



AIM Academies Trust

Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
04389132 (England and Wales)

SATURDAY



ABW6UZ3S

A19

28/01/2023

#24

COMPANIES HOUSE

Contents

Reports

Reference and administrative information	1
Directors' report (incorporating a strategic report)	2
Governance statement	18
Statement on regularity, propriety and compliance	22
Statement of directors' responsibilities	23
Independent auditor's report	25
Independent reporting accountant's report	30

Financial statements

Statement of financial activities	32
Balance sheet	33
Statement of cash flows	34
Principal accounting policies	36
Notes to the financial statements	42

Reference and administrative information

Members	P Shalson J Menell P O'Hear R Hatter D Meller K Hathaway G Wyatt N Portelli appointed 1/09/2022
Directors	P Shalson (Sponsor) P McGrath P O'Hear (Chair) Dr M H Platt J Menell (Vice Chair) M B Shalson M H Van Praagh S J Poliins Lord Leigh of Hurley S Kahan C Boyd-Bowman appointed 26/09/2022 A Trigg appointed 26/09/2022
Executive Principal Chief Finance Officer Director of Academies	P McGrath B Wythe C Mitchell
Registered office	London Academy Spur Road Edgware Middlesex HA8 8DE
Company registration number	04389132 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Banking Group 190 Great Portland Street London W1A 4LN

Directors' report (incorporating a strategic report) Year to 31 August 2022

The directors of AIM Academies Trust (the Academy Trust) (the Company), who are also trustees of the Academy Trust for the purposes of the Charities Act, present their statutory report and the audited financial statements for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The report has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies on pages 36 to 41 of the attached financial statements, and comply with the Academy Trust's memorandum and articles of association, the Companies Act 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

The Academy Trust is a company limited by guarantee (company registration number 04389132) which was established on 7 March 2002. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust.

On 27 March 2013 the directors of the Academy Trust, who under the articles of association in force at the time were referred to as the Governors, signed a new Master Funding Agreement with the Secretary of State for Education enabling the Academy Trust to operate a number of academies. Under the Master Funding Agreement, the Academy Trust is required to enter a supplemental agreement relating to each academy the Academy Trust operates. Supplemental agreements were signed in respect of the London Academy, an Academy that the Academy Trust has operated since 2004 and Deansbrook Junior School, a school which was previously operated by the London Borough of Barnet Council, which converted into an Academy with effect from 1 April 2013.

As part of this process the directors passed a resolution to adopt the new Multi Academy Model Mainstream articles of association approved by the Secretary of State for Education.

Members

Under the articles of association the members of the Academy Trust shall comprise the signatories to the memorandum; up to three persons who may be appointed by the Principal Sponsor; the chairman of the directors; and any persons appointed by the members by passing a special resolution in writing to appoint such additional members as they think fit provided that such appointment is in the interests of the Academy Trust.

Members' liability

The Academy Trust is a company limited by guarantee, without share capital, and an exempt charity. Every member of the Academy Trust undertakes to contribute to the assets of the Academy Trust in the event of it being wound up while she/he is a member, or within one year after she/he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before she/he ceases to be a member.

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors

Under the articles of association of the Academy Trust, the number of directors shall be not less than three, but unless otherwise determined by ordinary resolution, shall not be subject to any maximum. The Academy Trust shall have up to ten directors appointed by members; two Academy Directors from each Academy, subject to certain limits; two Parent Directors, unless the Local Governing Bodies (see below) include at least two parent members; and the Executive Principal should one be appointed. The Academy Trust may also have Co-opted Directors appointed by the directors subject to certain restrictions. The total number of directors including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of directors.

The term of office for any director shall be four years save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of director, any director may be re-appointed or re-elected.

A director shall cease to hold office if she/he resigns her/his office by notice to the Academy Trust; or if she/he is removed by the person or persons who appointed him, unless she/he is a Parent Director.

The following directors were in office during the year to 31 August 2022 and served up to the date of this report as stated below:

Directors

P Shalson
P O'Hear
Dr M H Platt
Lord Leigh of Hurley
P McGrath
J Menell
M B Shalson
M H Van Praagh
SJ Pollins
S Kahan
N Portelli (Resigned 18/05/2022)

During the period under review the directors held three meetings (2021 – three).

One director receives remuneration in respect of services they provide undertaking the role of Executive Principal and not in respect of their services as director. The remuneration of this director is shown in note 9 to the financial statements. Other directors do not receive any payments, other than expenses, from the Academy Trust in respect of their role as directors. During the year to 31 August 2022, no expenses were paid to Directors (2021 - £nil).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors (continued)

Training of directors

The Academy Trust has kept directors up to date with sector developments including safeguarding this year. The Covid-19 pandemic meant that the Academy Trust had previously been unable to conduct regular director training as normal, however this training has begun again at the time of writing this report.

Management

As a charity and company limited by guarantee, the Academy Trust is governed by the directors who are responsible for, and oversee, the management and administration of the Academy Trust and the academies operated by the Academy Trust.

The directors are accountable to external government agencies including the Charity Commission and the Department for Education (including any successor bodies) for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety and good practice.

The directors delegate a number of functions to the local governing body ("LGB"), of each academy the Academy Trust operates. The LGBs are established to ensure the good governance of each academy. The local governors are people with appropriate skills and knowledge to serve on a board. A Scheme of Delegation for each Academy explains the ways in which the directors fulfil their responsibilities for the leadership and management of the Academy, the respective roles and responsibilities of the directors and the members of the LGB and the commitments to each other to ensure the success of the Academy Trust.

The chair of each LGB are appointed as directors of the Academy Trust and are referred to as Academy Directors.

The directors have appointed Paddy McGrath as Executive Principal of the Academy Trust. Each Academy has a Headteacher/ Principal of the Academy.

Arrangements for setting pay and remuneration of key management personnel

The Trust Board determines the pay range to be advertised, and agree pay on appointment, taking into consideration the full responsibilities of the role. All teaching staff salaries, including those of the Executive Principal, Head Teacher/Principal, deputy head(s) and assistant head(s) are reviewed annually to take effect from 1 September. The pay committee reviews pay in accordance with the latest performance review. The pay committee determines the pay of support staff in accordance with the School Staffing (England) Regulations 2009.

The Trust Board acts with integrity, confidentiality, objectivity and honesty in the best interests of the Academy; and is open about decisions made and actions taken, and is prepared to explain decisions and actions to interested persons. Its procedures for determining pay are consistent with the principles of public life: objectivity, openness and accountability.

Key management personnel comprise the directors and the senior management team as listed on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

The Academy Trust had no trade union officials in the year incurring time spent on facility time.

Engagement with employees (including disabled persons)

The Academy Trust recognises that communication and engagement with staff in a school setting is crucial for advancing educational outcomes. All schools within the Academy Trust hold regular meetings between all staff and leadership, both to provide employees with information and to consult them on potential changes. Teaching staff in particular are keenly aware of the determining factors affecting the performance of the Trust, in addition to how educational outcomes can and do affect financial performance.

The Executive Principal is the main conduit for relaying key decisions taken at Trust Board level to staff, and for feeding back to the Trust Board on questions and issues. In the year to 31 August 2021 these decisions have included pupil numbers, staff pay, responses to the Covid-19 pandemic, the spending of new ring-fenced funding streams, and preparation for Ofsted. Staff representatives will sit on the three LGBs to provide a formal mechanism for interaction between staff and directors.

The Academy Trust continues to be an equal opportunities employer, as set out in its hiring procedures and Equality statement. Should any member of staff become disabled, the necessary individual assessments would be made by the Senior Management Team, to ensure that equality is maintained on behalf of the Trust Board.

Engagement with suppliers, customers and others in a business relationship with the trust

The Academy Trust has considered its business relationship with suppliers, customers and others during the year to 31 August 2022. The Covid-19 pandemic continued to impact the supply chain and availability of workers. The Academy Trust has worked closely with suppliers of labour, such as supply agencies, catering and cleaning companies, to ensure that Government relief schemes are being used in the correct manner, and also that the financial burden of the pandemic does not fall unfairly on the Trust. The directors have discussed the financial implications for the Trust and for key suppliers, and have worked to ensure continuity on a case-by-case basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with suppliers, customers and others in a business relationship with the trust (continued)

During the year to 31 August 2022, a combination of external factors led to staff shortages for suppliers of the Academy Trust, including catering, cleaning and short-term supply. This has in turn necessitated a more collaborative approach with these suppliers, prompting them to work with the Academy Trust to deal with short-term but potentially critical shortages as they have arisen.

The Trust Board chair and Executive Principal meet with the Regional Schools Commissioners Office on behalf of the Trust Board to undertake the annual trust review, and communication with the Department for Education, Local Authorities and the Education Skills Funding Agency on a day-to-day basis is conducted by the Executive Principal. Where significant questions are raised, such as the request to lease space at AIM North London to another school or the consideration to expand the size of the Trust, these are discussed and agreed with the Trust Board.

Risk management

The directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academies, and its finances. The directors have implemented a number of systems to assess risks that the Academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances.

Covid-19 necessitated a number of additional risk assessments over the course of the year, to reflect evolving Government guidance. Directors have ensured that this guidance was followed, and put in place a number of measures early in the course of the pandemic (such as purchasing face coverings for all staff and students) to mitigate risk both of the illness itself, and associated financial risk. Directors were involved in the risk management process around re-opening schools at the end of the year ended 31 August 2020 and into the following years, and ensured that current systems (health and safety etc.) were able to cope with rapidly changing requirements.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remain they have ensured they have adequate insurance cover, changing the majority of this cover to be under the Risk Protection Arrangement during the year ended 31 August 2022. The Academy Trust has an effective system of internal financial controls which is explained in more detail in the following sections.

OBJECTIVES AND ACTIVITIES

Aims and objectives

Under the articles of association, the principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the mainstream Academies) offering a broad and balanced curriculum.

The main activity of the Academy Trust since 1 September 2004 was the operation of the London Academy to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business, enterprise and information technology. Deansbrook Junior School joined the Academy Trust in 2013, providing a happy, safe and caring environment in which children between the ages of 7 and 11 can achieve their full potential. AIM North London joined the Academy Trust in 2019 as a struggling secondary school in Enfield which the Academy Trust is successfully working to improve in line with its broader objectives.

Multi academy status has been founded on a strong resonance of values and mission to ensure that any child can succeed through learning. The Academy Trust aims to meet the educational needs of its community by providing a high quality, flexible learning environment from KS2 to KS5 in which students will be among the Leaders for TTomorrow.

The main objectives of the Academy Trust are summarised below:

- ◆ to raise the standard of educational achievement of all pupils;
- ◆ to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- ◆ to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- ◆ to provide value for money for the funds expended;
- ◆ to comply with all appropriate statutory and curriculum requirements;
- ◆ to maintain close links with industry and commerce; and
- ◆ to conduct business in accordance with the highest standards of integrity, probity and openness.

Directors' report (incorporating a strategic report) Year to 31 August 2022

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

Through partnership, challenge, support and collaboration the Academy Trust will support all of its Academies to realise the vision of delivering and achieving outstanding outcomes for every child.

To this end the activities provided include:

- ◆ tuition and learning opportunities for all students to attain appropriate academic qualifications;
- ◆ training opportunities for all staff;
- ◆ secondments and placing of students with industrial and commercial partners;
- ◆ a programme of sporting and after-school activities for all students; and
- ◆ careers advice to help students obtain employment or move on to higher education.

The local governors are responsible for ensuring that on behalf of the directors, high standards of corporate governance are maintained. The directors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of each Academy, addressing such matters as:

- ◆ the development of each academy in line with the Trust and the Academy's strategic priorities and vision;
- ◆ monitoring, evaluation and improvement of teaching and learning;
- ◆ standards and key performance indicators for each Academy;
- ◆ establishing and maintaining effective internal controls;
- ◆ monitoring the use of budgets;
- ◆ making major decisions about the direction of each Academy
- ◆ senior staff appointments;
- ◆ the management of all resources;
- ◆ the monitoring of performance;
- ◆ setting the Trust's standards of conduct and values;
- ◆ assessing and managing risk.

The Academies aim to meet the educational needs of its community by providing a high quality, flexible learning environment in which technology plays a key role.

OBJECTIVES AND ACTIVITIES (continued)

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The directors consider that the Academy Trust's aims are demonstrably to the public benefit.

Working with other organisations

The Academy Trust is working closely with the Department for Education (DfE), the Education and Skills Funding Agency (ESFA) and the Local Education Authorities. Other links include Education Business Partnership, Community Trust Steering Group, Primary Partnerships, Safer Neighbourhood Panel, Steplab and the Coaching Collective.

Equal opportunities

The directors understand that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of the people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

Personnel

The Academy Trust has implemented a detailed policy in relation to personnel matters including a special leave policy.

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRATEGIC REPORT

Achievements and performance

AIM Academies Trust exists to transform tradition by developing Leaders for Tomorrow.

The Academy Trust was formed as a partnership between Deansbrook Junior School and London Academy with a singular, shared vision that with excellent teaching any child can achieve. AIM North London joined this family in 2019.

The Academy Trust has been inspired to build up a broad network of partnerships to aid and develop student opportunity, experience, drive and success. It is the belief of the Academy Trust that there should be no barriers to each child's future and no limits to what they can achieve.

Children can join the Trust from age 4 in reception and continue their education to age 19 with the guarantee of an exceptional education experience.

London Academy (GCSE)

Measure	2017	2018	2019	2020	2021	2022
English 5+	58%	70%	77%	82%	86%	80%
Mathematics 5+	43%	56%	60%	70%	75%	76%
English and Mathematics 5+	39%	51%	57%	67%	73%	72%
EBACC	16%	19%	21%	47%	61%	54%
Attainment 8		48.95	52.14	61.01	63.44	55.11
Progress 8	0.41	0.66	1	N/A	N/A	0.83*

**The Progress 8 scores for 2021/22 are provisional figures released to schools by the Department for Education (DfE). Progress 8 scores were not published in 2020 and 2021 due to grades being awarded through teacher assessed grades.*

London Academy (Post-16)

Measure	2017	2018	2019	2020	2021	2022
%1 A*-B	53%	60%	52%	72%	62%	67%
%1 A*-E	100%	100%	100%	100%	100%	100%
%2 A*-E	98%	99%	99%	97%	99%	97%
%3 A*-E	84%	89%	87%	88%	93%	91%
Avg Point Score	28.6 (C)	28.9 (C)	29.6 (C)	38.8 (B)	34.7 (C+)	29.8 (C)

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRATEGIC REPORT (continued)

Achievements and performance (continued)

AIM North London (GCSE)

Measure	Predecessor School 2019	National Average 2022	AIM North London 2022
English 5+	23%	61%	45%
Maths 5+	12%	47%	31%
English and Maths 5+	10%		29%
Science 4+	26%	61%	37%
EBACC (5+)	4%		12%
Attainment 8	26.4		34.2
Progress 8	-0.74	-0.03	-0.01*

*The Progress 8 scores for 2021/22 are provisional figures released to schools by the Department for Education (DfE). Progress 8 scores were not published in 2020 and 2021 due to grades being awarded through teacher assessed grades.

Deansbrook Junior School

Key Stage 2	School	Barnet	London	National
Reading EXS+	85%	79.5%	78.1%	74.5%
Reading High	38%	35.9%	32.5%	27.8%
Writing EXS+	85%	67.1%	73.4%	69.5%
Writing GDS	32%	13.7%	17.3%	12.8%
Maths EXS+	85%	79.6%	77.0%	71.4%
Maths High	45%	32.7%	30.2%	22.5%
RWM* EXS+	77%	60.5%		58.7%
RWM* High	29%	9.4%		7.2%
Reading Progress	2.7	1.5	0.74	0.1
Writing Progress	4.2	0.7	0.95	0.1
Maths Progress	4.3	1.9	1.20	0.1

Going concern

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

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRATEGIC REPORT (continued)

Promoting the success of the company

The directors have considered the academic outcomes, safeguarding performance and financial stability of the Trust as the core factors that determine the success of the Academy Trust. These three factors form the basis of each Trust Board and LGB meeting, and are reported on and discussed at length. The directors have undertaken to engage with stakeholders in these meetings and to challenge the conclusions, while guiding the Executive Principal, Chief Operating Officer and others in key decisions. Ultimately the Trust Board have made decisions around budgeting pay, admissions and the steady growth of the Academy Trust which provide the environment for educational staff to drive exceptional academic results. The directors have been able to consider the bigger picture of issues such as Brexit (and its impact on the supply chain) and Covid-19, and the impact of the Academy Trust on local communities, to continue to improve the effectiveness of each Academy they serve.

Key performance indicators

Financial

The principal risk for the Academy Trust in a financial sense remains student numbers. The Academies remain popular and student numbers have continued to grow; however the Academy Trust is aware that there are many factors, including Brexit and demographic change, which will put pressure on these numbers in future years.

London Academy Secondary continues to perform well in terms of student numbers, and the sixth form, despite competition from a range of local providers, is one of the largest in the borough. The Academy remains aware that this popularity is based upon several key components, including results and reputation, and it prioritises these areas using appropriate marketing tools.

AIM North London's predecessor school historically struggled with student numbers, due in large part to its prior academic performances and the challenges within the communities it serves. However, the focus on improving outcomes has been successful to date (in terms of GCSE results the school is the most improved in Enfield), and we expect this to continue to be reflected in the intake numbers going forward.

Both Deansbrook Junior School and London Academy Primary are performing well, however are at risk of demographic changes having a material impact on pupil numbers. Trustees and the Senior Management Team are aware of this risk and are working to ensure any financial risk to the Academy Trust is mitigated.

While the Academies remain in surplus positions, London Academy significantly so, the focus has remained on setting a balanced or surplus budget going forward. The Academies have benefited from additional income in the year to 31 August 2022 which is expected to be temporary. Given this, and the student number risk outlined above, the Trust Board has discussed the potential to utilise reserves in future years to temporarily sustain revenue budgets. At present this is not expected to be necessary.

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial (continued)

The financial statements have been prepared in accordance with the current statutory requirements, the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA) and the Academy Trust's governing documents.

Most of the Academy Trust's income is obtained from the ESFA, an agency of the DfE, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants and donations for fixed assets from the ESFA and the local authority. In accordance with the ESFA Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income of the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy Trust's total income for the year ended 31 August 2022 amounted to £20.79m (2021 – £20.05m) represented primarily by ESFA revenue grant funding of £18.63m (2021 – £18.14m) to cover the Academy Trust's educational operations.

During the year ended 31 August 2022, total expenditure was £21.29m (2021 – £20.57m).

The net income for the year excluding the movement on the restricted fixed asset fund and before actuarial gains was £0.114m (2021 – net income £0.25m excluding the transfer of AIM North London).

At 31 August 2022 the net book value of fixed assets was £56.172m (2021 – £57.292m). Movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Financial and risk management objectives and policies

The Academy Trust has cash balances and other working capital balances. The main risk arising from the use of financial instruments is liquidity risk.

Liquidity risk

The Academy Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk

In the absence of borrowings and with low prevailing interest rates, the Academy Trust is not exposed to significant interest rate risk.

Directors' report (incorporating a strategic report) Year to 31 August 2022

STRATEGIC REPORT (continued)

Key performance indicators (continued)

Financial and risk management objectives and policies (continued)

Other risks

The Academy Trust is exposed to price risks, but is funded by government on the same basis as other academies and budgets accordingly. Nearly all funding comes from government so credit risk is considered to be negligible.

The directors recognise that the Academy Trust needs to hold reserves for a range of reasons, the most common of which are given below:

- ◆ a contingency fund to deal with minor adjustments to expenditure from a range of budget areas, e.g. underestimate of examination fees. It is the Academy Trust's policy to build up reserves which can be used for future education purposes in line with the development plan; and
- ◆ fluctuating energy prices which across the sector are placing significant additional burden on in-year revenue budgets. The Academy Trust have mitigated this additional cost to date, but it remains a risk going forward; and
- ◆ staff pay increases effective 1 April 2022 and 1 September 2022 were announced after budgets were set, and appear set to continue in future years above previously budgeted levels. While the Academy Trust is working to ensure each Academy continues to set a balanced budget, the impact of these increases on the sector remains a risk; and
- ◆ the deficit in the pension fund for support staff; and
- ◆ large scale and/or emergency capital projects which cannot be fully funded by in-year budgets.

The directors recognise that reserves have increased significantly across the current and prior years. Directors will continue to ensure that increasing reserves does not take priority over educational outcomes, and consider the reserves to be a reasonable response to the risks set out above, particularly student numbers. The increase in the size of the Academy Trust and the corresponding increase in risk, as well as macro circumstances e.g. energy costs, have made an increase to reserves prudent where it can be achieved without compromising other priorities. The directors will ensure that the reserves policy continues to conform to the guidance given by the ESFA.

Financial position

The Academy Trust held total reserves of £60.591m (2021 – £54.261m) at 31 August 2022, comprising £60.591m (2021 – £52.526m) of restricted funds (which includes a pension reserve deficit of £0.849m (2021 – £7.032m) and free reserves of £1.874m (2021 – £1.650m) which are unrestricted funds represented by a designated fund for future capital projects of £1.508m (2021 - £nil) and a general fund of £0.366m (2021 - £1.650m).

Directors' report (incorporating a strategic report) Year to 31 August 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the major risks and uncertainties to which the Academy Trust is exposed, in particular those relating to recruitment, provision of facilities, academy finances and other academy functions. Key risks and uncertainties identified include changes and reductions in funding for capital projects and uncertainties in funding.

FUNDRAISING

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- ◆ approach to fundraising
- ◆ work with, and oversight of, any commercial participators/ professional fundraisers
- ◆ fundraising conforming to recognised standards
- ◆ monitoring of fundraising carried out on its behalf
- ◆ fundraising complaints
- ◆ protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The Academy Trust only held small fundraising events during the year including school fetes, plays, concerts, non-uniform days. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	
Energy consumption used to calculate emissions (kWh)	4,483,891
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	519.43
Owned transport – mini-buses	2.13
<u>Total scope 1</u>	521.56
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	316.81
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	
<u>Total gross emissions in metric tonnes CO2e</u>	838.38
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.32

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Quantification and Reporting Methodology

We have measured and reported our greenhouse gas emissions using the kwh figures provided to us by our energy supplies on a monthly basis, converting these using information from the Department for Business, Energy & Industrial Strategy

Intensity measurement

As a Multi-Academy Trust our primary objective is the education of the pupils in our care. The number of pupils in our schools is the predominant factor that drives our income and expenditure, and we measure our energy performance against pupil numbers to provide meaningful performance indicators.

Measures taken to improve energy efficiency

In the last year we have focussed on setting a more consistent and direct approach to maintaining our Mechanical and Electrical systems by adopting the professional maintenance standard -SFG20. In doing so, we have optimised our plant to save energy and improve efficiency, and are looking to complete an overhaul of our Building Management System to make use of modern efficiencies. We have also continued to invest in replacing/repairing faulty cooling systems and automated controls, to minimise electricity waste and prevent unauthorised usage.

Other examples of our commitment to improve energy efficiency have included; reducing the number of short school minibus journeys, encouraging staff to switch off electrical equipment when not in use and repairing high level manual window controls to prevent heat loss (based on an audit carried out in the previous year. We are undergoing multiple plant room projects to modernise our heating and hot water systems, reducing inefficiency throughout our sites.

We have made significant progress in replacing lighting throughout the Academy with LED fittings, identifying an estimate 70,000kg of CO2 to be reduced in the first year.

Moving forward we have begun to identify further actions and opportunities we can take to reduce the Trust's carbon footprint and continue our efforts to increase sustainability. We will continue to install LED light fittings in all buildings, replacing inefficient heating circulating pumps and implementing regular inspections of the building fabric to check on the condition of insulation, sealing measures and removal of accidental ventilation paths. Significant repairs are taking place to the London Academy roof which we expect to include both repairs to insulation and the consideration of solar panels. We are looking to maximise our involvement in the Government's decarbonisation schemes and funding.

Directors' report (incorporating a strategic report) Year to 31 August 2022

PLANS FOR FUTURE PERIODS

Our plan is to continue to grow, and we will consider adding new schools to the Trust where they align with our mission. We are committed to the Trust being geographically sensible, as this should facilitate sharing of services and professional expertise.

The acceptance of a school within the Trust will be dictated by a process of due diligence which takes account of the following factors:

- ◆ The quality and capacity of the current governance arrangements.
- ◆ The current and longer-term financial position of the school and the state of its assets.
- ◆ The standard of education and the staff profile.
- ◆ The student profile and recent trends, changes in demographics and levels of disadvantage.
- ◆ The current pupil roll and future pupil planning data.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust did not hold any funds as custodian on behalf of others.

AUDITOR

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware; and
- ◆ the director has taken all the steps that she/he ought to have taken as a director in order to make herself/himself aware of any relevant audit information and to establish that the Academy Trust's auditor is aware of that information.

Directors' reports, incorporating a strategic report, were approved by order of the members of the board of directors on 23 December 2022 and signed on its behalf by:



PHILIP O'HEAR

Philip O'Hear
Director

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Governance statement Year to 31 August 2022

Scope of responsibility

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

The directors have delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master funding agreement between the Academy Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors' report and in the statement of directors' responsibilities.

As described in the directors' report, the directors delegate a number of functions to the local governing body (LGB) of each Academy. These LGBs meet as appropriate throughout the year in order to govern the affairs of the individual Academies. As described in the directors' report, the chair of the LGBs is also a director of the Academy Trust.

N J Portelli resigned from the Trust Board on 18 May 2022. The Trust Board is considering its internal skills in response to this resignation, so that the role can be filled in the most beneficial way for the Academy Trust.

The directors have formally met three times during the year. Attendance during the year at meetings of the directors is given below:

	Number of meetings attended	Out of a possible
Directors		
P Shalson	3	3
P O'Hear	3	3
Dr M H Platt	1	3
Lord Leigh	1	3
J Menell	3	3
M B Shalson	2	3
S Pollins	2	3
M H Van Praagh	2	3
N J Portelli	2	2
P McGrath	3	3
S Kahan	3	3
Others – non directors attending		
A Warburton	3	3
A Trigg	3	3
B Wythe	3	3

Governance statement Year to 31 August 2022

Conflicts of interest

The Academy Trust has a robust process in place to manage potential conflicts of interest. Members, Trustees, Governors and senior employees must complete annual declarations of interest which are published on the Academy Trust's website. There is a standing item on committee agendas to declare conflicts of interest or involvement in related party transactions.

All finance staff have undertaken training on the requirements of the Academy Trust finance regulations to check new suppliers against declarations of interest, and these are covered by month-end and year-end processes, as well as internal and external audit. No related party transactions took place in the year ended 31 August 2022.

Review of value for money

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

The Accounting Officer has considered PPN 02/20 and 04/20 in relation to Covid-19. Since funding continued for schools, the impact on income for the Academy Trust was relatively minimal, affecting lettings income. The Academy Trust was in contact with suppliers and made arrangements with a small number to continue paying as normal, such as agencies and catering providers. There was very little impact on Value for Money, as the Academy Trust was able to continue operating its usual procurement processes throughout the pandemic.

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

- ◆ Outcomes at KS2, KS4 and KS5, which indicate that the use of the pupil premium has been highly effective in that young people exceed not only national figures for disadvantaged students but in many instances perform better than non-disadvantaged students nationally and within the Academies.
- ◆ Building projects in all three Academies have been tightly managed and brought to successful completion within budget and to a high standard.
- ◆ Overall outcomes in Deansbrook Junior School and London Academy exceed national averages, and progress at AIM North London is strong. In addition, we have a high proportion of young people at London Academy now progressing to Russell Group Universities as a direct result of targeted interventions such as ACCESS, Brilliant Club, Future First, Careers Academy and summer masterclasses.

Governance statement Year to 31 August 2022

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The directors have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The directors are of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the LGBs and reported to the directors.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties;
- ◆ identification and management of risks.

Governance statement Year to 31 August 2022

The risk and control framework (continued)

The board are responsible for the internal reviews of financial procedures at the Academy Trust. They have outsourced to Buzzacott LLP the responsibility of performing the checks, as suggested by the Academies Handbook. The revised FRC Ethical Standard states that a firm providing external audit to an entity shall not also provide internal audit services to it. As such, the Finance and Audit Committee of the Trust Board have decided to appoint Kreston Reeves to undertake the internal audit function for the year to 31 August 2022. Kreston Reeves conducted three Internal Audits in the year to 31 August 2022, with the scope set by the Finance & Audit committee. Their findings and management responses were reported to and discussed by the committee, and the Accounting Officer and Chief Financial Officer acted on their recommendations making changes to processes where appropriate.

Buzzacott LLP will continue as the external audit provider.

Approved by order of the directors and signed on their behalf by:



Philip O'Hear
Chair of directors



Paddy McGrath
Executive Principal and Accounting Officer

Approved on: 23 December 2022

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Statement on regularity, propriety and compliance Year to 31 August 2022

As Accounting Officer of AIM Academies Trust I have considered my responsibility to notify the Academy Trust directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Paddy McGrath

Accounting Officer and Executive Principal

Date: 23 December 2022

AIM Academies Trust

Company Registration Number: 04389132 (England and Wales)

Statement of directors' responsibilities Year to 31 August 2022

The directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Statement of directors' responsibilities Year to 31 August 2022

Approved by order of the directors and signed on its behalf by:



PHILIP O'HEAR

Philip O'Hear
Chair of directors

Date: 23 December 2022

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Independent auditor's report Year to 31 August 2022

Independent auditor's report to the members of AIM Academies Trust

Opinion

We have audited the financial statements of AIM Academies 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, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2021 to 2022.

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 income and expenditure, for the period then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ♦ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report Year to 31 August 2022

Conclusions relating to going concern (continued)

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

Other information

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

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

We have nothing to report in this regard.

Opinions 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 directors' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 directors' report including the strategic report.

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

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

Independent auditor's report Year to 31 August 2022

Responsibilities of the directors'

As explained more fully in the directors' responsibilities statement, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' 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 directors' 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 directors 'either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2021 to 2022, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

Independent auditor's report Year to 31 August 2022

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of directors' meetings and papers provided to the directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- ◆ To address the risk of fraud through management bias and override of controls, we:
- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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;
- ◆ reviewing the minutes of Trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

Independent auditor's report Year to 31 August 2022

Auditor's responsibilities for the audit of the financial statements (continued)

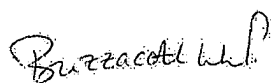
- ♦ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the charitable 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London EC2V 6DL

Date: 23 December 2022

Independent reporting accountant's report Year to 31 August 2022

Independent reporting accountant's assurance report on regularity to AIM Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by AIM Academies Trust during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of AIM Academies Trust's Accounting Officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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

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

Independent reporting accountant's report Year to 31 August 2022

Approach (continued)

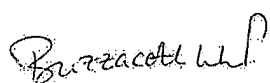
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 23 December 2022

Statement of financial activities Year to 31 August 2022
(Including Income and Expenditure Account)

	Notes	Unrestricted General funds £'000	Restricted funds		Total 2022 £'000	Total 2021 £'000
			General funds £'000	Fixed assets funds £'000		
Income from:						
Donations and capital grants	1	46	—	420	466	254
Charitable activities						
· Funding for the Academy				—		
· Trust's educational operations	2	—	19,427	—	19,427	18,854
· Teaching Schools	2	83	275	—	358	398
Other trading activities	3	536	—	—	536	542
Investments	4	1	—	—	1	1
Total income		666	19,702	420	20,788	20,049
Expenditure on:						
Charitable activities						
· Academy Trust's educational	5/6	366	19,008	1,562	20,936	20,181
· Teaching Schools		76	281	—	357	393
Total expenditure		442	19,289	1,562	21,293	20,574
Net income (expenditure) before transfers		224	413	(1,142)	(505)	(525)
Transfers between funds	16	—	(523)	523	—	—
Net income (expenditure) for the year	10	224	(110)	(619)	(505)	(525)
Other recognised losses						
Actuarial gain (loss) on defined benefit pension scheme	20	—	6,835	—	6,835	(204)
Net movement in funds for year		224	6,725	(619)	6,330	(729)
Reconciliation of funds						
Total funds brought forward	16	1,650	(4,903)	57,514	54,261	54,990
Total funds carried forward		1,874	1,822	56,895	60,591	51,261

All activities derive from continuing operations.

Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible fixed assets	12		56,172		57,292
Current assets					
Stock		89		83	
Debtors	13	1,173		1,044	
Cash at bank and in hand		6,334		5,452	
		7,596		6,579	
Current liabilities					
Creditors: amounts falling due within one year	14	(2,328)		(2,577)	
Net current assets			5,268		4,002
Net assets excluding pension liability			61,440		61,294
Pension scheme liability	20		(849)		(7,032)
Total net assets			60,591		54,262
Funds of the Academy Trust					
Restricted funds					
Fixed asset funds	16		56,895		57,514
Restricted income fund	16		2,671		2,129
Pension reserve			(849)		(7,032)
Total restricted funds			58,717		52,611
Unrestricted funds	16				
Designated fund			1,508		—
General fund			366		1,650
Total unrestricted funds			1,874		1,650
Total funds			60,591		54,261

The financial statements were approved by the directors and signed on their behalf by:



Philip O'Hear
Director

Date: 23 December 2022

AIM Academies Trust
Company Registration Number: 04389132 (England and Wales)

Statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	903	1,785
Net cash used in investing activities	B	(21)	(1,299)
Change in cash and cash equivalents in the year		882	486
Cash and cash equivalents at 1 September		5,452	4,966
Cash and cash equivalents at 31 August		6,334	5,452

A Reconciliation of net expenditure to net cash flow from operating activities

	2022 £'000	2021 £'000
Net expenditure for the year (as per the statement of financial activities)	(505)	(525)
Adjusted for:		
Depreciation	1,562	1,530
Capital grants from DfE and other capital income	(420)	(233)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	532	497
Defined benefit pension scheme finance cost	120	107
Increase in stock	(6)	(28)
(Increase) Decrease in debtors	(129)	112
(Decrease) increase in creditors	(248)	326
Net cash provided by operating activities	903	1,785

B Cash flows from investing activities

	2022 £'000	2021 £'000
Interest received	1	1
Purchase of tangible fixed assets	(442)	(1,533)
Capital grants from DfE/ESFA	420	233
Net cash used in investing activities	(21)	(1,299)

C Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash in hand and at bank	6,334	5,452
Total cash and cash equivalents	6,334	5,452

Statement of cash flows Year to 31 August 2022

D Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash	5,452	882	6,334
Total	5,452	882	6,334

Principal accounting policies 31 August 2022

Statement of accounting policies

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

Basis of preparation

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

AIM Academies Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The directors assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. This assessment included a consideration of the impact of coronavirus on the day to day operations of the Academy Trust and possible financial consequences. The Academy Trust has and continues to develop contingency plans which are being successfully implemented.

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

Income

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

Principal accounting policies 31 August 2022

Income (continued)

Grants

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

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other trading income

Other trading income, including the hire of facilities, catering, trips and sundry other receipts, are recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Expenditure

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2022

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

- ◆ Furniture, fittings and equipment - 25% p.a.
- ◆ Freehold buildings - 2% p.a.
- ◆ Long leasehold buildings - 2% p.a.

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

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

Liabilities

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

Principal accounting policies 31 August 2022

Provisions

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Fund accounting

Unrestricted funds are those monies which may be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the directors.

Restricted funds comprise grants from ESFA and other bodies to be used for specific purposes.

Restricted fixed assets fund comprises funds received towards capital expenditure by way of grants from the Government and by private donations. Depreciation is charged against these funds over the estimated useful lives of the fixed assets purchased.

Stock

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

Principal accounting policies 31 August 2022

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20 the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

If the present value of the defined pension scheme obligations at the balance sheet date is less than the fair value of the scheme assets at that date, the scheme is in surplus. The Academy Trust only recognises a scheme surplus as a defined benefit pension scheme asset only to the extent that it is able to recover the surplus through reduced contributions in the future or through refunds from the scheme.

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

Principal accounting policies 31 August 2022

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The directors do not consider that there are any areas of judgement which are critical to the Academy Trust's financial statements.

Notes to the financial statements 31 August 2022

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2022 £'000	Total 2021 £'000
Capital grants	—	—	420	420	54
Donated fixed assets	—	—	—	—	179
Other donations	46	—	—	46	21
	46	—	420	466	254

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2021 £'000
Capital grants	—	—	54	54
Donated fixed assets	—	—	179	179
Other donations	21	—	—	21
	21	—	233	254

2 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
DfE / ESFA grants				
· General Annual Grant (GAG)	—	16,250	16,250	15,452
Other DfE / ESFA grants				
· UIFSM	—	18	18	31
· Pupil Premium	—	983	983	903
· Others	—	1,382	1,382	1,757
	—	18,633	18,633	18,143
Other Government grants				
· Local authority grants	—	794	794	646
Coronavirus additional funding (DfE/ESFA)	—	—	—	65
Other DfE/ESFA Coronavirus funding	—	—	—	654
Total educational funding	—	19,427	19,427	18,854
Teaching school grants				
· Teaching Schools Grants	—	275	275	314
· Special education projects	83	—	83	84
	83	275	358	398
2022 Total income	83	19,702	19,785	19,505

Notes to the financial statements 31 August 2022

2 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000
<i>DfE / ESFA grants</i>			
· General Annual Grant (GAG)	—	15,452	15,452
<i>Other DfE / ESFA grants</i>			
· UIFSM	—	31	31
· Pupil Premium	—	903	903
· Others	—	1,757	1,757
<i>Other Government grants</i>			
· Local authority grants	—	646	646
	—	18,789	18,789
<i>Coronavirus additional funding (DfE/ESFA)</i>			
Other DfE/ESFA Coronavirus funding	—	65	65
<i>Other educational grants</i>			
· Teaching Schools Grants	—	314	314
· Special education projects	—	84	84
	—	398	398
2021 Total income	—	19,252	19,252

The Academy Trust was eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

Notes to the financial statements 31 August 2022

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Hire of facilities	139	—	139	3
Income from other charitable activities	224	—	224	437
Income from ancillary trading activities	173	—	173	102
	536	—	536	542

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000
Hire of facilities	3	—	3
Trip income	7	—	7
Catering income	93	—	93
Miscellaneous income	439	—	439
	542	—	542

4 Investment income

	Unrestricted funds £'000	Restricted Fund £'000	Total 2022 £'000	Total 2021 £'000
	1	—	1	1
Interest receivable	1	—	1	1

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000
	1	—	1
Interest receivable	1	—	1

5 Expenditure

	Staff costs £'000	Premises £'000	Other costs £'000	Total 2022 £'000	Total 2021 £'000
Academy Trust's educational operations					
Direct costs	11,574	1,562	1,283	14,419	13,780
Support costs	3,216	1,622	1,679	6,517	6,401
Teaching School	—	—	281	281	393
Allocated support costs	39	—	37	76	—
	14,829	3,184	3,280	21,293	20,574

	Staff costs £000	Premises £000	Other costs £000	Total 2021 £000
Academy Trust's educational operations				
Direct costs	11,420	1,530	830	13,780
Support costs	3,354	1,578	1,469	6,401
Teaching School	44	—	349	393
	14,818	3,108	2,648	20,574

Notes to the financial statements 31 August 2022

5 Expenditure (continued)

Net income / (expenditure) for the year includes:

	Total 2022 £'000	Total 2021 £'000
Depreciation	1,562	1,530
Fees payable to auditor for		
. Audit	21	19
. Other services	8	8
Operating lease rentals	33	25

6 Charitable activities – Academy Trust's educational operations

	2022 Total funds £'000	2021 Total funds £'000
Direct costs - educational operations	14,419	13,780
Direct costs - teaching school hub	281	313
Support costs - educational operations	6,517	6,401
Support costs - teaching school hub	76	80
	21,293	20,574

	Teaching school hub £'000	Educational operations £'000	Total 2022 £'000	Total 2021 £'000
Analysis of support costs				
Support staff costs	39	3,285	3,324	3,355
Technology costs	—	186	186	220
Premises costs	—	1,622	1,622	1,578
Legal costs - other	—	—	—	45
Other support costs	37	1,297	1,324	1,158
Governance costs	—	51	51	45
Total support costs	76	6,441	6,517	6,401

Notes to the financial statements 31 August 2022

7 Comparative information

		<i>Restricted funds</i>			
		<i>Unrestricted General funds</i>	<i>General funds</i>	<i>Fixed assets funds</i>	<i>Total 2021</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income from:					
Donations and capital grants	1	21	—	54	74
. Donated assets	1	—	—	179	179
. Transfer on academies joining the Trust	25	—	—	—	—
Charitable activities					
. Funding for the Academy Trust's educational operations	2	—	18,854	—	18,854
. Teaching Schools	2	—	398	—	398
Other trading activities	3	542	—	—	542
Investments	4	1	—	—	1
Total income		564	19,252	233	20,049
Expenditure on:					
Charitable activities					
. Academy Trust's educational operations	5/6	554	18,097	1,530	20,180
. Teaching Schools		—	393	—	393
Total expenditure		554	18,490	1,530	20,574
Net income (expenditure) before transfers		10	761	(1,297)	(525)
Transfers between funds	16	—	(524)	524	—
Net income (expenditure) for the year	10	10	237	(772)	(525)
Other recognised losses					
Actuarial losses on defined benefit pension scheme	20	—	(204)	—	(204)
Net movement in funds for year		10	33	(772)	(729)
Reconciliation of funds					
Total funds brought forward	16	1,640	(4,937)	58,287	54,990
Total funds carried forward		1,650	(4,903)	57,514	54,261

Notes to the financial statements 31 August 2022

8 Staff

(a) Staff costs

Staff costs during the year were as follows:

	2022 £'000	2021 £'000
Wages and salaries	9,969	10,167
Social security costs	1,093	1,090
Pension costs	2,007	2,599
	13,069	13,855
Supply staff costs	1,164	586
Staff restructuring costs	64	377
	14,297	14,818

(b) Severance payments

The academy trust paid severance payments in the year in the following bands:

	2022 No.	2021 No.
£0 - £25,000	3	20

(c) Staff restructuring costs

Included in staff restructuring costs are non-contractual severance payments totaling £64,000 (2021 – £237,717) made to three staff members (2021 – twenty)

(d) Staff numbers

The average number of persons (including the senior management team) employed during the year ended 31 August 2022 was as follows:

	2022 No.	2021 No.
Teachers	151	142
Administration and support	107	128
Management	25	28
	283	298

	2022 FTE.	2021 FTE.
Teachers	144	134
Administration and support	75	90
Management	25	28
	244	252

Notes to the financial statements 31 August 2022

8 Staff (continued)

(e) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2022 No.	2021 No.
£60,001 - £70,000	17	18
£70,001 - £80,000	2	—
£80,001 - £90,000	6	6
£90,001 - £100,000	2	1
£100,001 - £110,000	1	—
£110,001 - £120,000	—	1
£130,001 - £140,000	1	1
	29	27

During the year ended 31 August 2022; 27 of the above employees participated in the Teachers' Pension Scheme; employer's pension contributions for these staff amounted to £464,004 (2021 – twenty six employees; £446,162).

(f) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £448,568 (2021 – £506,345).

9 Directors' remuneration, expenses and directors' and officers' insurance

One director has been paid remuneration or has received other benefits from an employment with the Academy Trust. The executive principal only received remuneration in respect of services they provide undertaking the role of executive principal under their contract of employment.

	2022 £'000	2021 £'000
P McGrath, CEO and director		
• Remuneration	130k – 140k	130k – 140k
• Employer's pension contributions	30k – 35k	30k – 35k

Other directors did not receive any payments, other than reimbursed expenses, from the Academy Trust in respect of their role as directors. No directors received reimbursement of expenses for travel, subsistence and accommodation (2021 – none) from the Academy Trust during the year in the course of their duties as directors.

Notes to the financial statements 31 August 2022

9 Directors' remuneration, expenses and directors' and officers' insurance (continued)

Directors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Company business. The Academy Trust's insurance provides cover up to £25,000,000 on any one claim and the cost for 2022 was £74,687 (2021 – £87,272). There were no other related party transactions involving the directors (see also note 23).

10 Net expenditure for the year

The Academy Trust's net expenditure for the year is stated after charging:

	2022 £'000	2021 £'000
Depreciation	1,562	1,530
Auditor's remuneration		
Statutory audit services	21	19
Other ESFA and regulatory audits	6	6
Other services	2	2
Operating lease rentals	33	25

11 Taxation

The Academy Trust is an exempt charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charitable companies.

12 Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold building £'000	Furniture, fittings and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2021	47,748	22,058	586	2,042	21	72,455
Additions	178	53	45	166	—	442
At 31 August 2022	47,926	22,111	631	2,207	21	72,897
Depreciation						
At 1 September 2021	11,621	1,360	527	1,642	13	15,163
Charge for year	956	441	22	141	2	1,562
At 31 August 2022	12,577	1,801	549	1,783	15	16,725
Net book values						
At 31 August 2022	35,349	20,310	82	424	6	56,172
At 31 August 2021	36,127	20,698	58	400	8	57,292

Notes to the financial statements 31 August 2022

12 Tangible fixed assets (continued)

London Academy - Freehold land

Title to the site at Spur Road, Edgware, Middlesex is registered in the name of the Academy Trust but has not been included in these financial statements because the site is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

London Academy – Donated assets

A primary school at London Academy was built in 2018 by the London Borough of Barnet on freehold land owned by the London Academy. On completion, the building was transferred to the Academy Trust for no consideration.

Long leasehold building

The leasehold buildings refer:

- ♦ to a building situated at Hale Drive, Mill Hill, London occupied by Deansbrook Junior School and held under a 125-year lease from the London Borough of Barnet; and
- ♦ to buildings at Turin Road, London, occupied by AIM North London (formerly The Nightingale School) and held under a 125 year lease from the London Borough of Enfield. The leasehold buildings were transferred on 1 September 2019 for no consideration. (see note 25)

No value has been included in these financial statements of the leasehold land occupied by the Academy as the land is designated for educational purposes only and is considered to have no open market value to the Academy Trust.

13 Debtors

	2022 £'000	2021 £'000
Trade debtors	13	35
VAT reclaimable	210	277
Other debtors	—	1
Prepayments and accrued income	950	731
	1,173	1,044

Notes to the financial statements 31 August 2022

14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	697	1253
Social security and other taxes	496	491
Accruals and deferred income	1,135	833
	2,328	2577
Deferred income		
Deferred income at 1 September 2021	360	214
Amounts released from previous year	(360)	(214)
Resources deferred in the year	425	360
Deferred income at 31 August 2022	425	360

Deferred income includes: £2,987 unspent Bursary; £14,307 unspent Sports grant to be repaid; £5,000 In house TTC; £31,834 unspent Start up project; £10,952 UIFSM; £288,633 47 PN adjustment Growth funding; unspent MDIF funding of £17,746 and £53,017 relating to AIM Equalitas (2021 – £25,513) in respect of Rates Relief Funding received from the ESFA, £18,286 of Universal Infant Free School Meals funding for the ensuing academic year, Covid tuition and catch up premium funding of £193,889 received in 2020/21 but unspent at 31 August 2021, a PE grant of £16,528, unspent MDIF funding of £17,746 and an amount of £53,543 relating to the AIM Equalitas 2021/22.

15 Central services

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

- ◆ Educational Support Services
- ◆ Financial Support services
- ◆ Project Management Services
- ◆ Governance support Services
- ◆ Facilities Management Services
- ◆ Other

The Academy Trust charges for these services based on a percentage of GAG income, set at 5% for the current year. The amounts charged during the year were as follows:

	2022 £'000	2021 £'000
London Academy	507	471
Deansbrook Junior School	83	81
AIM North London	229	220
	819	772

Notes to the financial statements 31 August 2022

16 Funds

	At 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2022
Restricted income funds					
General Annual Grant (GAG)	1,951	16,250	(15,008)	(523)	2,671
<i>Other DfE / ESFA grants</i>					
UIFSM	—	18	(18)	—	—
Pupil Premium	—	983	(983)	—	—
Teaching School Hub	—	275	(275)	—	—
Catch up Premium	177	—	(177)	—	—
Other grants	—	1,382	(1,382)	—	—
Pension reserve	(7,032)	—	(652)	6,835	(849)
	<u>(4,903)</u>	<u>18,908</u>	<u>(18,495)</u>	<u>6,312</u>	<u>1,822</u>
Other restricted funds					
Local authority grants	—	794	(794)	—	—
	<u>—</u>	<u>794</u>	<u>(794)</u>	<u>—</u>	<u>—</u>
Restricted fixed asset funds					
Transfer on conversion	25,800	—	—	—	25,800
DfE/ESFA capital grants	31,534	420	(1,562)	—	30,392
Donated assets	179	—	—	—	179
Capital expenditure from GAG	—	—	—	523	523
	<u>57,514</u>	<u>420</u>	<u>(1,562)</u>	<u>523</u>	<u>56,895</u>
Unrestricted funds					
Designated fund	—	—	—	1,508	1,508
General fund	1,650	666	(442)	(1,508)	366
Total unrestricted funds	<u>1,650</u>	<u>666</u>	<u>(442)</u>	<u>—</u>	<u>1,874</u>
	<u>54,261</u>	<u>20,788</u>	<u>(21,293)</u>	<u>6,835</u>	<u>60,591</u>

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

Revenue funds

◆ ESFA grants funds

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State signed on 27 March 2013 the Academy Trust was not subject to a limit in the amount of GAG that it could carry forward at 31 August 2022.

◆ Fixed assets funds:

The fixed assets fund includes grants received from the ESFA and other sources to finance the development and building of the Academy Trust and the other tangible fixed assets, together with fixed assets inherited on the transfer of academies into the Trust.

◆ Designated fund

Fund of £1,507,558 allocated from the General fund to fund the London Academy capital expenditure on a roof project which is due to begin December 2022.

Notes to the financial statements 31 August 2022

16 Funds (continued)

Analysis of fund balances by Academy

Fund balances for each academy are pooled, hence a breakdown by academy is not included in these accounts.

Analysis of cost by Academies (excluding depreciation)

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £000
London Academy	6,518	1,753	689	2,752	11,712	10,241
Deansbrook Junior School	1,419	221	90	366	2,096	2,090
AIM North London	2,873	1,007	303	1,484	5,667	5,545
AIM Alliance	-	-	-	358	358	393
Central services	112	353	6	117	588	775
	10,922	3,334	1,088	5,077	20,421	19,044

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000
London Academy	6,721	1,337	488	1,650	10,241
Deansbrook Junior School	1,540	287	59	204	2,090
AIM North London	3,290	1,032	167	1,056	5,545
AIM Alliance	—	44	—	349	393
Central services	186	381	3,384	204	775
	11,737	3,081	717	3,463	19,044

Notes to the financial statements 31 August 2022

16 Funds (continued)

Comparative information

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

	At 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2021 £'000
Restricted income funds					
General Annual Grant (GAG)	1,287	15,452	(14,086)	(524)	2,129
Pupil Premium	—	903	(903)	—	—
UIFSM	—	31	(31)	—	—
Other DfE/ESFA COVID-19 funding	—	64	(64)	—	—
Other grants	—	2,802	(2,802)	—	—
Pension reserve	(6,224)	—	(604)	(204)	(7,032)
	<u>(4,937)</u>	<u>19,252</u>	<u>(18,490)</u>	<u>(728)</u>	<u>(4,903)</u>
Restricted fixed asset funds					
Transfer from Local Authority	9,221	—	—	—	9,221
Transfer on academies joining the Trust	16,580	—	—	—	16,580
DfE/ESFA donated assets	—	179	—	—	179
DfE/ESFA capital grants	32,486	54	(1,530)	524	31,534
	<u>58,287</u>	<u>233</u>	<u>(1,530)</u>	<u>524</u>	<u>57,514</u>
Total restricted funds	<u>53,350</u>	<u>19,485</u>	<u>(20,020)</u>	<u>(204)</u>	<u>52,611</u>
Unrestricted funds					
General funds	1,640	564	(554)	—	1,650
Total unrestricted funds	<u>1,640</u>	<u>564</u>	<u>(554)</u>	<u>—</u>	<u>1,650</u>
	<u>54,990</u>	<u>20,048</u>	<u>(20,574)</u>	<u>(204)</u>	<u>54,261</u>

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2022 Total £'000	2021 Total £'000
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	—	—	56,172	56,172	57,292
Current assets	1,874	4,999	723	7,596	6,578
Current liabilities	—	(2,328)	—	(2,328)	(2,577)
Pension scheme liability	—	(849)	—	(849)	(7,032)
Total net assets	<u>1,874</u>	<u>1,822</u>	<u>56,895</u>	<u>60,591</u>	<u>54,261</u>

Notes to the financial statements 31 August 2022

17 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2021 Total £
<i>Fund balances at 31 August 2021 are represented by:</i>				
<i>Tangible fixed assets</i>	—	—	57,292	57,292
<i>Current assets</i>	1,735	4,621	222	6,578
<i>Current liabilities</i>	—	(2,577)	—	(2,577)
<i>Pension scheme liability</i>	—	(7,032)	—	(7,032)
<i>Total net assets</i>	1,735	(4,988)	57,514	54,261

18 Lease commitments

Operating leases

At 31 August 2022, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2022 £	2021 £
Amounts due within one year	18	14,909
Amounts due between two and five years inclusive	57	34,428
	75	49,337

19 Capital commitments

At 31 August 2022, the Academy Trust had contracted capital commitments of £nil (2021 – £nil).

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £183,737 were payable to the schemes at the end of the financial year and are included within creditors due within one year (2021 – £181,185).

20 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,557,807 (2021 – £1,760,758).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

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

Notes to the financial statements 31 August 2022

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £632,000 (2021 – £497,000) of which employer's contributions totalled £338,000 (2021 – £384,000) and employees' contributions totalled £294,000 (2021 – £113,000). The agreed contribution rates for future years are between 5.5% and 12.5% for employees.

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

	At 31 August 2022	At 31 August 2021
Principal Actuarial Assumptions		
Rate of increase in salaries	4.0%	3.8%
Rate of increase for pensions in payment / inflation	3.0%	2.8%
Discount rate for scheme liabilities	4.2%	1.7%
Inflation assumption (CPI)	3.0%	2.8%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	23.1	23.2
Females	25.7	26.0

	At 31 August 2022 £'000	At 31 August 2021 £'000
Sensitivity analysis		
Discount rate -0.1%	278	356
Mortality assumption – 1 year increase	458	632
CPI rate +0.1%	170	186

Notes to the financial statements 31 August 2022

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	7,706	6,986
Corporate bonds	2,677	3,331
Property	1,483	1,3
Cash and other liquid assets	378	1,0
Other assets	449	241
Total market value of assets	12,692	12,984
Present value of scheme liabilities		
Funded	(12,887)	(20,016)
Deficit in the schemes	(195)	(7,032)
Pension scheme assets	(654)	—
Deficit recognised in the financial statements	(849)	(7,032)

The pension scheme surplus of £654,000 arises from two schemes in the Academy Trust is a member and has not been recognised in the financial statements.

	2022 £'000	2021 £'000
Amounts recognised in statement of financial activities		
Current service cost	1,192	881
Interest income	(219)	(182)
Interest cost	339	289
Total amount recognised in the SOFA	1,312	988
Analysis of pension finance costs		
Expected return on pension scheme assets	219	182
Interest on pension liabilities	(339)	(289)
Pension finance costs	120	(107)

	2022 £'000	2021 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2021	(20,016)	(16,797)
Current and past service cost	(1,053)	(881)
Interest cost	(339)	(289)
Employee contributions	(111)	(113)
Actuarial gain/(loss)	8,219	(2,191)
Benefits paid	413	255
At 31 August 2022	(12,887)	(20,016)

Notes to the financial statements 31 August 2022

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy Trust's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2020	12,984	10,573
Actuarial (loss) gain	(730)	1,987
Expected return on Scheme assets	219	182
Employer contributions	521	384
Employee contributions	111	113
Benefits paid	(413)	(255)
At 31 August 2021	12,692	12,984

21 Liability of members

The Academy Trust is a company limited by guarantee, without share capital. Every member of the 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 an amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

22 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy Trust shall if it does not reinvest the proceeds, repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) The value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust; and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

23 Related party transactions (continued)

The spouse of the Executive Principal, Mr P McGrath, is employed by the Academy Trust as a teacher. Mrs McGrath is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a member of the senior management team.

24 Agency arrangements

The Academy Trust acts as paying agent for the ESFA for the dispensing of 16-19 Bursaries onto students.

In the year ended 31 August 2022 the Academy Trust received £38,817 (2021 – £39,640) and disbursed £38,408 (2021 – £38,746) from the fund. An amount of £7,330 (2021 – £7,324), remains undistributed at 31 August 2022.