

# The Constellation Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

## **The Constellation Trust**

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## The Constellation Trust

### Reference and administrative details

<b>Members</b>	N Porteus L Probert S Hornby P D Duffield
<b>Trustees (Directors)</b>	N Porteus, Chairman D Swaby NL Rhodes (resigned 1 August 2023) L Brattan K Burden (resigned 17 July 2023) M Colthup P Rhodes (appointed 25 September 2023) W Anderson (appointed 25 September 2023) S Wright (appointed 25 September 2023) J Glazzard (appointed 25 September 2023)
<b>Company Secretary</b>	R Kennington
<b>Senior Management Team</b>	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 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 Havercroft, Head of School A Saunders, Headteacher J Danson, Head of School
<b>Principal and Registered Office</b>	Sirius Academy 296 Anlaby Park Road South Hull HU4 7JB
<b>Company Registration Number</b>	06545396

## The Constellation Trust

### Reference and administrative details (continued)

**Auditors** Forrester Boyd  
26 South Saint Mary's Gate  
Grimsby  
DN31 1LW

**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 2023**

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 2022 to 31st August 2023.

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 2019) and the Academies Accounts Direction issued by the Education Skills Funding Agency.

The capacity of student places within the Multi-Academy Trust is 6,004 (2022 5,944). This includes 200 sixth form places. The reason for the increase in capacity this year was a Local Authority funded expansion to Sirius Academy West in line with rising secondary numbers in that part of the city.

The student numbers on roll as at October 2023 were 4,972 (October 2022: 5,090). The reason for the reduction this year was due to falling rolls in a number of our primary schools. A number of the primary schools in the Trust will be reviewing their PANs in the coming year, as a result of projections of continued falling primary pupils across the city over the coming years.

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

##### ***Constitution***

The Multi-Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust. The company registration number is 06545396.

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

##### ***Trustees' indemnities***

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

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (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.

Over the academic year 2022/2023 all schools in the Trust have continued to prioritise closing the gaps in pupils' knowledge and understanding that continue to remain as a legacy of the pandemic. Pupils from disadvantaged backgrounds were the most affected by the period of lock-down. Outcomes for pupils reflect this trend and remain an area that is being swiftly addressed. The pandemic has had a concerning impact of pupils' attendance. All schools are working with parents/carers to re-establish pre-lockdown expectations of attending school every day.

Nationally and notable in Hull there has been a sharp increase in the number of pupils transitioning into school with additional needs. At EYFS, Year 1 and Year 7 pupils have joined our schools through the routine admissions programme with complex SEND. Significant work has been necessary to complete detailed and time-consuming assessments to seek the necessary support for the children. Special schools within the city are full, therefore pupils are being admitted into mainstream provision.

Despite ongoing initiatives and embedded programmes pupils still struggle with literacy. The Ruth Miskin phonic scheme has been successful in developing skills in KS1 with our Trust schools however, the majority of the pupils that join our two secondary schools come from other school in Hull and are less proficient in literacy and reading.

The 'Read Write Inc' phonics programme is now securely embedded across all Trust Primaries. As a result, Year 1 phonics outcomes on the screening improved in every Trust primary and each school achieved results which exceeded national averages in 2023. The 'Talk 4 Writing' programme is now more securely embedded. The initial focus has been on fiction writing with the non-fiction element introduced in October 23. This is improving pupils' understanding of text structure, key language features and the use of vocabulary, although further work is needed to securely embed sentence work and punctuation into the teaching sequence.

The Outdoor Play and Learning (OPAL) programme has now been introduced across all Trust Primary schools which is leading to a more positive play experience for all pupils. Bricknell Primary, the first of our schools to introduce OPAL, has been awarded Platinum Status in recognition of the success of the programme.

Key Stage 2 outcomes in 2023 met or exceeded national averages in most subjects at Appleton, Bricknell, Rokeby Park, Stoneferry and Victoria Dock, with Appleton's and Rokeby Park's results showing a significant improvement on 2022 outcomes. A key focus for next year will be to raise standards at Francis Askew and Paisley where results are still below national averages.

External examinations returned with their usual rigour in 2023. 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, do not attend or have additional needs. Strong outcomes were reported in Key Stage 5 especially in Law, Sociology, Maths, History and Geography.

Rise Academy continues to provide effective education for pupils who have presented behavioural challenges in other mainstream settings. A joint application with the East Riding Council has been submitted to open a free school that will support pupils with Social, Emotional, Mental Health issues. The outcome of the bid will not be known until autumn 2023.

Over the past year four schools within the Trust have been inspected by Ofsted; Stoneferry, Francis Askew and Rokeby Park have all been judged to be good on the current inspection framework. Rokeby Park School was an ungraded inspection and will be re-inspected within the next 18 months to 2 years.

## **The Constellation Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***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.

#### ***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 Advisory Boards (LAB's) for each Academy within the Trust. The LAB'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 LAB 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 Primary Lead. 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 three sub-committees, the Pay Committee, which ratifies all senior leader pay decisions, The Finance & Operations Committee, which deals with General Finance, HR & Operational Reporting and the Audit Committee, which leads on financial matters and governance. 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 Secondary Heads of School, 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.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### *Trade union facility time*

##### 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 spent on facility time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

\*Majority of facility time undertaken outside of core school hours

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

Percentage of time spent on facility time	Number of employees
Provide the total cost of facility time	21
Provide the total bill	32,319,854
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.00006%

##### Paid trade union activities

Percentage of time spent on facility time	Number of employees
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	0%

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

#### **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 risk management software solution which helps to improve and enhance risk management, throughout the Trust.



## **The Constellation Trust**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Engagement with employees (including disabled persons)***

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 Oct 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 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.

#### ***Engagement with suppliers, customers and others in a business relationship with the Academy Trust trust***

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 inflationary pressures from the War in Ukraine and general UK Inflation. 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.

#### **Objectives and activities**

##### ***Objects and aims***

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

The main objectives of the Multi-Academy Trust during the year ended 31st August 2023 are summarised below:

- To ensure that every child has equitable access to the highest quality education that removes the barriers to learning and enables them to achieve or exceed their personal potential;
- To provide a quality education with access to a wide range of extracurricular learning opportunities for every pupil;
- 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.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### *Objectives, strategies and activities*

The academic year 2022/2023 has presented many challenges that have resulted from the long-term impact of the national lockdown of March 2020 on pupils, their knowledge and understanding together with their attitude to attendance. The freedoms that were afforded to some children during the period when all schools were closed has led to delayed development in a significant number of pupils. Nationally there has been a spike in the number of pupils that present additional needs that would merit an Education Health Care Plan, EHCP. The pandemic has left a legacy of pupils who struggle to conform with the expectations of mainstream school. Research has shown that parents/carers no longer have the same attitude to school attendance and often condone absence. This 'shift' in parental attitude has had a serious effect on attendance. The gaps in learning resulting from the period of lock-down together with higher absence figures is a challenge as the catch-up process is ongoing. Despite intensive catch-up programmes and teaching strategies to routinely revisit learning, children still have aspects of the curriculum that are not fully secure. Children making the transition from primary to secondary school have missed fundamental knowledge in Year 5 and 6. Data has shown teacher assessment for KS2 and KS4 to be higher than would have been achieved in external exams.

The number of pupils with complex needs that have entered schools in the Trust in both EYFS and Year 7 has unexpectedly risen. This is a national trend. Applications for assessment for EHCPs has increased to such an extent with the Local Authority that there is a huge backlog. The statutory timeframe of 20 weeks for the assessments of an EHCP is not being met resulting in children's needs not being fully met. Staffing to support pupils with additional needs is being taken from classroom support for activities such as phonic, catch-up interventions etc.

Other external factors have led to a huge increase in the price of fuel and food; these include the impact of the coronavirus lockdowns, cold weather leading to poor harvests, and geopolitical issues such as Russia's invasion of the Ukraine in February 2022 and Brexit trade barriers. The cost of fuel and increased food costs have reduced the budget available for resources including staff.

The unprecedented challenge of increased costs necessitated careful budget management that was unable to appoint additional staffing to support pupils with additional needs without extra funding.

Examinations in 2022/2023 returned to the pre-pandemic rigour allowing for a national comparison with data from 2019. Outcomes at KS1 were positive. Primary schools achieved above the national average for ARE with the exception of Francis Askew and Paisley. KS4 outcomes showed an improvement in attainment but a dip in progress although, the latter is as a result of the number of pupils who attended alternative provision, were removed from the school roll prior to the examinations or failed to attend. There were some outstanding results for individuals. A' level results were strong especially in Law, Sociology, History, Geography and maths.

Attendance has been an issue nationally. Schools in the Trust have worked collaboratively and with external partners to improve attendance with some positive impact. There has been an increase in parents/carers taking term time holidays despite the fines incurred. Support is also being sought through Local Authority who are able to take parents/carers to court if their child's absence is unauthorised and give fixed penalty notices. Incentives and working in partnership with families are the most effective approach to making improvements. The strategies employed by the schools is slowly have a positive impact on attendance figures.

All schools have prioritised 'quality first' teaching and provided staff with a suite of Continued Professional Development opportunities to ensure strong, effective teaching. Collaborative planning has afforded the weaker and less experienced staff to learn from the best practitioners and refine their skills to meet the diverse needs of the pupils.

#### *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 2022-2023 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 2016, 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 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Strategic Report

##### Achievements and performance

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 during the period of the pandemic although, the results were not published or used by the DfE or Ofsted. In 2023 examinations were reintroduced with the same rigour as in 2019 and were not supported by supplementary information.

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 37.4 and Sirius West score was 41.6 (the LA average was 42.9 and National average for England was 46.2). At Sirius Academy North, almost half the pupils (46.1%) were classed as disadvantaged. Only 18.5% of the year 11 cohort were more able, 44% were of mid ability and 28.5% were less able. (9% of pupils had no prior attainment data.) At Sirius West, approximately one third of pupils were from disadvantaged backgrounds, 23% were more able learners, 51% of pupils were mid-ability and 22.4% were less able. (about 3% of the cohort did not have any prior attainment data).

Outcomes in GCSE English and maths was below the National at Grade 5 and above, with Sirius North achieving 34% and Sirius West achieving 30% (the LA average was 39% and National average for England was 45%). The crossover in GCSE English and maths was more positive at Grade 4 or above as Sirius North reported 53% and Sirius West 51%. Progress scores were adversely affected by the large number of pupils who were unable to achieve a grade in 8 qualifications that led to a significantly negative score. Pupils who achieve their target grade in all 8 subjects achieve a progress score of zero. Progress scores become distorted when there is a number of pupils who do not sit the required number of qualifications. The challenge remains for achievement in both English and maths.

Historically, vocational qualifications enabled pupils to achieve positive progress scores as had elements of coursework and assessments reducing the pressure of a final exam, however the demands of the exam specifications that count towards Progress 8 have become equally as challenging as traditional GCSE qualifications.

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

At Post 16, the average A' level grade was C+. 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.

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.

The Trust includes seven primary schools. The schools work closely together, supported by a small primary school improvement team. Effective school to school support is a growing strength in the Trust, with an increase in teachers moving between schools to strengthen practice. Close links between Bricknell and Francis Askew primaries were instrumental to the improved Ofsted outcome at Francis Askew in Summer 2023, which is now graded good.

The Read Write Inc programme is now fully embedded across the Trust Primaries, ensuring that phonics and early reading is 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. All schools achieved results above national averages on the phonics screening check in 2023. This has also supported the ongoing work on catch up and intervention following the disruption of the pandemic, as reading is a key area of focus.

Trust schools mostly performed well in the Key Stage Two tests in 2023. Outcomes at Appleton and Rokeby improved from 2022 and five of the Trust primaries had results which exceeded national averages for Reading, Writing, Maths combined. Outcomes at Bricknell were in the top 20% of schools nationally for all measures of progress and attainment. Results at Francis Askew and Paisley remained below national averages in all subjects in 2023, so raising standards is the key focus of Trust support in both schools.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

A significant amount of Trust support continues to be invested into Paisley. The school received a section 8 inspection from Ofsted in January 2022 and is due to be reinspected within 2 years. Since the inspection, a new Head of School has been appointed, followed by two new Deputy Headteachers to strengthen leadership. A new Senco has been appointed for September 2023 as provision for SEND is a key priority for improvement. Two members of staff have joined the school from other Trust schools to strengthen teaching and extensive training and support is being provided to improve the quality of the curriculum and to develop the quality of teaching.

At the start of 2022-23, a new Head of School took up post at Stoneferry Primary School. This was inspected by Ofsted during this first half term and was judged to be good. Rokeby Park Primary received a section 8 inspection in November 2022 and is due a full section 5 reinspection within 2 years.

During 2022-23, all schools have seen a significant increase in the number and level of need of pupils with Special Educational Needs. The demand for special school places in the city has increased significantly which means that schools now have pupils with a greater level of need to manage within school. All Trust Primaries have developed internal provisions within the schools to allow more bespoke teaching for the highest needs pupils. In addition, Bricknell Primary already runs a successful ASD resource base which admits pupils on commissioned places from the LA. Victoria Dock has also opened two enhanced provision units for pupils with learning difficulties to support with the growing need across the city.

Pupil numbers are falling across the city which has led to a reduction in pupils on roll at Appleton, Rokeby Park and Stoneferry. This has led to some reductions in staffing and an increase in mixed age classes.

The two training aspects of the Trusts continue in light of a changing educational landscape. The Initial Teacher Training activities, undertaken by Yorkshire and Humber Teacher Training, will move to a partnership model with other providers due to DfE actions reducing the number of organisations in the sector. It is expected that this will result in a drop of income as cost per trainee is reduced.

The Apprenticeship Registration continues to be of benefit to the Trust, with the ability to draw down funding from the levy pot to upskill staff to the Level 3 teaching apprenticeship. The provision of End Point Assessments has increased this year and has seen a significant increase in income for the trust, only limited by Trust staff capacity to service the contracts.

The commercial training provision, operated through Blueprint Alliance, has continued to grow. The organisation provides NPQ training for an external partner and delivers the Early Careers Framework to our own staff. This is a statutory requirement which would ordinarily incur a significant cost for the Trust but has been turned to an income opportunity by securing the contract to deliver it using Blueprint Alliance staff. Again, the income generated from these contracts is only limited by the requirement for the courses to be delivered by an accredited NPQ facilitator, of which the Trust only has one in the shape of the Head of Teaching School. The Trust, through Blueprint Alliance, also holds a Subject Knowledge Enhancement contract for the DfE, which realises significant income.

The Constellation Trust was established in June 2017. Over the past six years it has grown successfully to a group of ten schools and recognised as a medium sized trust by the DfE. Victoria Dock, the last school to join the trust formally transferred to the group in July 2021.

Three of the ten schools have been inspected by Ofsted. Stoneferry and Francis Askew Primary schools were inspected under section 5 of the framework; both were judged to be good in all areas. This was an excellent outcome for Francis Askew School as it had been in the category of 'requires improvement' for 6 years having joined the trust with this judgement. Rokeby Park Primary was inspected under section 8. The school retained its judgement of good but will be re-inspected in the near future.

The high numbers of pupils with additional needs has led to the local authority funding additional provisions outside of the local special schools. The resource base for children with autism continues to be successful at Bricknell School. This model has been developed by Victoria Dock who have two bases; one for KS1 pupils and a second for children in KS2. This provision is funded as 'enhanced ratio classrooms' on a much lower level than a resource base. Stoneferry has catered for a small group of pupils with a high level of special educational need in their 'rainbow room'. Funding for this provision has been reduced and in the forthcoming academic year the pupils will need to be allocated special school places.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

Numbers of pupils of primary age is a declining picture within the city. Fewer pupils are forecast to require school places over the next five years. At secondary age, there has been an increase in pupils. The majority of secondary schools in Hull have benefitted from expansions. Sirius Academy North has increased the Published Admission Number, PAN from 240 to 270 over the next five years. The school is full in most year groups. To meet the needs of pupils wanting secondary places in the West of the city, Sirius Academy West were asked to take an additional 30 pupils in 2023. Additional pupil numbers increase the budget but creates additional strain on resources and school management. Year groups of 270 and 310 pupils respectively present organisation challenges.

Rise Academy has been commissioned by the Local Authority to pilot a new approach to addressing the behaviour of pupils who are permanently excluded from secondary schools. The pilot will be opened in the next academic year. An application for a 'free school' in partnership with the East Riding has been submitted to the DfE. If successful the school will cater for pupils who have been permanently excluded from their school. A new approach will be adopted to address the behaviour of the young person to modify their actions to enable them to make the transition back into mainstream.

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

#### *Key non-financial performance indicators*

The standard of attainment of pupils attending the majority of the Trust's Academies has remained consistent and broadly in line with outcomes from 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 Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### *Promoting the success of the academy*

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 five thousand pupils it supports every year.

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 SLTs 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 cost of living 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 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.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

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.

#### **Financial review**

The Multi-Academy Trust generated unrestricted income during the year of £1,630,000 (2022 £1,325,000). This was mainly generated from catering income and hire of facilities. The costs of activities for generating funds were £1,369,000 (2022 £1,151,000).

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 2019'), 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 2023, total restricted revenue expenditure of £41,600,000 (2022 £40,032,000) was not 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 £1,153,000 (2022 £2,263,000).

At 31st August 2023 the net book value of fixed assets was £88,015,000 (2022: £84,843,000) and movements in tangible fixed assets are shown in note 12 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 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.

#### ***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 £960,000 (2022 £1,737,000). In addition, as noted above, the Multi-Academy Trust has £2,454,000 (2022 £2,193,000) of unrestricted 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. The Local Government Pension deficit within restricted funds is £nil (2022 £1,984,000), as the total market value of assets currently covers the present value of liabilities.

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### *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.

A comprehensive electronic risk register is in place which is reviewed termly at the Audit and Risk Committee. Each school has their own risk register and these contain risks and threats covering, curriculum, financial, estate and governance areas of risk. These are ranked based on their Likelihood and Impact on a 5x5 Risk Matrix basis.

Specific risk management for areas such as estate management to guard against potential Health and Safety issues are in place to ensure that all of the Trust's estate is maintained correctly and areas such as asbestos and its management have specific guidelines in place.

The Trust also buys in an external provider of Health and Safety scrutiny, which provides annual reviews of the individual academies and their management of Health and Safety on the site. Any recommendations are acted upon immediately. Principal Risks and uncertainties currently facing the Trust

- Pay inflation and general cost inflation of goods and services in excess of funding being devolved to the Trust from the ESFA
- Falling pupil rolls in the primary schools, it's impact on funding and in-year transfers of pupils into our schools without equivalent funding following.
- Ageing school estates and the investment required to keep the sites safe
- Significant investments required over the coming years in ICT, without specific funding coming into the Trust to fund.
- Continuing impact of post pandemic attendance predominately in the Secondary Schools and its impact on behaviour, progress and safeguarding of pupils.
- Continued impact of severe deprivation in a number of the catchment areas our schools serve

#### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.



## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### Streamlined Energy and Carbon Reporting

##### 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 1st September to 31st August each year and the energy and carbon emissions are aligned to this period.

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
<b>Energy consumption break down (kWh)</b>		
Gas	5,086,581	5,389,427
Purchased electricity from the grid	2,820,590	3,193,066
Transport fuel	80,259	-
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Owned transport - mini-buses	20.00	18.80
Gas consumption	928.50	985.90
Total scope 1	948.50	1004.70
<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	545.40	661.20
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Business travel in employee-owned vehicles	0.00	3.00
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1493.90</b>	<b>1668.90</b>
<b>Intensity ratio</b>		
Tonnes CO2e per pupil	<b>0.28</b>	<b>0.34</b>
Tonnes of CO2e per square meter floor area	<b>0.03</b>	<b>0.03</b>

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (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 2023 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. Where invoices did not cover the full reporting year, the pro-rata estimation technique and direct comparison was applied. Mileage records were used to calculate energy use and emissions associated with Trust owned vehicles and Grey Fleet. 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).

#### Intensity measurement

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) 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 2022 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.

#### Measures taken to improve energy efficiency

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

- Installation of Automatic Meter Readers (AMRs) across all sites for continuous monitoring, managed by Zenergi and internally overseen by the finance department.
- Deployment of the latest BMS (Building Management System) software updates to all systems, complemented by maintenance packages and performance reviews conducted by an External Company (C3 Group). This assessment ensures optimization for power and energy demands with adjustments made for maximum efficiency.
- Phase 3 of flat roof replacement at Appleton with energy-efficient and insulative roofing, coupled with a comprehensive transition to LED lighting. LED lights have been installed at SAN and SAW, concluding the LED lighting transition across the estate. Additionally, refurbishment endeavours have involved LED integration where feasible, along with new insulation and glazing to enhance energy conservation.
- Replacement of single glazed windows at Bricknell and Rokeby to improve insulation and reduce energy loss.
- Upgrading aged street lighting at SAW to LED technology, contributing to energy savings and better illumination.
- Investment of approximately £220k in various energy efficiency projects throughout the year, showcasing a commitment to sustainable practices and reduced energy consumption.

These measures collectively underscore The Constellation Trust's dedication to enhancing energy efficiency, employing modern technologies, and making strategic investments to minimize environmental impact and operational costs.

#### 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 support all schools within the Trust to achieve positive outcomes that are above or in-line with national across all Key Stages;
- To provide Trust schools with 'school improvement support' to ensure that they offer a good or better standard of education as judged by Ofsted;
- To continue to strengthen SEND provision;
- To develop literacy as a key driver for raising attainment;
- To improve attendance and attitudes to learning through parental engagement and raising the expectations and aspirations of pupils;
- To continue to provide high quality continued professional development to all staff and further develop the Subject Knowledge Enhancement and Apprentice programmes through Blue Print Alliance;

## The Constellation Trust

### Trustees' report for the Year Ended 31 August 2023 (continued)

#### 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 trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

DocuSigned by:  
  
AF64499F2B7C40F.....  
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 Governance 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Brattan	4	4
N Porteus	4	4
M Colthup	4	4
K Burden (resigned 17 July 2023)	3	4
D Swaby	3	4
Dr C Taylor, Accounting Officer	4	4
NL Rhodes (resigned 1 August 2023)	1	4

#### Governance reviews

A formal Governance Review has not been undertaken this year, with the Trust planning on a review in 2023-24.

As part of the bi-annual internal scrutiny visits by an External Provider, Governance is looked at as part of the review and reported on to the Board and Audit and Risk Committees.

Whilst there has not been an official self review of Governance this year, the Trust regularly reviews its structure and through thorough skills audits, ensures that Trustees are capable of adding significant value to the areas in which they are assigned and support.

As part of the School Resource Self Assessment Checklist and our own Academy Musts checklist, based on those detailed in the Academies Handbook, Governance is reviewed and discussed at least annually when the new Handbook is released and the latest Checklist is submitted.

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. Attendance at meetings during the year was as follows:

## The Constellation Trust

### Governance statement (continued)

Trustee	Meetings attended	Out of a possible
L Brattan	4	4
N Porteus	4	4
K Burden (resigned 17 July 2023)	4	4
Dr C Taylor, Accounting Officer	4	4
R Kennington	4	4

The Audit Committee is a sub-committee of the main Board of Trustees. 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. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
NL Rhodes (resigned 1 August 2023)	2	3
M Colthup	1	3
D Swaby	3	3
Dr C Taylor, Accounting Officer	3	3
R Kennington	3	3

#### Conflicts of interest

A register of interest's schedule is kept by the Trust which details any of the director's declarations made when a Director is first appointed onto the Board. This is an agenda item at each meeting to ensure the document is maintained and up to date, the document is kept on the Trust's website. Procedures for dealing with any transactions with these interests are detailed in the Trust Finance Manual which ensures all of these types of transactions are either at cost or on commercial terms.

#### Effective oversight of funds

Effective oversight of funds has been maintained by issuing monthly management accounts which include variance reports and commentary to all Directors allowing them to raise queries where applicable.

## The Constellation Trust

### Governance statement (continued)

#### 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 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 Trust. Of particular note was the significant increase in SKE Funding during the period, establishing Humber Teacher Training as one of the major providers of these courses nationally.
- 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. This has been used to drive efficiency savings in all areas of non-staffing spend and reduce unnecessary admin time managing multiple contracts.
- A new energy contract was entered into, with three other Multi Academy Trusts in the City. This enabled the contract to hit the consumption levels required to qualify for much lower price per Kwh. Whilst the latest contract has led to an increase in total contract value, it is 200-300% lower than the market rate, had the Trust allowed the contract to lapse and go onto a variable contract. The contract is a mix of fixed pricing and variable, with the Trust working with a broker to purchase significant amounts of energy in advance when the price is lower and using effective trading to take advantage of lower pricing on the variable aspect of the contract to sell back energy units higher than what we have paid for them.
- New contracts signed with a catering provider for pre packed sandwiches. This has not only saved the Trust circa £50k pa but also led to an increase in the range and portion sizes of the products.
- Continued use of DfE backed frameworks to undertake procurement in ICT Managed Services, WiFi and Infrastructure works and other areas of material procurement.

#### *Estate Management and Value for Money*

Of particular focus this year has been the allocation of the significant SCA funds the Trust receives each year and how it spends the funding on its estate to ensure it is safe, well-maintained and complies with Regulations.

To that end, funding is devolved both through the schools revenue budgets for all general repair and maintenance concerns, with major capital projects and refurbishments met from SCA Funding.

Each school has had a Condition Survey alongside the CDC and CDC2 surveys as well as estate maintenance and management plans for the short, medium and long term, and these are used as a starting point to allocate funds, with the most immediate areas of concern, prioritised.

Strict criteria are applied to all projects, with those addressing critical condition survey items, health and safety issues and asbestos removal carrying the highest weightings. In addition to this, as described in the SECR report, further funds are also driven towards energy efficiency projects to reduce carbon emissions and spend on Gas and Electric.

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 2023 and up to the date of approval of the annual report and financial statements.

## The Constellation Trust

### Governance statement (continued)

#### 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 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### The risk and control framework

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

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

The 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 an 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

There were no material control or other issues reported by the Internal Auditor to date.

#### Review of effectiveness

As accounting officer, she has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**The Constellation Trust**  
**Governance statement (continued)**

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

DocuSigned by:  
*Neil Porteus*  
.....AF64499F2B7C40F.....  
N Porteus  
Trustee

DocuSigned by:  
*Cathy Taylor*  
.....9CCE6C1B4CBF4F3.....  
Dr C Taylor



## 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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, including responsibilities for estates safety and management.

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.

DocuSigned by:  
  
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Dr C Taylor  
Accounting officer

11 December 2023

## The Constellation Trust

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2023 and signed on its behalf by:

DocuSigned by:  
  
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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 Trust') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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 Trust's affairs as at 31 August 2023 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; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023 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 Trust 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 original financial statements were authorised for issue.

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

#### Other information

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

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

We have nothing to report in this regard.

## The Constellation Trust

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

#### 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 Directors' report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report included within the 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 Directors' report, included within the Trustees' Report.

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

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

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 24], the Trustees (who are also the Directors of the Academy Trust for the purpose 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2022 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. 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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

## The Constellation Trust

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

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

#### Use of our report

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

DocuSigned by:

*Carrie Jensen*

BD\*AE37F17274BE:.....

Carrie Anne Jensen ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate  
Grimsby  
DN31 1LW

11 December 2023

## 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 2 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 The Constellation Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 28 October 2016 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment
- Assessing the risk of irregularity, impropriety and non-compliance
- Ensuring that all the activities of the Academy Trust are in keeping with the academy's framework and the charitable objectives
- Obtaining representations from the Accounting Officer and Key Management Personnel

#### **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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

*Carrie Jensen*

BDAC37F17274BE.....

Carrie Anne Jensen ACA, Reporting Accountant

For and on behalf of Forrester Boyd, Chartered Accountants

26 South Saint Mary's Gate

Grimsby

DN31 1LW

11 December 2023

## The Constellation Trust

### Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	5,828	1,029
Other trading activities	4	191	-	191	133
Investments	5	1	-	1	1
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,438	38,865	40,303	37,713
Teaching school hub		-	1,583	1,583	1,247
<b>Total</b>		<u>1,630</u>	<u>40,448</u>	<u>47,906</u>	<u>40,123</u>
<b>Expenditure on:</b>					
Raising funds	6	-	46	46	51
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,369	40,331	44,400	42,745
Teaching school hub		-	1,223	11	1,234
<b>Total</b>		<u>1,369</u>	<u>41,600</u>	<u>45,681</u>	<u>43,714</u>
Net income/(expenditure)		261	(1,153)	3,117	(3,591)
Transfers between funds		-	(197)	197	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	2,556	2,556	20,585
Net movement in funds		261	1,207	3,314	16,994
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2022		<u>2,193</u>	<u>(247)</u>	<u>84,843</u>	<u>69,796</u>
Total funds carried forward at 31 August 2023		<u>2,454</u>	<u>960</u>	<u>88,157</u>	<u>86,789</u>

## 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
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	1,029	1,029
Other trading activities	4	133	-	-	133
Investments	5	1	-	-	1
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	1,191	36,522	-	37,713
Teaching school hub		-	1,247	-	1,247
<b>Total</b>		<u>1,325</u>	<u>37,769</u>	<u>1,029</u>	<u>40,123</u>
<b>Expenditure on:</b>					
Raising funds	6	51	-	-	51
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,100	39,125	2,520	42,745
Teaching school hub		-	907	11	918
<b>Total</b>		<u>1,151</u>	<u>40,032</u>	<u>2,531</u>	<u>43,714</u>
Net income/(expenditure)		174	(2,263)	(1,502)	(3,591)
Transfers between funds		(1,029)	424	605	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	20,585	-	20,585
Net movement in (deficit)/funds		(855)	18,746	(897)	16,994
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		<u>3,048</u>	<u>(18,993)</u>	<u>85,740</u>	<u>69,796</u>
Total funds/(deficit) carried forward at 31 August 2022		<u>2,193</u>	<u>(247)</u>	<u>84,843</u>	<u>86,789</u>



**The Constellation Trust**  
**(Registration number: 06545396)**  
**Balance Sheet as at 31 August 2023**

	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Tangible assets	12	88,015	84,843
<b>Current assets</b>			
Stocks	13	96	119
Debtors	14	1,743	2,045
Cash at bank and in hand		<u>5,408</u>	<u>5,806</u>
		7,247	7,970
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	15	<u>(3,691)</u>	<u>(4,040)</u>
Net current assets		<u>3,555</u>	<u>3,931</u>
Total assets less current liabilities		<u>91,570</u>	<u>88,773</u>
Net assets excluding pension asset		91,570	88,773
Defined benefit pension scheme liability	22	<u>-</u>	<u>(1,984)</u>
<b>Total net assets</b>		<b><u>91,570</u></b>	<b><u>86,789</u></b>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	16	960	1,737
Restricted fixed asset fund	16	88,157	84,843
Pension reserve	16	<u>-</u>	<u>(1,984)</u>
		89,116	84,596
<b>Unrestricted funds</b>			
Unrestricted general fund	16	<u>2,454</u>	<u>2,193</u>
<b>Total funds</b>		<b><u>91,570</u></b>	<b><u>86,789</u></b>

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue on 11 December 2023 and signed on their behalf by:

DocuSigned by:  
  
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 N Porteus  
 Trustee

## The Constellation Trust

### Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £ 000	2022 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	4,358	1,480
Cash flows from investing activities	19	<u>(4,757)</u>	<u>(539)</u>
Change in cash and cash equivalents in the year		(398)	941
Cash and cash equivalents at 1 September		<u>5,806</u>	<u>4,866</u>
Cash and cash equivalents at 31 August	20	<u><u>5,408</u></u>	<u><u>5,806</u></u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023

#### 1 Accounting policies

##### General information

The academy trust is a public benefit entity set up as a private company, limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Sirius Academy  
296 Anlaby Park Road South  
Hull  
HU4 7JB

The financial statements were authorised for issue by the Board on 11 December 2023.

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

##### Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest thousand.

The financial statements cover the individual entity The Constellation Trust.

The Constellation Trust meets the definition of a public benefit entity under FRS102.

##### Going concern

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

##### Income

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (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.

##### *Donations*

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

##### *Other income*

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

##### *Donated 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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (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. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

##### 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 cost. Prepayments are not financial instruments.

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

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

##### Taxation

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

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

##### Pension benefits

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

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

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

##### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the 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 2023 (continued)

#### 1 Accounting policies (continued)

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact on 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 31/08/2023. 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.

##### **Agency accounting**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

#### 2 Donations and capital grants

	<b>Restricted Fixed Asset Funds £ 000</b>	<b>2022/23 Total £ 000</b>	<b>2021/22 Total £ 000</b>
Capital grants	1,126	1,126	845
Donated fixed assets	4,702	4,702	184
	5,828	5,828	1,029

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	Unrestricted Funds £ 000	Restricted General Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
<b>Educational operations</b>				
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	28,558	28,558	28,239
Other DfE/ ESFA Grants	-	2,846	2,846	1,873
Pupil Premium	-	2,289	2,289	2,153
Supplementary Grant	-	964	964	382
	<u>-</u>	<u>34,657</u>	<u>34,657</u>	<u>32,647</u>
<b>Other government grants</b>				
Local Authority Grants	-	4,170	4,170	3,875
<b>Non-government grants and other income</b>				
Other income from the academy trust's operations	1,438	38	1,476	1,191
<b>Teaching school hub</b>				
DfE/ ESFA grants	-	1,405	1,405	1,233
Other income	-	177	177	15
	<u>-</u>	<u>1,583</u>	<u>1,583</u>	<u>1,247</u>
Total grants	<u>1,438</u>	<u>40,448</u>	<u>41,886</u>	<u>38,960</u>

#### 4 Other trading activities

	Unrestricted Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Hire of facilities	73	73	60
Other income	119	119	73
	<u>191</u>	<u>191</u>	<u>133</u>

#### 5 Investment income

	Unrestricted Funds £ 000	2022/23 Total £ 000	2021/22 Total £ 000
Short term deposits	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>



## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 6 Expenditure

	Non Pay Expenditure			2022/23	2021/22
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
<b>Expenditure on raising funds</b>					
Allocated support costs	-	-	46	46	51
<b>Academy's educational operations</b>					
Direct costs	27,804	-	4,027	31,831	28,828
Allocated support costs	4,668	5,039	2,862	12,569	13,917
<b>Teaching school hub</b>					
Teaching school hub - Direct costs	306	29	816	1,151	856
Teaching school hub - Allocated support costs	20	-	64	83	63
	<u>32,798</u>	<u>5,068</u>	<u>7,815</u>	<u>45,681</u>	<u>43,714</u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
Operating lease rentals	132	138
Depreciation	2,711	2,531
Fees payable to auditor - audit	20	18
Fees payable to auditor - other audit services	11	11
	11	11

#### 7 Charitable activities

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
Direct costs - educational operations	31,831	28,828
Support costs - educational operations	12,569	13,917
Direct costs - teaching school hub	1,151	856
Support costs - teaching school hub	83	63
	45,634	43,663

	<b>Teaching school hub £ 000</b>	<b>Educational operations £ 000</b>	<b>2022/23 Total £ 000</b>	<b>2021/22 Total £ 000</b>
<b>Analysis of support costs</b>				
Support staff costs	20	4,668	4,688	6,693
Depreciation	-	2,700	2,700	2,520
Technology costs	-	683	683	643
Premises costs	-	2,339	2,339	1,870
Legal costs - other	-	18	18	3
Other support costs	64	2,160	2,224	2,250
Governance costs	-	-	-	-
Total support costs	83	12,569	12,652	13,980

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 8 Staff

##### Staff costs

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	24,043	21,879
Social security costs	2,484	2,271
Operating costs of defined benefit pension schemes	5,448	7,510
	31,976	31,661
Supply staff costs	720	622
Staff restructuring costs	102	53
	32,798	32,336
	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>

##### Staff restructuring costs comprise:

Severance payments	102	53
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##### Severance payments

The Academy Trust trust paid 6 severance payments in the year disclosed in the following bands:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
0 - £25,000	5	5
£25,001 - £50,000	1	-
	6	5

##### Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £35,222 (2022: £53,110). Individually, the payments were:

Non-contractual payments	£9,564
Non-contractual payments	£11,790
Non-contractual payments	£13,868

##### Staff numbers

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>No</b>	<b>No</b>
Teachers	313	313
Administration and support	425	437
Management	53	51
	791	801

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 8 Staff (continued)

##### Higher paid staff

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

	2022/23	2021/22
	No	No
£60,001 - £70,000	12	23
£70,001 - £80,000	6	6
£80,001 - £90,000	2	4
£90,001 - £100,000	5	2
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
	1	-

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,958,256 (2022: £1,899,745).

#### 9 Central services

The 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 academy trust charges for these services on the following basis:

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 9 Central services (continued)

The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£ 000	£ 000
Sirius Academy West	553	526
Sirius Academy North	536	544
Appleton Primary School	60	64
Bricknell Primary School	137	133
Rise Academy	35	35
Paisley Primary School	78	79
Francis Askew Primary School	121	114
Stoneferry Primary School	38	39
Rokeby Primary School	45	47
Victoria Dock Primary School	60	60
	1,662	1,641

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

No trustees have been paid remuneration or received other benefits from an employment with the academy trust.

During the year ended 31 August 2023, travel and subsistence expenses totalling £74 (2022 - £Nil) were reimbursed or paid directly to 1 trustees (2022 - 0).

Other related party transactions involving the trustees are set out in note 23.

#### 11 Trustees' and officers' insurance

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 12 Tangible fixed assets

	Long Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Motor vehicles £ 000	2022/23 Total £ 000
<b>Cost</b>					
At 1 September 2022	97,618	2,734	3,125	193	103,669
Additions	5,047	437	399	-	5,883
Disposals	(3)	(31)	(1,191)	-	(1,225)
At 31 August 2023	<u>102,662</u>	<u>3,140</u>	<u>2,333</u>	<u>193</u>	<u>108,327</u>
<b>Depreciation</b>					
At 1 September 2022	14,593	2,146	1,926	162	18,827
Charge for the year	2,148	178	372	13	2,711
Eliminated on disposals	(3)	(31)	(1,191)	-	(1,225)
At 31 August 2023	<u>16,738</u>	<u>2,292</u>	<u>1,107</u>	<u>175</u>	<u>20,312</u>
<b>Net book value</b>					
At 31 August 2023	<u>85,924</u>	<u>848</u>	<u>1,226</u>	<u>18</u>	<u>88,015</u>
At 31 August 2022	<u>83,025</u>	<u>588</u>	<u>1,198</u>	<u>31</u>	<u>84,843</u>

#### 13 Stock

	2023 £ 000	2022 £ 000
Stocks	<u>96</u>	<u>119</u>

#### 14 Debtors

	2023 £ 000	2022 £ 000
Trade debtors	301	393
VAT recoverable	329	396
Other debtors	17	44
Prepayments	502	502
Accrued grant and other income	594	709
	<u>1,743</u>	<u>2,045</u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade creditors	1,004	1,244
Other taxation and social security	584	546
Other creditors	181	187
Accruals	1,111	944
Deferred income	256	587
Pension scheme creditor	556	532
	<u>3,691</u>	<u>4,040</u>
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>

#### Deferred income

Deferred income at 1 September 2022	587	280
Resources deferred in the period	256	587
Amounts released from previous periods	(587)	(280)
Deferred income at 31 August 2023	<u>256</u>	<u>587</u>

Deferred income relates to monies for the 2023-2024 academic year. Amounts carried forward relate to: SKE funding clawback £177,270, trip income £48,875, 16-18 bursary funding £15,705 and £13,666 for supplementary grant, teachers pay grant and pensions grant.

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 Funds

	Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2023 £ 000
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	923	28,558	(29,027)	(197)	258
Other DfE/ ESFA	474	6,099	(6,573)	-	-
LEA and Other Grant	-	4,208	(4,194)	-	14
Teaching School	340	1,583	(1,234)	-	688
Total restricted general funds	<u>1,737</u>	<u>40,448</u>	<u>(41,028)</u>	<u>(197)</u>	<u>960</u>
<i>Restricted fixed asset funds</i>					
DfE/ ESFA Capital Grant	2,850	1,126	(41)	-	3,935
Capital Expenditure from GAG	1,365	-	(765)	197	797
Donated Fixed Asset Fund	80,628	4,702	(1,905)	-	83,425
Total restricted fixed asset funds	<u>84,843</u>	<u>5,828</u>	<u>(2,711)</u>	<u>197</u>	<u>88,157</u>
<i>Pension reserve funds</i>					
Pension Reserve	<u>(1,984)</u>	<u>-</u>	<u>(572)</u>	<u>2,556</u>	<u>-</u>
Total restricted funds	<u>84,596</u>	<u>46,276</u>	<u>(44,311)</u>	<u>2,556</u>	<u>89,116</u>
<i>Unrestricted general funds</i>					
Unrestricted general funds	<u>2,193</u>	<u>1,630</u>	<u>(1,369)</u>	<u>-</u>	<u>2,454</u>
Total unrestricted funds	<u>2,193</u>	<u>1,630</u>	<u>(1,369)</u>	<u>-</u>	<u>2,454</u>
Total funds	<u><u>86,789</u></u>	<u><u>47,906</u></u>	<u><u>(45,681)</u></u>	<u><u>2,556</u></u>	<u><u>91,570</u></u>



## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 Funds (continued)

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

	Balance at 1 September 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2022 £ 000
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	-	29,131	(28,632)	424	923
Other DfE/ ESFA	364	3,590	(3,480)	-	474
LEA and Other Grant	-	3,800	(3,800)	-	-
Teaching School	-	1,247	(907)	-	340
Total restricted general funds	<u>364</u>	<u>37,768</u>	<u>(36,819)</u>	<u>424</u>	<u>1,737</u>
<i>Restricted fixed asset funds</i>					
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	<u>82,633</u>	<u>184</u>	<u>(2,189)</u>	<u>-</u>	<u>80,628</u>
Total restricted fixed asset funds	85,740	1,029	(2,532)	606	84,843
<i>Pension reserve funds</i>					
Pension Reserve	<u>(19,358)</u>	<u>-</u>	<u>(3,211)</u>	<u>20,585</u>	<u>(1,984)</u>
Total restricted funds	<u>66,746</u>	<u>38,797</u>	<u>(42,562)</u>	<u>21,615</u>	<u>84,596</u>
<i>Unrestricted general funds</i>					
Unrestricted general funds	<u>3,049</u>	<u>1,325</u>	<u>(1,152)</u>	<u>(1,029)</u>	<u>2,193</u>
Total unrestricted funds	<u>3,049</u>	<u>1,325</u>	<u>(1,152)</u>	<u>(1,029)</u>	<u>2,193</u>
Total funds	<u><u>69,795</u></u>	<u><u>40,122</u></u>	<u><u>(43,714)</u></u>	<u><u>20,586</u></u>	<u><u>86,789</u></u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 Funds (continued)

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

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 the 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:

General Funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

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 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 2023.

Other DfE/ ESFA Restricted Funds represent funding received from the ESFA for the purposes for which they are given. These grants are given to fulfil the charitable objects of the Multi-Academy Trust.

Other restricted funds represent all other restricted funds received which must be used for the purpose intended.

Pension reserves represents the current deficit balance of the Local Government Pension Scheme.

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.

#### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Central services	3,414	3,930
Total before fixed assets and pension reserve	3,414	3,930
Restricted fixed asset fund	88,157	84,843
Pension reserve	-	(1,984)
Total	91,570	86,789

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

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 16 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 2023 £ 000	Total 2022 £ 000
Sirius Academy West	7,502	718	556	2,338	11,115	10,658
Sirius Academy North	6,904	712	1,001	1,992	10,609	8,803
Appleton Primary School	1,188	113	25	275	1,601	1,487
Bricknell Primary School	2,360	361	177	595	3,493	3,049
Rise Academy	3,044	110	629	904	4,687	3,906
Paisley Primary School	1,447	166	44	375	2,032	1,782
Francis Askew Primary School	1,883	252	80	515	2,730	2,429
Stoneferry Primary School	783	87	32	223	1,124	1,017
Rokeby Primary School	798	154	41	238	1,231	1,117
Victoria Dock Primary School	1,277	100	61	365	1,803	1,589
Central services	923	1,436	5	2,627	4,991	3,250
Academy Trust	<u>28,110</u>	<u>4,210</u>	<u>2,650</u>	<u>10,446</u>	<u>45,416</u>	<u>39,087</u>

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	88,015	88,015
Current assets	5,938	1,166	142	7,247
Current liabilities	(3,484)	(207)	-	(3,691)
Total net assets	<u>2,454</u>	<u>960</u>	<u>88,157</u>	<u>91,570</u>

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	-	-	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	<u>2,193</u>	<u>(247)</u>	<u>84,843</u>	<u>86,789</u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Net income/(expenditure)	2,225	(3,591)
Depreciation	2,711	2,531
Capital grants from DfE and other capital income	(1,126)	(845)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	478	2,868
Defined benefit pension scheme finance cost	94	343
Decrease/(increase) in stocks	23	(39)
Decrease/(increase) in debtors	302	(531)
(Decrease)/increase in creditors	(348)	745
	<u>4,358</u>	<u>1,480</u>
Net cash provided by Operating Activities	<u>4,358</u>	<u>1,480</u>

#### 19 Cash flows from investing activities

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(5,883)	(1,385)
Capital funding received from sponsors and others	1,126	845
	<u>(4,757)</u>	<u>(539)</u>
Net cash used in investing activities	<u>(4,757)</u>	<u>(539)</u>

#### 20 Analysis of cash and cash equivalents

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Cash in hand and at bank	5,408	5,806
Total cash and cash equivalents	<u>5,408</u>	<u>5,806</u>

#### 21 Member liability

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

#### 22 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £555,552 (2022 - £532,095) were payable to the schemes at 31 August and are included within creditors.

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

##### Teachers' Pension Scheme

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

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £3,509,658 (2022: £3,201,802).

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.

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

##### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £2,132,000 (2022 - £1,785,000), of which employer's contributions totalled £1,617,000 (2022 - £1,373,000) and employees' contributions totalled £515,000 (2022 - £412,000). The agreed contribution rates for future years are 17.6 per cent for employers and 5.5% - 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

##### Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	3.00	4.00
Rate of increase for pensions in payment/inflation	3.00	3.10
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.30</u>

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

	2023	2022
<b>Retiring today</b>		
Males retiring today	21.10	20.80
Females retiring today	24.00	23.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	21.90	22.00
Females retiring in 20 years	<u>25.50</u>	<u>25.30</u>

##### Sensitivity analysis

	2023 £ 000	2022 £ 000
0.1% decrease in real discount rate	564	619
1 year increase in member life expectancy	967	1,009
0.1% increase in salary increase rate	43	51
0.1% increase in pension increase rate	<u>532</u>	<u>572</u>

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

	2023 £ 000	2022 £ 000
Equities	19,502	17,435
Other bonds	4,605	3,254
Property	2,438	2,325
Cash and other liquid assets	<u>542</u>	<u>232</u>
Total market value of assets	<u>27,086</u>	<u>23,246</u>

The actual return on scheme assets was (£28,000) (2022 - (£352,000)).

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

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

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
Current service cost	(2,095)	(4,241)
Interest income	1,024	377
Interest cost	(1,118)	(720)
	<u>(2,189)</u>	<u>(4,584)</u>
Total amount recognized in the SOFA	<u>(2,189)</u>	<u>(4,584)</u>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	25,230	41,535
Current service cost	2,095	4,241
Interest cost	1,118	720
Employee contributions	515	412
Actuarial (gain)/loss	(4,392)	(21,314)
Benefits paid	(395)	(364)
	<u>24,171</u>	<u>25,230</u>
At 31 August	<u>24,171</u>	<u>25,230</u>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£ 000</b>	<b>£ 000</b>
At start of period	23,246	22,177
Interest income	1,024	377
Actuarial gain/(loss)	1,079	(729)
Employer contributions	1,617	1,373
Employee contributions	515	412
Benefits paid	(395)	(364)
Asset ceiling restriction	(2,915)	-
	<u>24,171</u>	<u>23,246</u>
At 31 August	<u>24,171</u>	<u>23,246</u>

## The Constellation Trust

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 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.

##### Expenditure related party transactions

During the year the academy made the following related party transactions:

##### 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 Trust's financial regulations.

- £443 payments (2022: £937) were made in the period 1 September 2022 to 31 August 2023 and there were no amounts outstanding at the year end.

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

##### Northern Academy of Performing Arts

(a company of which Mr P Duffield is a Director)

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

- £2,760 payments (2022: £Nil) were made in the period 1 September 2022 to 31 August 2023.

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

The element above £2,500 has been provided 'at no more than cost' and Northern Academy of Performing Arts has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Northern Academy of Performing Arts was £2,760 (2022 - £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

#### 24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £269,464 and disbursed £268,104 from the fund. An amount of £15,705 is included in deferred income relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2022 are £23,578 received, £18,792 disbursed and £14,570 included in deferred income.

The academy trust also distributes SKE and SKITT bursaries as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £524,966 and disbursed £438,725 from the fund. An amount of £84,950 is included in deferred income relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2022 are £1,006,631 received, £953,613 disbursed and £53,018 included in deferred income.