schools capital policy is projects which deliver energy efficiency. The Board will also be looking at the new £1bn decarbonisation fund that has just been launched alongside the Salix Finance fund to help support larger capital projects.

In addition to these larger capital projects, the Trust is passionate in sharing a culture of reduced waste, recycling and the importance of respecting the environment. By reflecting this in the curriculum and through several initiatives such as the removal of single use plastics within the catering function, the Bottles to Pens scheme and the use of specialist recycling contractors such as Foodwise and separate recycling bins, the Trust is well on with reducing its carbon footprint and becoming more environmentally friendly.

The Trust Board and the Director of Finance & Business pride themselves on leading a Trust that seeks to maintain the highest level of standards for Business Conduct. Robust and well established financial procedures as well as an established audit committee and internal audit schedule ensure that decisions made by Trustees and the Director of Finance & Business are appropriately informed, scrutinised and challenged.

The Trust has sought to ensure that a well-balanced, informed and well supported group of Trustees have been appointed to the Board. Each member of the board has equal voting power and open dialogue, challenge and discussion is always encouraged. Significant decisions are always voted on in line with the Articles and schemes of delegation. An independent Clerk to the Board is also in place to ensure objectivity, support, guidance to the Board and that all actions taken are fair and have met the appropriate legislation.

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 10 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet).

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Mileage records were used to calculate energy use and emissions associated with Trust owned vehicles. Generally gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Streamlined Energy and Carbon Reporting

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption break down (kWh)		
Gas	5,086,581	5,919,712
Electricity	2,820,590	2,874,197
Transport fuel	80,259	-
Scope 1 emissions in metric tonnes CO2e		
Owned transport - mini-buses	20.00	16.60
Gas consumption	928.50	1084.30
Total scope 1	948.50	1100.90
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	545.40	610.30
Scope 3 emissions in metric tonnes CO2e		
Total scope 3	0.00	0.00
Total gross emissions in metric tonnes CO2e	1493.90	1711.20
Intensity ratio		
Tonnes CO2e per pupil	0.28	0.32
Tonnes CO2e per square meter floor areas	0.03	0.04

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions. Floor area is measured as Gross Internal Area and taken from predominantly Display Energy Certificates.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- All smart meters are looked after by one provider, Stark Software, for improved meter reading and automation.
- BMS systems at Sirius Academy North and West have been upgraded with the latest software updates.
- Bricknell Primary School has had double glazing installed, new hot water calorifiers and heating pipework replacements.
- There has been mandatory replacement of lighting with LED equivalents within all schools.
- Appleton Primary School has reached Phase 2 of their roof insulation and recovering project.
- Stoneferry Primary School has reached Phase 1 of their new roof and felting project.
- There have been desktop feasibility programmes organised with a third-party consultancy (Briar Consulting Engineers Limited) to look at potential solar panels being fitted onto sites.
- There is an ongoing investigation with a company to look at reducing voltage in the buildings to 220Vs to reduce consumption.

Financial review

The principal sources of funding and how expenditure has supported the key objectives of the academy trust

Most of the Multi-Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE along with other restricted grants from other sources and their associated expenses are shown as restricted funds in the Statement of Financial Activities.

The Multi-Academy Trust generated unrestricted income during the year of £1,325,000 (2021 £2,107,000). This was mainly generated from catering income and hire of facilities. The costs of activities for generating funds were £1,151,000 (2021 £816,000).

The Multi-Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2015'), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2022, total restricted revenue expenditure of £40,032,000 (2021 £36,726,000) was not fully covered by recurrent grant funding from the DfE and the deficit was funded from reserves brought forward. The restricted net outgoing resources before transfers for the year (excluding restricted fixed asset funds) were £2,263,000 (2021 £3,153,000).

At 31st August 2022 the net book value of fixed assets was £84,843,000 (2021: £85,989,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Trust and the community.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Reserves policy

The trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Multi-Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The trustees need to ensure that the Multi-Academy Trust has sufficient working capital to cover delays between receipt of grants and spending; and to be able to deal with unexpected emergencies that may arise such as urgent maintenance, and this is reflected in the level of cash balances held. The Multi-Academy Trust's current level of general restricted reserves in note 17 is £1,737,000 (2021 £364,000). In addition, as noted above, the Multi-Academy Trust has £2,193,000 (2021 £3,049,000) of free reserves held. Taking into account the nature of the Multi-Academy Trusts income streams, the trustees are of the view that reserves at these levels are sufficient to cover its working capital needs and future capital expenditure and a provision for long term maintenance as required through the Building Schools for the Future Programme (BSF). Schools within the Trust are all of differing ages and some may therefore require additional capital investment in order to maintain and enhance the level of facilities for students. Cash balances are used to maintain and enhance resources for the benefit of both current and future students.

Investment Policy

The trustees have agreed to invest in short term guaranteed investments to maximise the Multi-Academy Trust's return without compromising cash flow.

Principal Risks and Uncertainties

The trustees have assessed the major risks to which the Multi-Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances.

The Local Government Pension deficit within restricted funds is £1,984,000 (2021 £19,358,000), as the total market value of assets does not cover the present value of liabilities. This does not mean that the liability for this amount will be called in.

Plans for future periods

The Multi-Academy Trust has a strategic three-year plan which outlines developments for the future. In summary the plan focuses on seven key areas:

- To ensure that all Academies within the Multi-Academy Trust continue to achieve positive measures across all Key Stages;
- To support all schools in the Trust to provide a good or better standard of education as judged by Ofsted
- To support the school communities during the continued pandemic
- To continue to strengthen the post 16 provision to meet the Ofsted 'outstanding' criteria ;
- To build stronger links with parents and carers to enable greater parental engagement to support all students and their engagement in learning opportunities;
- To maximise opportunities for partnership to continue to be a 'good' provider of initial teacher training through the School Centred Initial Teacher Training - SCITT;
- To explore the benefits of working with other schools within the Multi-Academy Trust.

The Constellation Trust

Trustees' report for the Year Ended 31 August 2022 (continued)

Fundraising

The Multi-Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

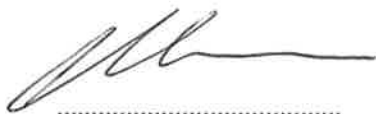
Auditor

Insofar as the Trustees are aware:

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

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, on 12 December 2022 and signed on the Board's behalf by:



.....
N Porteus
Trustee

The Constellation Trust

Governance statement

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Whilst the board met 5 times during the period, which is one less than the recommended 6 times, the Trust added four new committee meetings to supplement and feed into the Board to allow greater oversight of specific areas.

These Committee meetings were 3 times a year in addition to the Board meetings and were for the following areas:

- Audit & Risk
- Finance & Operations
- Secondary School Improvement
- Primary School Improvement

This allowed the Trust to ensure that each of the areas had an appropriate amount of oversight, challenge and support with minutes of each being taken to the full Board meetings during the year.

Committees were made up of a minimum of 3 Trustees and those who sat on each committee were selected based on their individual skill sets and experience for maximum impact.

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

Trustee	Meetings attended	Out of a possible
N Porteus	5	5
JC Wright (resigned 25 March 2022)	0	0
D Swaby	4	5
NL Rhodes	1	5
R Koyuncu (resigned 20 April 2022)	3	4
L Brattan	5	5
K Burden	5	5
E Wharton (resigned 13 July 2022)	2	5
M Colthup (appointed 28 March 2022)	1	1

The Constellation Trust

Governance statement (continued)

Audit Committee Meeting attendance:

Trustee	Meetings attended	Out of a possible
NL Rhodes	2	3
N Porteus	2	3
E Wharton	1	3
D Swaby	3	3
Dr C Taylor	3	3
R Kennington	3	3

The role and the purpose of the Trust's Audit Committee is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework and provide assurance to the Trust Board. The Committee in normal circumstances meets three times a year and is made up of Trustees with significant financial experience and backgrounds as well as the CEO and Director of Finance & Business.

The role and the purpose of the Trust's Finance & Operations Committee is to maintain an oversight of the Academy Trust's use of and reporting of finances, its operational performance and an overview of factors affecting this and all elements of HR reporting. The Committee in normal circumstances meets three times a year and is made up of Trustees with significant relevant experience and backgrounds as well as the CEO, Director of Finance & Business, Chief Operating Officer and the Executive Lead for HR.

Review of value for money

As Accounting Officer the Executive Principal 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Ensuring the Blueprint Alliance and Yorkshire and Humber Teacher Training has continued to develop both the successful expansion of the School Centred Initial Teacher Training (SCITT) function and the provision of income generating training. To date, the SCITT has recruited and trained over 300 trainee teachers. It continues to develop partnerships with other schools and Local Authority's and through the award of grant funding has generated increased revenue which has been used for the benefit of students throughout the Multi-Academy Trust
- The creation of a detailed Contracts register for all schools in the Trust, allowing the Trust to identify expiry dates and opportunities to renew and renegotiate at a Trust level across all schools
- Continued benefit of new Energy Contract with Total agreed in 2019-20, which in hindsight looks increasingly like an excellent decision, given the current record high prices
- New contracts signed with Turner Price (our main catering food provider) for all elements of food supply to include the free purchase of the Kafoodle subscription service for allergies (saving of circa £7k per annum)
- Continued use of DfE backed frameworks to undertake procurement in ICT Managed Services, WiFi and Infrastructure works and other areas of material procurement

The Constellation Trust

Governance statement (continued)

As the Multi-Academy Trust has increased in size it has been possible to negotiate improved terms and conditions across a number of mutual contracts and agreements with suppliers. As other schools join the Multi-Academy Trust we will continue to explore cost savings as a result of increased purchasing power and economies of scale by sharing resources where possible.

The Purpose of the System of Internal Control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Multi-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 and Audit Committee;
- regular reviews by the Board of Trustees and the Audit 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees have commissioned the role of Internal Scrutiny Advisor to SAAF Education to provide Internal Audit Scrutiny for the Trust. This role includes giving advice on financial matters and performing a range of checks on the Multi-Academy Trust's financial systems. On a bi-annual basis, the Internal Scrutiny Advisor provides a report to the board on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

The report includes the following areas:

- Payroll
- Purchase Orders
- Invoiced Income
- Bank Reconciliations
- Petty Cash

The Constellation Trust

Governance statement (continued)

Review of effectiveness

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

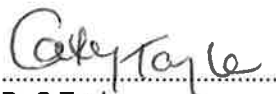
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:



N Porteus
Trustee



Dr C Taylor
Accounting Officer


The Constellation Trust

Statement of regularity, propriety and compliance

As Accounting Officer of The Constellation Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

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 Academy Trust Handbook 2022.

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.



Dr C Taylor,
Accounting Officer

12 December 2022

The Constellation Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The Constellation Trust and 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 Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 2015 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 the 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 on 12 December 2022 and signed on its behalf by:



N Porteus
Trustee

The Constellation Trust

Independent Auditor's Report on the Financial Statements to the Members of The Constellation Trust

Opinion

We have audited the financial statements of The Constellation Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The Constellation Trust

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

Other information

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

The Constellation Trust

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

Responsibility of Trustees

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

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

Auditor Responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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 focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP 2019, Academies Accounts Direction 2020 to 2021, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence as necessary.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management 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.

The Constellation Trust

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

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 charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and relevant regulators.

Due to 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. The 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquire of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.



.....
Matthew Fox FCCA (Senior Statutory Auditor)
For and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date:

15 December 2022

Note:

The maintenance and integrity of the Constellation Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Constellation Trust

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

In accordance with the terms of our engagement letter dated and further to the requirements of the Education & 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 Constellation 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 Constellation 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 Constellation 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 Constellation Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Constellation Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Constellation Trust's funding agreement with the Secretary of State for Education dated 28 October 2016 and the Academy Trust Handbook extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 Constellation Trust

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

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the academy, including those procured from related parties of the Multi-Academy Trust
- Ensuring that fixed assets additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE
- Ensuring that expenditure incurred through the Multi-Academy Trust's bank accounts and debit card is appropriate for the purposes of the Multi-Academy Trust and that there has been no personal expenditure from the Multi-Academy Trust's funds
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

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.



Smailes Goldie
Chartered Accountants
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 15 December 2022

The Constellation Trust

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

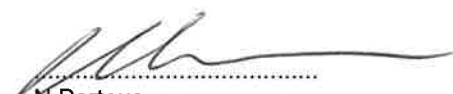
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	-	1,029	1,029	1,133
Transfer from local authority on conversion		-	-	-	-	5,566
Other trading activities	4	133	-	-	133	76
Investments	5	1	-	-	1	1
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	1,191	36,522	-	37,713	35,135
Teaching school hub		-	1,247	-	1,247	704
Total		1,325	37,769	1,029	40,123	42,615
Expenditure on:						
Raising funds	6	51	-	-	51	99
<i>Charitable activities:</i>						
Academy trust educational operations	7	1,100	39,125	2,520	42,745	39,314
Teaching school hub		-	907	11	918	523
Total		1,151	40,032	2,531	43,714	39,936
Net income/(expenditure)		174	(2,263)	(1,502)	(3,591)	2,679
Transfers between funds		(1,029)	424	605	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	26	-	20,585	-	20,585	(3,958)
Net movement in (deficit)/funds		(855)	18,746	(897)	16,994	(1,279)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2021		3,048	(18,993)	85,740	69,795	71,074
Total funds/(deficit) carried forward at 31 August 2022		2,193	(247)	84,843	86,789	69,795

The Constellation Trust

(Registration number: 06545396)
Balance Sheet as at 31 August 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Tangible assets	13	84,843	85,989
Current assets			
Stocks	14	119	80
Debtors	15	2,045	1,513
Cash at bank and in hand		5,806	4,866
		<u>7,970</u>	<u>6,459</u>
Creditors: Amounts falling due within one year	16	<u>(4,040)</u>	<u>(3,295)</u>
Net current assets		<u>3,930</u>	<u>3,165</u>
Total assets less current liabilities		<u>88,773</u>	<u>89,154</u>
Net assets excluding pension liability		88,773	89,154
Pension scheme liability	26	<u>(1,984)</u>	<u>(19,358)</u>
Net assets including pension liability		<u>86,789</u>	<u>69,795</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	17	(246)	(18,994)
Restricted fixed asset fund	17	84,842	85,740
		<u>84,596</u>	<u>66,746</u>
Unrestricted funds			
Unrestricted general fund	17	<u>2,193</u>	<u>3,049</u>
Total funds	17	<u>86,789</u>	<u>69,795</u>

The financial statements on pages 53 to 91 were approved by the Trustees, and authorised for issue on 12 December 2022 and signed on their behalf by:


.....
N Porteus
Trustee

The Constellation Trust

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Net cash used in operating activities	21	1,480	1,268
Cash flows from investing activities	22	(540)	(512)
Change in cash and cash equivalents in the year		940	756
Cash and cash equivalents at 1 September		4,866	4,110
Cash and cash equivalents at 31 August	23	5,806	4,866

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

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in [(for net gain) Donations - transfer from local authority on conversion/ (for net loss) Charitable activities - transfer from local authority on conversion] in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

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 Multi-Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Multi-Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the 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.

The Constellation Trust

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

1 Accounting policies (continued)

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.

Sponsorship income

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

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 goods have been provided or on completion of the service.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Multi-Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Multi-Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi-Academy Trust's policies.

Transfer on conversion

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

The Constellation Trust

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

1 Accounting policies (continued)

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.

Expenditure on raising funds

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

Charitable activities

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

The Constellation Trust

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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.

Asset class	Depreciation method and rate
Leasehold land introduced	Over the period of occupation
Leasehold buildings introduced	50 years, based on the original valuation on occupation
Leasehold buildings improvements	Between 10 and 25 years from the date of first use
Motor vehicles	between 3 and 7 years
Computer equipment and software	between 3 and 6 years
Fixtures and fittings	between 3 and 10 years

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.

Provisions

Provisions are recognised when the Multi-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.

The Constellation Trust

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

1 Accounting policies (continued)

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 15. 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 16. 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.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Accordingly, the Multi-Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Constellation 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 so as to spread the cost of pensions over employees' working lives with the Multi-Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit current 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 Multi-Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

The Constellation Trust

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

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

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

Critical areas of judgement

2 Donations and capital grants

	Restricted Fixed Asset Funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Other voluntary income			
Capital grants	845	845	799
Other donations	184	184	334
	1,029	1,029	1,133

The Constellation Trust

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

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Educational operations					
DfE/ESFA revenue grants					
General Annual Grant (GAG)	-	29,131	-	29,131	26,001
Other DfE/ESFA Grants	-	1,078	-	1,078	1,460
Covid-19 Reclaim	-	-	-	-	23
Covid-19 Catch Up	-	-	-	-	372
Pupil Premium	-	2,513	-	2,513	2,004
	-	32,722	-	32,722	29,860
Other government grants					
Local authority grants	-	3,800	-	3,800	3,434
Non-government grants and other income					
Other income from the academy trust's operations	1,191	-	-	1,192	1,841
Total grants	1,191	36,522	-	37,714	35,135

The Constellation Trust

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

4 Other trading activities

	Unrestricted Funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Hire of facilities	60	60	30
Other income	73	73	46
	133	133	76

5 Investment income

	Unrestricted Funds £ 000	2021/22 Total £ 000	2020/21 Total £ 000
Short term deposits	1	1	1

6 Expenditure

	Staff costs £ 000	Non Pay Expenditure		2022/21 Total £ 000	2021/20 Total £ 000
		Premises £ 000	Other costs £ 000		
Expenditure on raising funds					
Direct costs	-	-	51	51	99
Academy's educational operations					
Direct costs	25,640	2,019	3,478	31,137	29,272
Allocated support costs	7,130	2,741	1,737	11,608	10,042

The Constellation Trust

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

6 Expenditure (continued)

	Staff costs £ 000	Non Pay Expenditure		2022/21 Total £ 000	2021/20 Total £ 000
		Premises £ 000	Other costs £ 000		
Teaching school hub					
Teaching school hub - Direct costs	252	11	590	853	523
Teaching school hub - Allocated support costs	14	-	51	65	-
	<u>33,036</u>	<u>4,771</u>	<u>5,907</u>	<u>43,714</u>	<u>39,936</u>

Net income/(expenditure) for the year includes:

	2021/22 £ 000	2020/21 £ 000
Operating lease rentals	138	142
Depreciation	2,504	2,377
Fees payable to auditor - audit	18	17
- other audit services	11	9
Depreciation of long leasehold	<u>27</u>	<u>16</u>

7 Charitable activities

	2021/22 £ 000	2020/21 £ 000
Direct costs - educational operations	31,137	29,272
Support costs - educational operations	11,608	10,042
Direct costs - teaching school hub	853	523
Support costs - teaching school hub	65	-
	<u>43,663</u>	<u>39,837</u>

The Constellation Trust

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

7 Charitable activities (continued)

	Teaching school hub £ 000	Educational operations £ 000	2022/21 Total £ 000	2021/20 Total £ 000
Analysis of support costs				
Support staff costs	14	7,130	7,144	5,642
Premises costs	12	2,741	2,753	1,640
Other support costs	39	1,705	1,744	2,685
Governance costs	-	32	32	75
Total support costs	65	11,608	11,673	10,042

8 Staff

Staff costs

	2021/22 £ 000	2020/21 £ 000
Staff costs during the year were:		
Wages and salaries	22,642	21,472
Social security costs	2,248	2,081
Operating costs of defined benefit pension schemes	7,471	6,078
	32,361	29,631
Supply staff costs	622	379
Staff restructuring costs	53	160
	33,036	30,170

	2022/21 £ 000	2021/20 £ 000
Staff restructuring costs comprise:		
Redundancy payments	-	130
Severance payments	53	29
	53	159

The Constellation Trust

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

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £53,110 (2021: £29,465). Individually, the payments were:

Non-contractual payments	£10,000
Non-contractual payments	£12,000
Non-contractual payments	£10,470
Non-contractual payments	£12,320
Non-contractual payments	£8,320

Staff numbers

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

	2022/21 No	2021/20 No
Teachers	313	335
Administration and support	437	445
Management	51	44
	<hr/> 801	<hr/> 824

Higher paid staff

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

	2022/21 No	2021/20 No
£60,001 - £70,000	23	14
£70,001 - £80,000	6	13
£80,001 - £90,000	4	2
£90,001 - £100,000	2	3
£140,001 - £150,000	1	1
	<hr/> 1	<hr/> 1

The Constellation 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 Multi-Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust was £1,899,745 (2021: £1,809,167).

9 Related party transactions - trustees' remuneration and expenses

The value of trustees' remuneration and other benefits was £Nil (2021 £Nil).

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil (2021 - £36) were reimbursed or paid directly to 0 trustee (2021- 1 trustees)

Other related party transactions involving the trustees are set out in note 34.

10 Trustees' and officers' insurance

The Multi-Academy Trust 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 while 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 Constellation Trust

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

11 Central services

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

- Personnel
- Finance
- Payroll management
- School improvement
- ICT
- Buildings and resource management

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

- Management charges are made based on 5-6% of GAG income

The actual amounts charged during the year were as follows:

	2022
	£ 000
Sirius Academy North	526
Sirius Academy West	544
Appleton Primary School	64
Bricknell Primary School	133
Rise Academy	35
Paisley Primary School	79
Francis Askew Primary School	114
Stoneferry Primary School	39
Rokeyby Primary School	47
Victoria Dock Primary School	60
	<hr/>
	1,641

The Constellation Trust

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

12 Statement of financial activities for prior year

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2021/20 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	-	1,133	1,133
Transfer from local authority on conversion		190	(426)	5,802	5,566
Other trading activities	4	76	-	-	76
Investments	5	1	-	-	1
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,840	33,295	-	35,135
Teaching school hub		-	704	-	704
Total		2,107	33,573	6,935	42,615
Expenditure on:					
Raising funds	7	99	-	-	99
<i>Charitable activities:</i>					
Academy trust educational operations	8	718	36,218	2,378	39,314
Teaching school hub		-	507	16	523
Total		817	36,725	2,394	39,936
Net income/(expenditure)		1,290	(3,152)	4,541	2,679
Transfers between funds		(1,192)	1,201	(9)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	33	-	(3,958)	-	(3,958)
Net movement in funds/(deficit)		98	(5,909)	4,532	(1,279)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		2,950	(13,084)	81,208	71,074
Total funds/(deficit) carried forward at 31 August 2021		3,048	(18,993)	85,740	69,795

The Constellation Trust

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

13 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	2022/21 Total £ 000
Cost					
At 1 September 2021	97,117	2,411	2,573	184	102,285
Additions	501	323	552	9	1,385
At 31 August 2022	97,618	2,734	3,125	193	103,670
Depreciation					
At 1 September 2021	12,564	1,986	1,601	145	16,296
Charge for the year	2,029	160	325	17	2,531
At 31 August 2022	14,593	2,146	1,926	162	18,827
Net book value					
At 31 August 2022	83,025	588	1,199	31	84,843
At 31 August 2021	84,553	425	972	39	85,989

The Multi-Academy Trust's transactions relating to land and buildings included:

- the donation of laptops from Dfe valued at £183,637.

14 Stock

	2022 £ 000	2021 £ 000
Stocks	119	80

The Constellation Trust

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

15 Debtors

	2022	2021
	£ 000	£ 000
VAT recoverable	396	329
Other debtors	437	767
Prepayments and accrued income	1,212	417
	<u>2,045</u>	<u>1,513</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£ 000	£ 000
Trade creditors	1,255	1,137
Other taxation and social security	546	521
Other creditors	707	731
Accruals and deferred income	1,532	905
	<u>4,040</u>	<u>3,294</u>

	2022	2021
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2021	280	251
Resources deferred in the period	587	280
Amounts released from previous periods	(280)	(251)
Deferred income at 31 August 2022	<u>587</u>	<u>280</u>

Deferred income relates to monies for the 2022-2023 academic year. Amounts carried forward relate to:

	2022	2021
	£ 000	£ 000
School trips	60	9
Universal Infant Free School Meals	155	154
SKE funding	131	-
Schools Direct and PGTA placement fees	45	-
SCITT bursary funding	42	-
Other ESFA funding	140	-
Business rates relief	-	50
Sports England	-	40
Other grants and income	14	27
	<u>587</u>	<u>280</u>

The Constellation Trust

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

17 Funds

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	29,131	(28,632)	424	923
Other DfE/ESFA	364	3,590	(3,480)	-	474
Pension Reserve	(19,358)	-	(3,211)	20,585	(1,984)
LEA and Other Grant	-	3,800	(3,800)	-	-
Teaching School	-	1,247	(907)	-	340
	<u>(18,994)</u>	<u>37,768</u>	<u>(40,030)</u>	<u>21,009</u>	<u>(247)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	2,004	845	(168)	169	2,850
Capital Expenditure from GAG	1,103	-	(175)	437	1,365
Donated Fixed Asset Fund	82,633	184	(2,189)	-	80,628
	<u>85,740</u>	<u>1,029</u>	<u>(2,532)</u>	<u>606</u>	<u>84,843</u>
Total restricted funds	66,746	38,797	(42,562)	21,615	84,596
Unrestricted funds					
Unrestricted general funds	3,049	1,325	(1,152)	(1,029)	2,193
Total funds	<u>69,795</u>	<u>40,122</u>	<u>(43,714)</u>	<u>20,586</u>	<u>86,789</u>

The Constellation Trust

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

17 Funds (continued)

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

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources Expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	26,001	(26,144)	143	-
Other DfE/ESFA	-	4,168	(4,822)	1,018	364
Pension Reserve	(13,084)	(426)	(1,890)	(3,958)	(19,358)
LEA and Other Grant	-	3,025	(3,025)	-	-
Other Restricted	-	410	(450)	40	-
Covid-19 Catch Up	-	372	(372)	-	-
Covid-19 Reclaim	-	23	(23)	-	-
	<u>(13,084)</u>	<u>33,573</u>	<u>(36,726)</u>	<u>(2,757)</u>	<u>(18,994)</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grant	1,821	799	(158)	(458)	2,004
Capital Expenditure from GAG	815	-	(161)	449	1,103
Donated Fixed Asset Fund	<u>78,572</u>	<u>6,136</u>	<u>(2,075)</u>	<u>-</u>	<u>82,633</u>
	<u>81,208</u>	<u>6,935</u>	<u>(2,394)</u>	<u>(9)</u>	<u>85,740</u>
Total restricted funds	68,124	40,508	(39,120)	(2,766)	66,746
Unrestricted funds					
Unrestricted general funds	<u>2,950</u>	<u>2,107</u>	<u>(816)</u>	<u>(1,192)</u>	<u>3,049</u>
Total funds	<u>71,074</u>	<u>42,615</u>	<u>(39,936)</u>	<u>(3,958)</u>	<u>69,795</u>

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

The Constellation Trust

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

17 Funds (continued)

Transfers between unrestricted general fund, general annual grant fund, other restricted funds and the restricted fixed asset funds relate to capital expenditure incurred during the year over and above capital grants received by the Multi-Academy Trust from the DfE/ESFA.

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

DfE/ESFA GAG Funding

DfE/ESFA General Annual Grant (GAG) includes funding allocated per pupil through the school budget share and post 16 funding, it also includes funding for insurance and business rates.

The General Annual Grant (GAG) must be used to meet normal running costs of the Multi-Academy Trust.

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA Grants

The other DfE/ESFA grants must be used for the specific purpose for which they are given. These grants are given to fulfil the charitable objects of the Multi-Academy Trust.

LEA and Other Restricted Funds

These funds comprise grants receivable from sources other than central government, to be expended for specific purposes within the charitable objects of the Multi-Academy Trust.

Restricted Fixed Asset Fund

The Restricted Fixed Asset Fund represents fixed assets donated by Kingston upon Hull City Council together with assets funded by the DfE/ESFA capital grants.

The academy trust is carrying a net deficit of £Nil on restricted general funds (excluding pension reserve) plus unrestricted funds because the academy trust is taking the following action to return these funds to surplus:

The Constellation Trust

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

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022	2021
	£ 000	£ 000
Central services	3,931	3,413
Total before fixed assets and pension reserve	3,931	3,413
Restricted fixed asset fund	84,842	85,740
Pension scheme liability	(1,984)	(19,358)
Total	86,789	69,795

The Trust operates a GAG Pooling and Top Slice policy, which allows the trust to build up central reserve to support school improvement and provide flexibility and security for schools within the trust, should they require additional support.

The Constellation Trust

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

17 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £ 000	Other support staff costs £ 000	Educational supplies £ 000	Other costs (excluding depreciation) £ 000	Total 2022 £ 000
Sirius Academy West	7,212	1,490	885	1,071	10,659
Sirius Academy North	6,565	612	687	939	8,801
Appleton Primary School	1,139	111	54	183	1,487
Bricknell Primary School	2,218	309	147	375	3,048
Rise Academy	2,662	575	96	573	3,906
Paisley Primary School	1,343	149	57	233	1,783
Francis Askew Primary School	1,771	242	115	301	2,430
Stoneferry Primary School	761	85	54	117	1,017
Rokeby Primary School	761	136	62	158	1,117
Victoria Dock Primary School	1,152	81	64	292	1,589
Central services	639	471	933	1,207	3,250
Academy Trust	26,223	4,261	3,154	5,449	39,087

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

	Total 2021 £ 000
Sirius Academy West	10,896
Sirius Academy North	8,679
Appleton Primary School	1,623
Bricknell Primary School	3,133
Rise Academy	3,366
Paisley Primary School	1,945
Francis Askew Primary School	2,441
Stoneferry Primary School	1,033
Rokeby Primary School	1,167
Victoria Dock Primary School	266
Central services	2,993
Academy Trust	37,542

The Constellation Trust

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

18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	84,843	84,843
Current assets	2,253	5,536	181	7,970
Current liabilities	(60)	(3,799)	(181)	(4,040)
Pension scheme liability	-	(1,984)	-	(1,984)
Total net assets	2,193	(247)	84,843	86,789

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

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	85,989	85,989
Current assets	3,058	3,401	-	6,459
Current liabilities	(9)	(3,037)	(249)	(3,295)
Pension scheme liability	-	(19,358)	-	(19,358)
Total net assets	3,049	(18,994)	85,740	69,795

19 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:

The Constellation Trust

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

20 Long-term commitments, including operating leases (continued)

	2022 £ 000	2021 £ 000
Amounts due within one year	138	313
Amounts due between one and five years	65	245
	<u>203</u>	<u>558</u>

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

	2022 £ 000	2021 £ 000
Net (expenditure)/income	(3,591)	2,679
Depreciation	2,531	2,395
Capital grants from DfE and other capital income	(845)	(1,133)
Interest receivable	(1)	(1)
Defined benefit pension scheme finance cost	343	238
Defined benefit pension scheme costs less contributions payable	2,868	1,652
Transfer from local authority on conversion	-	(5,566)
Increase in stocks	(39)	(43)
(Increase)/decrease in debtors	(532)	116
Increase in creditors	746	740
Cash transferred on conversion to an academy trust	-	190
Net cash (used in)/provided by Operating Activities	<u>1,480</u>	<u>1,268</u>

22 Cash flows from investing activities

	2022 £ 000	2021 £ 000
Interest received	-	1
Purchase of tangible fixed assets	(1,385)	(1,312)
Capital funding received from sponsors and others	845	799
Net cash used in investing activities	<u>(540)</u>	<u>(512)</u>

23 Analysis of cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash in hand and at bank	5,806	4,866
Total cash and cash equivalents	<u>5,806</u>	<u>4,866</u>

The Constellation Trust

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

24 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy serving notice, the Academy shall repay to the Secretary of State for Education sums determined by reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement.

25 Member liability

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

26 Pension and similar obligations

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

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

Contributions amounting to £532,094 were payable to the schemes at 31 August 2021 (2021: £524,764).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014 (as amended). Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Constellation Trust

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

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £3,201,802 (2021: £3,094,549).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,785,000 (2021 - £1,719,000), of which employer's contributions totalled £1,373,000 (2021 - £1,332,000) and employees' contributions totalled £412,000 (2021 - £387,000). The agreed contribution rates for future years are between 17% and 26.2% for employers and between 5.5% and 12.5% for employees.

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

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

The Constellation Trust

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

26 Pension and similar obligations (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.00	3.80
Rate of increase for pensions in payment/inflation	3.10	2.90
Discount rate for scheme liabilities	4.30	1.70

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

	2022	2021
Retiring today		
Males retiring today	20.80	21.00
Females retiring today	23.50	23.70
Retiring in 20 years		
Males retiring in 20 years	22.00	22.20
Females retiring in 20 years	25.30	25.50

Sensitivity analysis

	2022	2021
	£ 000	£ 000
0.1% decrease in real discount rate	619	1,037
1 year increase in member life expectancy	1,009	1,662
0.1% increase in salary increase rate	51	86
0.1% increase in pension increase rate	572	934

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

	2022	2021
	£ 000	£ 000
Equities	17,435	15,302
Other bonds	3,254	3,992
Property	2,325	2,439
Cash and other liquid assets	232	444
Total market value of assets	23,246	22,177

The actual return on scheme assets was a loss of £729,000 (2021 - £2,866,000).

The Constellation Trust

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

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2022/21 £ 000	2021/20 £ 000
Current service cost	2,868	1,652
Interest income	(377)	(305)
Interest cost	720	543
Total amount recognized in the SOFA	<u>3,211</u>	<u>1,890</u>

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

	2022/21 £ 000	2021/20 £ 000
At start of period	(41,535)	(30,236)
Conversion of academy trusts	-	(867)
Current service cost	(4,241)	(2,984)
Interest cost	(720)	(543)
Employee contributions	(412)	(387)
Actuarial gain/(loss)	21,314	(6,824)
Benefits paid	364	306
At 31 August	<u>(25,230)</u>	<u>(41,535)</u>

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

	2022/21 £ 000	2021/20 £ 000
At start of period	22,177	17,152
Conversion of academy trusts	-	441
Interest income	377	305
Actuarial (loss)/gain	(729)	2,866
Employer contributions	1,373	1,332
Employee contributions	412	387
Benefits paid	(364)	(306)
At 31 August	<u>23,246</u>	<u>22,177</u>

The Constellation Trust

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

27 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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

The Deep

(a company of which Mr N Porteus is a Director)

During the year the Trust purchased services from The Deep. The selection of this company was made in full compliance with the Trust's financial regulations.

- £937 payments (2021: £nil) were made in the period 1 September 2021 to 31 August 2022 and there were no amounts outstanding at the year end.

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amount due to The Deep was £Nil (2021 - £Nil).

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent of ESFA. In the accounting period ending 31 August 2022 the academy trust received £23,578 and disbursed £18,792 from the fund. An amount of £14,570 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £35,118 received, £25,334 disbursed and £9,784 included in other creditors.

The academy trust also distributes SKE and SCITT bursaries to trainees as an agent of ESFA. In the accounting period ending 31 August 2022 the academy trust received £1,270,526 and disbursed £1,076,590 from the fund. An amount of £193,936 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £1,006,631 received, £953,613 disbursed and £53,018 included in other creditors.