

Registered number: 08304460
Charity number: 1192198

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Trustee's Report and Financial Statements

For the Year Ended 31 August 2022

The SchoolsCompany Trust
(A Company Limited by Guarantee)

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The SchoolsCompany Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustee and Advisers
For the Year Ended 31 August 2022

Trustee	David Knight
Company registered number	08304460
Charity registered number	1192198
Registered office	100 Liverpool Street London EC2M 2AT
Company secretary	Michelmores Secretaries Limited
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Trustee's Report
For the Year Ended 31 August 2022

The trustee presents the annual report together with the audited financial statements of the company for the 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a trustee's report and a director's report under company law. The trustee confirms that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The company has, in the past, operated as a multi-academy trust, and as an exempt charity was regulated by the Education & Skills Funding Agency ("ESFA"). Following a difficult period during 2017 and 2018, whilst under the management of the then executive team, the company was subject to an ESFA investigation into the conduct of the former trustees which had resulted in the loss of public funds. The academies the company was responsible for were re-brokered with the final academies transferred out of the trust on 1 November 2018, as shown in more detail in the 2019 financial statements.

The intention is for the company to be dissolved in due course, however this is pending whilst the company attempts to recover the lost public funds. With the company no longer responsible for any academies, the ESFA has ceased to be the regulator, and the company therefore applied for and successfully gained charitable status with the Charity Commission from 1 October 2020, charity reference number 1192198. A grant funding agreement is in place with the Department for Education to ensure the company has sufficient funds to operate whilst the investigation continues.

Objectives and activities**a. Policies and objectives**

The charitable company's objects are restricted to advance for the public benefit education in the United Kingdom.

In setting objectives and planning for activities, the trustee has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies and activities for achieving objectives

During the year the charitable company has continued its investigations into the activities of some of the former directors who were in place during the period 2015 – 2018. This investigation is ongoing.

Achievements and performance**a. Main achievements of the company**

As part of the ongoing investigations, which continue to be extensive, in February 2021 legal action in the High Court was commenced against four former Trustees and against a company owned by one of the former Trustees. This legal action is continuing.

Financial review**a. Going concern**

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. For this reason, the financial statements are not prepared on a going concern basis (see accounting policy 2.2 for further details).

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Trustee's Report (continued)
For the Year Ended 31 August 2022

b. Reserves policy

Due to the nature of the charitable company it does not have a formal reserves policy. The charitable company does not have any free reserves and has an overall deficit of £2.6m as shown on the Statement of financial position.

This relates almost entirely to recoverable deficit funding advanced by the ESFA in previous years. The amount owed to the ESFA, £2.807m, is reflected in creditors and shown in Note 11 to the financial statements. Whilst investigations into the conduct of the previous board of trustees are on-going, it is prudent the liability continues to be recognised.

Structure, governance and management

a. Constitution

The SchoolsCompany Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of trustee

The management of the company is the responsibility of the trustee who was elected and co-opted under the terms of the Trust deed.

c. Trustees during the year

The following trustees served during the year:

David Knight

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

Disclosure of information to auditors

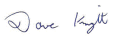
The trustee has, at the time when this Trustee's Report is approved, confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, UHY Kent LLP t/a UHY Hacker Young, have indicated their willingness to continue in office a motion to propose their reappointment will be raised.

Approved by order of the trustee as follows:

DocuSigned by:

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David Knight
Trustee

Date: 05 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Statement of trustee's responsibilities
For the Year Ended 31 August 2022

The trustee (who is also the director of the company for the purposes of company law) is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Approved by order of the trustee:

DocuSigned by:

7A37B1F35228431...
David Knight
Trustee

Date: 05 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The SchoolsCompany Trust

Opinion

We have audited the financial statements of The SchoolsCompany Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.2 in the financial statements, which explains that the trustee has concluded that the going concern basis is not appropriate because the charitable company may be dissolved in the coming twelve months. Since adequate disclosures have been included in the financial statements our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustee's assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included [explanation of how the auditor evaluated management's assessment and the key observations arising with respect to that evaluation].

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

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Independent Auditors' Report to the Members of The SchoolsCompany Trust (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustee's Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustee

As explained more fully in the Trustee's responsibilities statement, the trustee (who is also the director of the charitable company for the purposes of company law) is 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 trustee 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 trustee are responsible for assessing the charitable company'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 trustee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

How the audit was considered capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

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Independent Auditors' Report to the Members of The SchoolsCompany Trust (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of the trustee as to actual and potential litigation and claims.

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

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

Use of our report

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

Allan Hickie BSc FCA (Senior Statutory Auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 5 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

		Restricted funds	Total	<i>As restated</i>
	Note	2022	funds	<i>Total</i>
		£000	2022	<i>funds</i>
			£000	<i>2021</i>
				<i>£000</i>
Income from:				
Charitable activities	3	470	470	604
Total income		470	470	604
Expenditure on:				
Charitable activities	4	353	353	562
Total expenditure		353	353	562
Net movement in funds		117	117	42
Reconciliation of funds:				
Total funds brought forward		(2,725)	(2,725)	(2,767)
Net movement in funds		117	117	42
Total funds carried forward		(2,608)	(2,608)	(2,725)

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

The notes on pages 10 to 18 form part of these financial statements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)
Registered number: 08304460

Balance Sheet
As at 31 August 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Tangible assets	9	-	1
Current assets			
Debtors	10	9	35
Cash at bank and in hand		227	397
		<u>236</u>	<u>432</u>
Creditors: amounts falling due within one year	11	(2,844)	(3,158)
Net current liabilities		<u>(2,608)</u>	<u>(2,726)</u>
Total net assets		<u>(2,608)</u>	<u>(2,725)</u>
Charity funds			
Restricted funds:			
Restricted funds	13	(2,608)	(2,726)
Restricted fixed asset funds	13	-	1
		<u>(2,608)</u>	<u>(2,725)</u>
Total funds		<u>(2,608)</u>	<u>(2,725)</u>

The trustee acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustee and signed on their behalf by:

DocuSigned by:



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David Knight
Trustee

Date: 05 May 2023

The notes on pages 10 to 18 form part of these financial statements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. General information

The charitable company is a company limited by guarantee, registered in England and Wales. Its registered office is 12th Floor, 6 New Street Square, London, United Kingdom, EC4A 3BF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The SchoolsCompany Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustee has assessed 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 charitable company to continue as a going concern. Such an assessment is usually made in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. The accounts have therefore not been prepared on a going concern basis. Any monies recovered during the investigation, together with any available cash at bank, will be used to repay the loan owed to the Education & Skills Funding Agency (ESFA), shown in Note 11.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Where relevant, all expenditure is inclusive of irrecoverable VAT.

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Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture and equipment	-	20%
Computer equipment	-	33%

2.6 Debtors

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

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

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 company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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Notes to the Financial Statements
For the Year Ended 31 August 2022

3. Income from charitable activities

	Restricted funds 2022 £000	Total funds 2022 £000	<i>As restated Total funds 2021 £000</i>
Grant funding	470	470	604
	<u>470</u>	<u>470</u>	
<i>Analysis of 2021 total by fund</i>	<u>604</u>	<u>604</u>	

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Charitable activities	353	353	562
	<u>353</u>	<u>353</u>	
<i>Analysis of 2021 total by fund</i>	<u>562</u>	<u>562</u>	

The expenditure on charitable activities relates to operating costs incurred by the company in respect of the continuing operation of the company during the on-going investigation.

5. Analysis of expenditure by activities

	Direct costs 2022 £000	Support costs 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Charitable activities	-	353	353	562
	<u>-</u>	<u>353</u>	<u>353</u>	
<i>Analysis of 2021 total</i>	<u>7</u>	<u>555</u>	<u>562</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2022

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Depreciation	1	1
Technology costs	1	-
Governance costs	5	16
Other support costs	346	538
	<u>353</u>	<u>555</u>

6. Auditors' remuneration

	2022 £000	<i>2021 £000</i>
Fees payable to the company's auditor for the audit of the company's annual accounts	5	5

7. Staff costs

	2022 £000	<i>2021 £000</i>
Wages and salaries	-	3
	<u>-</u>	<u>3</u>

No individuals were employed by the company during the year.

No employee received remuneration amounting to more than £60,000 in either year.

During the year the key management personnel of the charitable company comprised the trustees. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charitable company was £Nil (2021 - £2k in respect of Angela Barry prior to her resignation as a trustee and CEO on 3 November 2020).

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Notes to the Financial Statements
For the Year Ended 31 August 2022

8. Trustee's remuneration and expenses

During the year, no trustee received any remuneration or other benefits (2021 - £2k was received by Angela Barry prior to her resignation as a trustee on 3 November 2020).

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

9. Tangible fixed assets

	Furniture and equipment £000	Computer equipment £000	Total £000
At 1 September 2021	5	27	32
Disposals	(5)	(27)	(32)
At 31 August 2022	-	-	-
At 1 September 2021	4	27	31
Charge for the year	1	-	1
On disposals	(5)	(27)	(32)
At 31 August 2022	-	-	-
Net book value			
At 31 August 2022	-	-	-
At 31 August 2021	1	-	1

The SchoolsCompany Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2022

10. Debtors

	2022	<i>2021</i>
	£000	£000
Other debtors	9	35
	<u>9</u>	<u>35</u>

11. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> 2021
	£000	£000
Other loans	2,807	2,807
Trade creditors	28	291
Other creditors	-	55
Accruals and deferred income	9	5
	<u>2,844</u>	<u>3,158</u>

Other loans comprises recoverable deficit funding advanced by the Education and Skills Funding Agency.

12. Prior year adjustments

The comparative figure for grant income has been reduced by £55,000 to include a refund made in September 2021 which related to the prior year. This has been included as other creditors in Note 11. Restricted funds brought forward as at 1 September 2021 have also been reduced by the same amount.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

13. Statement of funds

Statement of funds - current year

	As restated Balance at 1 September 2021 £000	Income £000	Expenditure £000	Balance at 31 August 2022 £000
Restricted funds				
General Annual Grant (GAG)	(2,823)	-	-	(2,823)
Other DfE/ESFA grants	97	470	(352)	215
	<u>(2,726)</u>	<u>470</u>	<u>(352)</u>	<u>(2,608)</u>
Restricted fixed asset funds				
Fixed assets	1	-	(1)	-
	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Total Restricted funds	<u>(2,725)</u>	<u>470</u>	<u>(353)</u>	<u>(2,608)</u>

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

General Annual Grant (GAG) was the main source of funding received by the company when it operated as an educational multi-academy trust. This deficit is linked to the other loan balance due to the ESFA, as disclosed in Note 11.

The other DfE/ESFA grants fund comprises government grant income from the Department for Education and the ESFA.

Statement of funds - prior year

	<i>Balance at 1 September 2020 £000</i>	<i>As restated Income £000</i>	<i>Expenditure £000</i>	<i>Balance at 31 August 2021 £000</i>
Restricted general funds				
General Annual Grant (GAG)	(2,823)	-	-	(2,823)
Other DfE/ESFA grants	54	604	(561)	97
	<u>(2,769)</u>	<u>604</u>	<u>(561)</u>	<u>(2,726)</u>
Restricted fixed asset funds				
Fixed assets	2	-	(1)	1
	<u>2</u>	<u>-</u>	<u>(1)</u>	<u>1</u>
Total Restricted funds	<u>(2,767)</u>	<u>604</u>	<u>(562)</u>	<u>(2,725)</u>

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £000	Total funds 2022 £000
Current assets	236	236
Creditors due within one year	(2,844)	(2,844)
Total	(2,608)	(2,608)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	-	1	1
Current assets	432	-	432
Creditors due within one year	(3,158)	-	(3,158)
Total	(2,726)	1	(2,725)

15. Operating lease commitments

The company had no commitments under non-cancellable operating leases at 31 August 2022.

16. Members' liability

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

17. Related party transactions

During the year, the charitable company incurred management 'turnaround director' fees of £104,500 (2021 - £99,000) and recharged expenses of £417 (2021 - £42) with Integrity Management (Management Consultancy) Ltd. At the balance sheet date, the company was owed £10,560 (2021 - £3,960). Mr. D. Knight, the trustee, is the sole director of this company and is named as a person of significant control on the company's record at Companies House.

In accordance with the Grant Funding Agreement in place with the Department for Education, the payment of these fees and expenses have been approved by the Charity Commission.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Controlling party

During the year, the day to day management has been the responsibility of the sole trustee, David Knight.

The controlling parties are deemed to be the three members: Ms. N. King, Mr. G. Pocock and Mrs. R. Barnfield.

Registered number: 08304460
Charity number: 1192198

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Trustee's Report and Financial Statements

For the Year Ended 31 August 2022

The SchoolsCompany Trust
(A Company Limited by Guarantee)

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The SchoolsCompany Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustee and Advisers
For the Year Ended 31 August 2022

Trustee	David Knight
Company registered number	08304460
Charity registered number	1192198
Registered office	100 Liverpool Street London EC2M 2AT
Company secretary	Michelmores Secretaries Limited
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Trustee's Report
For the Year Ended 31 August 2022

The trustee presents the annual report together with the audited financial statements of the company for the 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a trustee's report and a director's report under company law. The trustee confirms that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The company has, in the past, operated as a multi-academy trust, and as an exempt charity was regulated by the Education & Skills Funding Agency ("ESFA"). Following a difficult period during 2017 and 2018, whilst under the management of the then executive team, the company was subject to an ESFA investigation into the conduct of the former trustees which had resulted in the loss of public funds. The academies the company was responsible for were re-brokered with the final academies transferred out of the trust on 1 November 2018, as shown in more detail in the 2019 financial statements.

The intention is for the company to be dissolved in due course, however this is pending whilst the company attempts to recover the lost public funds. With the company no longer responsible for any academies, the ESFA has ceased to be the regulator, and the company therefore applied for and successfully gained charitable status with the Charity Commission from 1 October 2020, charity reference number 1192198. A grant funding agreement is in place with the Department for Education to ensure the company has sufficient funds to operate whilst the investigation continues.

Objectives and activities**a. Policies and objectives**

The charitable company's objects are restricted to advance for the public benefit education in the United Kingdom.

In setting objectives and planning for activities, the trustee has given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies and activities for achieving objectives

During the year the charitable company has continued its investigations into the activities of some of the former directors who were in place during the period 2015 – 2018. This investigation is ongoing.

Achievements and performance**a. Main achievements of the company**

As part of the ongoing investigations, which continue to be extensive, in February 2021 legal action in the High Court was commenced against four former Trustees and against a company owned by one of the former Trustees. This legal action is continuing.

Financial review**a. Going concern**

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. For this reason, the financial statements are not prepared on a going concern basis (see accounting policy 2.2 for further details).

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Trustee's Report (continued)
For the Year Ended 31 August 2022

b. Reserves policy

Due to the nature of the charitable company it does not have a formal reserves policy. The charitable company does not have any free reserves and has an overall deficit of £2.6m as shown on the Statement of financial position.

This relates almost entirely to recoverable deficit funding advanced by the ESFA in previous years. The amount owed to the ESFA, £2.807m, is reflected in creditors and shown in Note 11 to the financial statements. Whilst investigations into the conduct of the previous board of trustees are on-going, it is prudent the liability continues to be recognised.

Structure, governance and management

a. Constitution

The SchoolsCompany Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

b. Methods of appointment or election of trustee

The management of the company is the responsibility of the trustee who was elected and co-opted under the terms of the Trust deed.

c. Trustees during the year

The following trustees served during the year:

David Knight

Members' liability

The Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

Disclosure of information to auditors

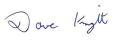
The trustee has, at the time when this Trustee's Report is approved, confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, UHY Kent LLP t/a UHY Hacker Young, have indicated their willingness to continue in office a motion to propose their reappointment will be raised.

Approved by order of the trustee as follows:

DocuSigned by:

 7A37B1F35228431...
David Knight
 Trustee

Date: 05 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Statement of trustee's responsibilities
For the Year Ended 31 August 2022

The trustee (who is also the director of the company for the purposes of company law) is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Approved by order of the trustee:

DocuSigned by:

7A37B1F35228431...
David Knight
Trustee

Date: 05 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The SchoolsCompany Trust

Opinion

We have audited the financial statements of The SchoolsCompany Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 2.2 in the financial statements, which explains that the trustee has concluded that the going concern basis is not appropriate because the charitable company may be dissolved in the coming twelve months. Since adequate disclosures have been included in the financial statements our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustee's assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included [explanation of how the auditor evaluated management's assessment and the key observations arising with respect to that evaluation].

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's Report has been prepared in accordance with applicable legal requirements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The SchoolsCompany Trust (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustee's Report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustee

As explained more fully in the Trustee's responsibilities statement, the trustee (who is also the director of the charitable company for the purposes of company law) is 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 trustee 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 trustee are responsible for assessing the charitable company'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 trustee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

How the audit was considered capable of detecting irregularities including fraud

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

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The SchoolsCompany Trust (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of the trustee as to actual and potential litigation and claims.

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

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

Use of our report

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

Allan Hickie BSc FCA (Senior Statutory Auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 5 May 2023

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2022

		Restricted funds	Total	<i>As restated</i>
	Note	2022	funds	<i>Total</i>
		£000	2022	<i>funds</i>
			£000	<i>2021</i>
				<i>£000</i>
Income from:				
Charitable activities	3	470	470	604
Total income		470	470	604
Expenditure on:				
Charitable activities	4	353	353	562
Total expenditure		353	353	562
Net movement in funds		117	117	42
Reconciliation of funds:				
Total funds brought forward		(2,725)	(2,725)	(2,767)
Net movement in funds		117	117	42
Total funds carried forward		(2,608)	(2,608)	(2,725)

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

The notes on pages 10 to 18 form part of these financial statements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)
Registered number: 08304460

Balance Sheet
As at 31 August 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Tangible assets	9	-	1
Current assets			
Debtors	10	9	35
Cash at bank and in hand		227	397
		<u>236</u>	<u>432</u>
Creditors: amounts falling due within one year	11	(2,844)	(3,158)
Net current liabilities		<u>(2,608)</u>	<u>(2,726)</u>
Total net assets		<u>(2,608)</u>	<u>(2,725)</u>
Charity funds			
Restricted funds:			
Restricted funds	13	(2,608)	(2,726)
Restricted fixed asset funds	13	-	1
		<u>(2,608)</u>	<u>(2,725)</u>
Total funds		<u>(2,608)</u>	<u>(2,725)</u>

The trustee acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustee and signed on their behalf by:

DocuSigned by:



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David Knight
Trustee

Date: 05 May 2023

The notes on pages 10 to 18 form part of these financial statements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

1. General information

The charitable company is a company limited by guarantee, registered in England and Wales. Its registered office is 12th Floor, 6 New Street Square, London, United Kingdom, EC4A 3BF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The SchoolsCompany Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustee has assessed 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 charitable company to continue as a going concern. Such an assessment is usually made in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

Due to the funding agreement in place with the Department for Education, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net liability position shown by the Statement of financial position. However, the intention remains to wind the charitable company up as soon as this becomes feasible, and the trustee believes this may be achievable within twelve months of the approval of these financial statements, but is subject to the legal action currently being pursued. The accounts have therefore not been prepared on a going concern basis. Any monies recovered during the investigation, together with any available cash at bank, will be used to repay the loan owed to the Education & Skills Funding Agency (ESFA), shown in Note 11.

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Where relevant, all expenditure is inclusive of irrecoverable VAT.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture and equipment	-	20%
Computer equipment	-	33%

2.6 Debtors

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

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

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 company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

3. Income from charitable activities

	Restricted funds 2022 £000	Total funds 2022 £000	<i>As restated Total funds 2021 £000</i>
Grant funding	470	470	604
	<u>470</u>	<u>470</u>	
<i>Analysis of 2021 total by fund</i>	<u>604</u>	<u>604</u>	

4. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Charitable activities	353	353	562
	<u>353</u>	<u>353</u>	
<i>Analysis of 2021 total by fund</i>	<u>562</u>	<u>562</u>	

The expenditure on charitable activities relates to operating costs incurred by the company in respect of the continuing operation of the company during the on-going investigation.

5. Analysis of expenditure by activities

	Direct costs 2022 £000	Support costs 2022 £000	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Charitable activities	-	353	353	562
	<u>-</u>	<u>353</u>	<u>353</u>	
<i>Analysis of 2021 total</i>	<u>7</u>	<u>555</u>	<u>562</u>	

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £000	<i>Total funds 2021 £000</i>
Depreciation	1	1
Technology costs	1	-
Governance costs	5	16
Other support costs	346	538
	<u>353</u>	<u>555</u>

6. Auditors' remuneration

	2022 £000	<i>2021 £000</i>
Fees payable to the company's auditor for the audit of the company's annual accounts	5	5

7. Staff costs

	2022 £000	<i>2021 £000</i>
Wages and salaries	-	3
	<u>-</u>	<u>3</u>

No individuals were employed by the company during the year.

No employee received remuneration amounting to more than £60,000 in either year.

During the year the key management personnel of the charitable company comprised the trustees. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charitable company was £Nil (2021 - £2k in respect of Angela Barry prior to her resignation as a trustee and CEO on 3 November 2020).

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

8. Trustee's remuneration and expenses

During the year, no trustee received any remuneration or other benefits (2021 - £2k was received by Angela Barry prior to her resignation as a trustee on 3 November 2020).

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

9. Tangible fixed assets

	Furniture and equipment £000	Computer equipment £000	Total £000
At 1 September 2021	5	27	32
Disposals	(5)	(27)	(32)
At 31 August 2022	-	-	-
At 1 September 2021	4	27	31
Charge for the year	1	-	1
On disposals	(5)	(27)	(32)
At 31 August 2022	-	-	-
Net book value			
At 31 August 2022	-	-	-
At 31 August 2021	1	-	1

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

10. Debtors

	2022	<i>2021</i>
	£000	£000
Other debtors	9	35
	<u>9</u>	<u>35</u>

11. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> 2021
	£000	£000
Other loans	2,807	2,807
Trade creditors	28	291
Other creditors	-	55
Accruals and deferred income	9	5
	<u>2,844</u>	<u>3,158</u>

Other loans comprises recoverable deficit funding advanced by the Education and Skills Funding Agency.

12. Prior year adjustments

The comparative figure for grant income has been reduced by £55,000 to include a refund made in September 2021 which related to the prior year. This has been included as other creditors in Note 11. Restricted funds brought forward as at 1 September 2021 have also been reduced by the same amount.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

13. Statement of funds

Statement of funds - current year

	As restated Balance at 1 September 2021 £000	Income £000	Expenditure £000	Balance at 31 August 2022 £000
Restricted funds				
General Annual Grant (GAG)	(2,823)	-	-	(2,823)
Other DfE/ESFA grants	97	470	(352)	215
	<u>(2,726)</u>	<u>470</u>	<u>(352)</u>	<u>(2,608)</u>
Restricted fixed asset funds				
Fixed assets	1	-	(1)	-
	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Total Restricted funds	<u>(2,725)</u>	<u>470</u>	<u>(353)</u>	<u>(2,608)</u>

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

General Annual Grant (GAG) was the main source of funding received by the company when it operated as an educational multi-academy trust. This deficit is linked to the other loan balance due to the ESFA, as disclosed in Note 11.

The other DfE/ESFA grants fund comprises government grant income from the Department for Education and the ESFA.

Statement of funds - prior year

	<i>Balance at 1 September 2020 £000</i>	<i>As restated Income £000</i>	<i>Expenditure £000</i>	<i>Balance at 31 August 2021 £000</i>
Restricted general funds				
General Annual Grant (GAG)	(2,823)	-	-	(2,823)
Other DfE/ESFA grants	54	604	(561)	97
	<u>(2,769)</u>	<u>604</u>	<u>(561)</u>	<u>(2,726)</u>
Restricted fixed asset funds				
Fixed assets	2	-	(1)	1
	<u>2</u>	<u>-</u>	<u>(1)</u>	<u>1</u>
Total Restricted funds	<u>(2,767)</u>	<u>604</u>	<u>(562)</u>	<u>(2,725)</u>

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £000	Total funds 2022 £000
Current assets	236	236
Creditors due within one year	(2,844)	(2,844)
Total	(2,608)	(2,608)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	-	1	1
Current assets	432	-	432
Creditors due within one year	(3,158)	-	(3,158)
Total	(2,726)	1	(2,725)

15. Operating lease commitments

The company had no commitments under non-cancellable operating leases at 31 August 2022.

16. Members' liability

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

17. Related party transactions

During the year, the charitable company incurred management 'turnaround director' fees of £104,500 (2021 - £99,000) and recharged expenses of £417 (2021 - £42) with Integrity Management (Management Consultancy) Ltd. At the balance sheet date, the company was owed £10,560 (2021 - £3,960). Mr. D. Knight, the trustee, is the sole director of this company and is named as a person of significant control on the company's record at Companies House.

In accordance with the Grant Funding Agreement in place with the Department for Education, the payment of these fees and expenses have been approved by the Charity Commission.

The SchoolsCompany Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2022

18. Controlling party

During the year, the day to day management has been the responsibility of the sole trustee, David Knight.

The controlling parties are deemed to be the three members: Ms. N. King, Mr. G. Pocock and Mrs. R. Barnfield.

Audit Findings Report

For the year ended 31 August 2022 for

The SchoolsCompany Trust

Prepared by: Allan Hickie, Audit Partner

Date of issue: 5 May 2023



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1. Introduction

This report has been prepared for the trustee of The SchoolsCompany Trust to bring attention to those charged with governance various matters arising from the audit of the charitable company for the year ended 31 August 2022.

Our audit and assurance procedures, which have been designed to enable us to express an opinion on the financial statements and provide a limited assurance conclusion on regularity, have included an examination of the transactions and controls thereon of the company.

The work we have done was not primarily directed towards identifying weaknesses in the company's accounting systems, other than those that would affect our audit or assurance opinions, nor to the detection of fraud. We have, however, designed our audit and assurance procedures in such a way that we felt would increase our chance of detecting any fraud.

We have included in this report only those matters that have come to our attention as a result of our normal audit and assurance procedures and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made.

This report is to be regarded as confidential to the trustee of the charitable company and is intended only for use by them. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party, our written consent must be obtained.

The report is designed to include useful recommendations that may help improve performance and avoid weaknesses that could result in material loss to the company or misstatement of the financial statements and other financial data.

Roles and Responsibilities

The trustee is responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the trustee confirms that our understanding of all of the matters referred to in this report are appropriate, having regard to their knowledge of the particular circumstances.



2. Overview

Audit Status and overall opinion

We set out below the current status of the audit and our timetable to completion.

We have completed our work and have today issued the final signed financial statements with an unmodified audit opinion.

The audit report includes an emphasis of matter paragraph to draw attention to your own disclosures explaining that, given the intention to wind up the charitable company as soon as this becomes feasible, the accounts are prepared on a basis other than going concern. The emphasis of matter paragraph also draws attention to the on-going investigation. Our opinion is not modified in respect of these matters.



2. Overview

Independence and ethical standards

We have not identified any potential threats to our independence as auditors which cannot be safeguarded against. Please see section 3 for further details.

Audit scope and objectives

We set out the scope and objectives of our audit. Please see section 4 for further details.

Overall audit strategy

We set out our overall audit approach in section 5.

Key audit and accounting issues

We have obtained sufficient, appropriate audit evidence for the significant issues and risks identified during our audit.

During our audit we found no instances of fraud or irregularity.

Recommendations

We are required to report to you on the significant deficiencies we found in internal controls during the course of our audit, along with any other deficiencies identified.



2. Overview

Misstatements and adjustments to the accounts

It is considered good practice to inform you of any material misstatements within the financial statements presented for audit that have been discovered during the audit. A material misstatement is one where the auditors believe that the misstatement is such as to affect the reader's understanding of the accounts. Materiality is considered in relation to the value of the misstatement and also its context and nature.

We have agreed some journal adjustments with the sole trustee, as set out in Appendix I.

It is generally not practicable to make accounts completely accurate because judgements need to be made and it is difficult to obtain 100% of information about all transactions. Our role is to ensure that deviations from complete accuracy are not material to the reader of the accounts. During the course of our audit we have come up with various proposed adjustments to make the accounts more accurate. We are required by Auditing Standards to inform you of any such adjustments which have not been made, other than those deemed to be clearly trivial. Details of these are given in Appendix II.

We are required to request that you review these adjustments and consider amending the financial statements accordingly, and to confirm your reasons for not making the adjustments, if this is your decision.

Basis other than going concern

The remaining assets and liabilities of the company mainly relate to the ESFA deficit funding loan.

The sole trustee aims to wind up the trust in due course and the accounts have therefore not been prepared on a going concern basis.

Thanks

We would like to take this opportunity to thank the entire finance team for their co-operation and assistance afforded to us during the course of the audit.



3. Independence

Under current UK Ethical Standards we are required as auditors to confirm our independence to “those charged with governance” i.e. the trustees/directors. Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors.

The procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the audit engagement partner and the audit staff. This document considers such matters in the context of our audit for the year ended 31 August 2022. In addition to performing the statutory audit, we also provide the following non-audit services:

Non-audit service provided	Safeguards in place to ensure our independence
Preparation of the statutory financial statements	The preparation of the financial statements from your own draft accounts is largely a mechanical function to present the results in the necessary format required by the Charity SORP. Any adjustments required have been made following approval and are listed in Appendix I to this report. We are able to treat the trustee as informed management.



4. Audit scope and objectives

Our statutory audit of the financial statements is carried out in accordance with International Standards on Auditing (UK) of the statutory financial statements, with the aim of forming an opinion whether:

The financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of the result for the year then ended.

The financial statements have been properly prepared in accordance with FRS 102.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and Charity SORP.

The information given in the Trustee's Report for the financial year is consistent with the financial statements.

We also report on whether:

The company has kept adequate accounting records.

The financial statements are in agreement with the accounting records and returns.

Other information contained in the annual report is not consistent with the audited financial statements.

Certain disclosures of trustees' remuneration specified by law are not made.

We have not received all the information and explanations we require for our audit.



5. Overall audit strategy

Risk-based audit

We performed a risk-based audit, focussing our work on key audit areas. We began by developing further our understanding of the charitable company's activities and the specific risks it faces. We have had communication with key management and finance staff to ascertain management's own view of potential audit risk, and to gain an understanding of the company's activities. We have also developed an in depth understanding of the accounting systems and controls so that we may ensure their adequacy as a basis for the preparation of the financial statements, and that proper accounting records have been maintained.

Our audit procedures were carried out, and then we ensured the presentation and disclosure in the accounts meet all the necessary requirements.

Significant risks

As part of our audit procedures we are required to consider the significant risks that require special audit attention.

Auditing Standards require us to consider:

- Whether there is a risk of fraud;
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention;
- The complexity of transactions;
- Whether the risk involves significant transactions with related parties;
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and
- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

The identified significant audit risks were communicated to you in our audit planning report issued before our main fieldwork began. We now note the work performed and conclusions drawn on the following pages:



5. Overall audit strategy

Significant risk	Explanation of the risk	Audit work performed	Conclusion
Revenue recognition (mandatory risk)	The auditor's responsibility to consider fraud in an audit of financial statements there is an assumption that revenue recognition is a fraud risk. Income from grants should be recognised when the conditions of recognition have been satisfied. Income from contractual arrangements should be recognised in the period in which entitlement has been earned through service delivery. Management exercise judgment in determining when income from grants should be recognised. There is also potentially management judgement in the classification of income between restricted and unrestricted funds.	We documented the income systems and carried out audit procedures to gain assurance over the operation of internal financial controls in place to prevent the loss of income and to ensure that income is recorded in the correct period. We discussed with the trustee and finance staff whether they were aware of any cases of fraud occurring during the year. We have not been made aware of any significant frauds that occurred during the year. Our audit testing involving sampling income balances, verifying to supporting documentation to ensure income has been recognised in the correct period. We also considered whether income had been correctly classified between restricted and unrestricted funds, reviewing any terms and conditions of, for example, grant income.	We identified a prior year adjustment that has been corrected. A grant of £55,000 received in June 2021 was refunded to ESFA in September 2021. The refund has now been included as a creditor in the comparative figures and grant income for that year has also been reduced by £55,000. No other significant issues arose during our sample based checks including on our work on revenue.



5. Overall audit strategy

Significant risk	Explanation of the risk	Audit work performed	Conclusion
Management override (mandatory risk)	The trustees and management have the primary responsibility for the detection of fraud, as an extension of their role in preventing fraudulent activity. Trustees should ensure a sound system of internal controls is in operation to support these, and other, objectives. Auditing Standards presume a significant risk of management override of the system of internal controls. Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. We are not responsible for preventing fraud or corruption, although our audit may serve to act as a deterrent.	Management often find themselves in a unique position where potentially could override routine day to day financial controls. Our audit considers this risk and we adapt our procedures accordingly. During our audit we considered the possibility of manipulation of financial results, for example through the use of journals or management estimates, such as provisions and accruals.	Our audit procedures have not identified any instances of management override. All items tested and discussed with management were deemed appropriate.
Going concern	The financial statements for the year 31 August 2021 will be prepared on a basis other than going concern.	We ensured appropriate disclosures are made in the trustees' report, audit report and accounting policies section of the financial statements in order to adequately explain the position.	Adequate and appropriate disclosures have been made.



6. Status of audit issues raised in prior year

We list each individual point in this section and provide a follow up comment to clarify whether the issue has been addressed, or whether further action is required (and, if so, the new priority rating).

Section 7 explains any issues that we have identified from our audit of the 2021/22 financial statements.

Please see Appendix III for the key to the risk ratings.

No.	Priority 2020	Issue raised in prior year	Solutions and comments from prior year	Follow up comments / further action required	Priority now
1.	 Med	VAT	The year end VAT debtor at 31 August 2021 of £35k continues to include the potential £23k over claim. We understand that a discrepancy arose in 18/19 when the trust moved from Sage to PSF accounting software and, despite attempts to reconcile the transfer balances, it was impossible to gain absolute assurance due to the quality of information within Sage.	The year end VAT debtor at 31 August 2022 of £9k continues to include the potential £23k overclaim. We remain happy to leave this as it is prudent to include the overclaim as it is a potential liability if the money needs to be repaid. We would remind you that if there has been an overclaim you are under an obligation to pay this money back to HMRC.	 Med
2.	 Low	ESFA loan difference	There is a £14k difference between the loan agreement stated by ESFA and the balance noted in the accounts. The entries last year were reviewed and appear reasonable, and we are confident that the closing balance of £2,807,290 is correct. We bring this to your attention again should the ESFA wish to query this further.	We remain confident that the closing balance of £2,807,290 is correct. There were no movements in the current year. We bring this to your attention again should the ESFA wish to query this further.	 Low



7. Recommendations for the current year

Significant deficiencies in internal control

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you. As the purpose of the audit is for us to express an opinion on the trust's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We confirm that we have not identified any significant deficiencies in internal control during the current year audit.

We did, however, note some areas where minor improvements could be made and these are listed later in this report.

We are also required to communicate other significant audit findings such:

- where we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate in the particular circumstances of the entity;
- significant difficulties, if any, encountered during the audit; or
- other matters, if any, arising from the audit that, in our professional judgement, are significant to the oversight of the financial reporting process are communicated to those charged with governance.

We confirm that we have nothing to report to you in any of the above three areas.



7. Recommendations for the current year

Other deficiencies in internal control

We also bring to your attention (in no particular order) other deficiencies that came to our attention during our work, again along with our recommendations, and your own response.

We are pleased to note that we have no issues to report for the current year.



Appendix I - Agreed accounting adjustments

The following differences have been identified during the audit and posted to the statutory accounts, following agreement with your key management:

	£
Result per trial balance provided	(348,000)
<i>Adjustments:</i>	
Move loans to income for the year (since not recoverable)	415,000
Depreciation charge	(1,000)
Prior year adjustment in respect of grant repayment	55,000
Provision for potential PAYE underpayment	(4,000)
Result for the year per financial statements	117,000



Appendix II – Unadjusted audit differences

We are required to bring to your attention audit adjustments that the trustees are required to consider.

There were no unadjusted audit differences.



Appendix III – Key to risk ratings

Throughout the report the following risk ratings are used:



High

Serious concern such as:

- significant impact on operational performance;
- a major failure of your internal control processes and/ or imminent risk to trust funds; action needs to be taken to ensure this risk is managed.
- significant monetary or financial statement impact ;
- breach in laws and regulations that could result in material fines or consequences.



Med

Medium concern. Less significant failure of internal control processes or the other bullet points listed under High Risk, but where the finding would have only a moderate impact.



Low

Low level concern. Minor issues relating to immaterial items or more isolated failures where little on-going risk arises.



Advisory only. This point has been raised merely to bring something to your attention, for example to highlight areas of inefficiencies or good practice.

