

**Academies Enterprise Trust
(A Company Limited by Guarantee)**

Annual Report

and

Financial Statements

for the Year Ended 31 August 2010



**Contents of the Financial Statements
for the Year Ended 31 August 2010**

	Page
Legal and Administrative Information	2
Report of the Trustees	3
Statement of Trustees responsibilities	6
Financial Review	9
Plans for the Future	10
Independent Auditors Report	11
Statement of Financial Activities	14
Income and Expenditure Account	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	19
Detailed Income & Expenditure Account	36

Legal and Administrative Information

Trustees	I Foster	Appointed 18 th May 2010
	S Leverett	
	A Jarral	
	D Triggs	
	J Glazier	
	T Fulcher	
	F Butler	
	N Wilson	
	J Skinner	
SECRETARY	Mrs K Batchelor	
REGISTERED OFFICE	Kilnfield House Station Approach Hockley Essex SS5 4HS	
BANKERS	HSBC Bank PLC City of London Commercial Centre 60 Queen Victoria Street London EC4N 4TR	
AUDITORS	Crowe Clark Whitehill LLP Chartered Accountants St Bride's House 10 Salisbury Square London EC4Y 8EH	
SOLICITORS	Mills & Reeve LLP Francis House 112 Hills Road Cambridge	
CHARITY REGISTRATION NUMBER:	1125603	
COMPANY REGISTRATION NUMBER:	6625091	

Report of the Trustees

The trustees present their report together with the financial statements of the charitable company for the year ended 31 August 2010. The report has been prepared in accordance with Part VI of the Charities Act 1993. The financial statements have been prepared in accordance with the accounting policies on pages 17 to 19 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in 1993.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academies Enterprise Trust (AET) is a company limited by guarantee with no share capital (registration no. 06625091) and a registered charity (registration no. 1125603) which was established on 19th June 2008. The charitable company's Memorandum and Articles of Association are the primary governing documents of the AET. Members of the charitable company are appointed by the Secretary of State for Children, Schools and Families or by the Greensward Charitable Trust - as the principal sponsors of the AET or by agreement of existing members. The chairman of directors is also a member.

Members' liability

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

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 1985 and trustees for the purposes of charity legislation.

Trustees are appointed subject to the Memorandum and Articles of Association and are subject to retirement after four years but are eligible for appointment at the meeting at which they retire, at each Annual General Meeting of the charitable company.

The trustees who were in office at 31 August 2010 and served throughout the year, except where shown are listed on page 1.

During the year under review the trustees held 6 meetings. The training and induction provided for new trustees depends on their existing experience. The training offered is on charity and educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Responsibilities of the Trustees

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

Report of the Trustees (continued)

The trustees are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Organisational Structure

The management structure now consists of three levels: the trustees of the AET (and the Office of CEO), the boards of Governors, and the Senior Managers and Management Teams of the individual Academies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Boards of Governors are responsible for setting general policy within the overall AET policy framework, adopting an annual plan and budget, monitoring the Academies by the use of budgets and making major decisions about the direction of the Academies, capital expenditure and senior staff appointments.

Governors have established a number of committees which have delegated responsibilities for specific areas. The committees are Finance and Premises, Personnel, Standards and Discipline. Each committee has clear terms of reference and reports back to the main governing body meetings.

The Senior Managers are the Principal, three Deputy Principals and the Director of Finance and Administration. These managers control their Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Middle Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes Senior Management, the five Heads of School and the seven Curriculum Area Managers. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff and students.

Risk management

The Trustees have assessed the major risks to which the AET is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academies, and its finances. The Trustees have implemented a number of systems to assess risks that the institutions 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 finance. 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 remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the system of internal finance control

As Trustees, we acknowledge we have overall responsibility for ensuring that AET has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the AET which enables us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the AET and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

Report of the Trustees (continued)

- The AET is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information is used within the AET and for publication is reliable,
- The AET complies with relevant laws and regulations

The AET'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 governing body,
- regular reviews by the Finance and Premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

In addition, the Trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the AET it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- set policies on internal controls which cover the following
 - the type of risks the AET and its academies face,
 - the level of risks which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the AET's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
 - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Senior Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the AET's operations so that it becomes part of the culture of the AET,
- developed systems to respond quickly to evolving risks arising from factors within the AET and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed S Leverett, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on each Academy's financial systems. At each meeting, the RO reports to the trustees on the operation of the systems of control and on the discharge of each academy's financial responsibilities. This arrangement will be reviewed annually.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of the Academies Enterprise Trust to provide education for pupils of different abilities between the ages of 11 to 19 with an emphasis on Science and Technology

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on ICT and its practical applications.

The main objectives of the AET during the year ended 31 August 2010 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- 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 each Academy's business in accordance with the highest standards of integrity, probity and openness

Strategies and activities

The Trust's main strategies and processes to deliver our vision will be to

- provide high quality learning and teaching of a curriculum that is engaging, exciting and is one that will raise the expectations and aspirations of all young people
- create a virtual network of learning organisations thus reducing the need for travel and keeping 'sustainability' at the forefront of our actions
- deliver sustainable and cost effective buildings aimed at reducing our carbon footprint
- strive to become/remain top 'value-added' Academies
- recruit and retain the best skilled and trained staff
- provide quality facilities and resources which will be used by our students and the whole community
- ensure our Academies are great places at which to learn and work
- offer an appropriate and relevant curriculum to all learners
- create a 21st Century Learning Centres for the whole community
- strive to ensure that all Academies are judged as 'Outstanding' by Ofsted
- continue to implement Workforce Reforms that will ensure that
 - all unnecessary bureaucracy is removed
 - use of Information Technologies is enhanced
 - further on-line access to Assessment for Learning, student's attendance information and other data is developed

Strategies and Activities (continued)

Commitments

For students.

- Ensure that in the partnership we create with parents and carers that we embrace the Values and Beliefs and five Key Outcomes of the Every Child Matters Agenda
- Be Academies where students use a range of applications and curriculum materials, on-line information and knowledge as a routine component of the education process
- Demonstrate the use of leading edge models showing leadership and innovation in the area of technology
- Be dynamic learning communities, where students are stimulated and teachers are facilitators of learning and knowledge management
- Engaged in the learning process and participating in a more varied range of learning activities matched to their individual needs, interests and capabilities
- Taking greater responsibility for their own learning and assuming new roles in supporting and mentoring peers and assisting knowledge managers
- Seek to broaden students' horizons towards becoming global citizens, accessing resources and working with peers and mentors across the world via the internet
- Assist students in acquiring knowledge, skills and attitudes which will be essential for a successful and fulfilling life in this millennium
- Help develop students who are regular, competent and discriminating users of technology in their daily activity of learning and managing knowledge
- Offer students an appropriate curriculum matched to their individual needs, interests and capabilities
- Seek to develop young people who will take greater responsibility for their own learning

For the community

Strive to be at the heart of the learning community by ensuring that primary concern of each Academy will be to improve the standard of education provided to the students with a requisite improvement in learning outcomes. However, a vital aspect to each Academy's outputs will be across a range of measures, which can be summarised as 'community learning outcomes'. The synergy between the schools and their wider partners will be expected to lead to a wide range of learning opportunities being accessed across the local communities

For staff

Strive to deliver world class learning where all staff are valued and where

- high quality Continuous Professional Development (CPD) is viewed as a right rather than a bonus
- staff will have opportunities to gain further and Higher Degree qualifications
- staff can choose their pathways for career development
- Performance Management is the key stone to further career development
- staff are offered regular and consistent feedback on their performance
- staff have access to talent management programmes
- we work within the Teachers Pay and Conditions document
- staff are developed to ensure they are capable of employing a wide and innovative range of teaching and learning strategies, creating learning environments which address the needs and aspirations of all students
- we are readily able to monitor and plan the learning process of individual students,
- staff work in an environment where the most up to date and effective resources are available

Strategies and Activities (continued)

Equal opportunities policy

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

Disabled persons

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

ACHIEVEMENTS AND PERFORMANCE

Three of the Academies are now in second year of operation and have continued to build on their first year improvements. A fourth academy was opened in September 2009 and has already produced significant improvements. Total students in the year ended August 2010 numbered 5,230.

At GCSE level Greensward Academy saw 65% of students gain 5 or more A*-C grades with English and Maths and 98% of students gain 5 A*-C grades. Their post 16 grades were on a par of those of the previous year, however, the value-added was significantly improved due to the lower starting point of this cohort.

Maltings Academy saw 50% of students gain 5 or more A*-C grades with English and Maths and 83% of students gain 5 A*-C grades. These were improvements on the previous year and the best results of the academy or the predecessor school. Post 16 results were also greatly improved and have resulted in a significant increase in post 16 staying-on rates. They have already achieved their target figure of 200 students post 16.

New Rickstones Academy saw continued improvement in GCSE results with 40% of students gaining 5 or more A*-C grades with English and Maths and 53% of students gain 5 A*-C grades. Post 16 results were outstanding with 58% of students gaining A/B grades.

Clacton Coastal Academy was opened in September 2009 and in August 2010 produced an outstanding set of results with 38% of students gaining 5 or more GCSE grades including English and Maths and 64% gaining 5 or more A*-C grades. This represents improvements on 16% and 59% respectively.

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages. Each of our academies undergo an Ofsted based review in preparation for the Term 4 Ofsted Inspection and they have all received specific training from Ofsted Inspectors. These reviews were very helpful in gaining Greensward and Maltings Academy '2 good progress' since opening as academies with New Rickstones progress being judged as satisfactory. In October 2010 Clacton Coastal Academy received their Section 8 inspection and were judged to be making "good progress". Whilst the AET Board were disappointed with the judgement on New Rickstones Academy they were extremely pleased with the progress of the other three academies.

Richmond Park Academy in the London Borough of Richmond upon-Thames was opened on September 1st 2010 and also Nightingale Academy and Aylward Academies in the London Borough of Enfield which is co sponsored with the London Development Agency, AET looks forward to helping another institution achieve our single aim of a place in a good school for every child.

Achievement and Performance (continued)

All students in our academies undertake work experience and each of our academies is working towards the Recognition of Quality Award (ROQA) for Advice and Information guidance. We have a target of every student who can, must achieve 5 or more A*-C grades with English and Maths at GCSE Level. Each of the Academies has engaged in extensive community cohesion programmes both in the UK and internationally. Greensward Academy has now received the full International award and each Academy has developed international links. New Rickstones has strengthened its links with European Schools and Greensward has welcomed visitors from, Hungary, China and Malaysia.

PUBLIC BENEFITS

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commissions general guidance on public benefit.

A review of the significant activities has been undertaken by the Trustees in the financial year 2009/10 to further the charitable purposes for the public benefit.

The purpose of the Trust is to offer a world class education to 11-18 year olds within the communities that we operate.

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of incidental educational activities and other activities, The AET aims to contribute considerable benefits to the local community. Over the last year such events have included the following -

- a local church group hosts its regular Sunday Service and monthly parochial meetings
- Primary school music festival
- Concerts in the community
- Adult Education Classes
- Mechanics in the community
- Animator in residents—taking animation into community group
- Involvement with the local rotary and South East Essex Guiding Association
- Hockley Residents Association - monthly meetings
- Massive Project—weekly meetings in support of the provision of youth facilities in Hockley
- National Blood Service—at least 6 donor sessions per annum
- Scout Groups—to gain badges in IT and swimming. Weekly group meetings. Quiz evenings.

The AET has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the AET offers is the provision of an education that maximises student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

Going Concern

After making enquires, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 2.

FINANCIAL REVIEW

Financial report for the year

Most of the Academies' income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2010 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Financial Review (continued)

The Academies' buildings are leased from Essex County Council. In accordance with SSAP21, 'Accounting for Leases and Hire Purchase Contracts', the buildings have been recognised as tangible fixed assets in the accounts and the value of the buildings treated as voluntary income in the accounts. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such gifts are shown in the Statement of Financial Activities as restricted income in 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.

During the year ended 31 August 2010, total expenditure of £39,507,000 was not entirely covered by recurrent grant funding from the DfE together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £585,000. This was covered by funds brought forward.

At 31 August 2010 the net book value of fixed assets was £44,974,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS17. The deficit of £5,166,000 includes a deficit of £1,435,000 acquired on the introduction of Clacton Coastal Academy to the trust. The in year deficit of £180,000 was due to an excess of contributions over costs of £290,000 and an actuarial loss of £470,000. The last full valuation of the scheme was at March 2007.

Reserves policy and financial position

Reserves policy

The Trustees review the reserve levels of each Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Under DfE guidelines, the Academies are allowed to carry forward up to 2% of their GAG funding (£583,000) for recurrent purposes and up to a further 10% (£2,913,000) for capital purposes. At the year end, the Academies have GAG reserves of £787,000.

Financial position

The Trust held fund deficit balances at 31 August 2010 of £3,616,000 comprising £869,000 of restricted fixed asset funds, £601,000 of restricted general funds, £80,000 of unrestricted general funds and a pension reserve deficit of £5,166,000.

The FRS17 deficit is shown against the unrestricted funds of the AET in line with the requirements of the DfE and the Financial handbook.

This leaves a deficit of £5,086,000 on unrestricted funds. This is a serious problem, but not such an immediate threat as it may seem to be, as the deficit is created entirely by a £5,166,000 shortfall on the LGPS. This does not present a liquidity problem as it is a long term liability which it is hoped will be reduced in the future by the employer's contribution of 20.6%. Currently this is one fund, the trustees wish to grow the unrestricted fund balance to enable the AET to fund its unrestricted activity in line with its objects.

PLANS FOR FUTURE PERIODS

Every young person deserves the opportunity to have a life that can be described as 'good quality', free from fear and danger where they can give and receive respect from others with a sense of well-being, belonging, worth and achievement.

The Academies Enterprise Trust will create an environment which is highly participative and aspirational and is one where every student has the opportunity to develop the skills to lead positive and fulfilling lives. We will support parents and carers and will work with the community to nurture all our young people. We will seek to deliver an education provision which aims to develop life skills of all young people and be available to support them throughout the years of their compulsory education in line with the Every Child Matters agenda.

Plans for the Future (Continued)

Overall the AET added 11.5% to its GCSE results across the network of academies. The new coalition Government has made it clear they expect to see the AET grow rapidly. To this end the AET Board has agreed to grow clusters of schools across the country. Their ambition is to have a group of secondary academies, primary school academies, a Studio School academy and a University Technology College Academy. They will be exploring the possibility of moving their current secondary academies to all-through academies. This expansion may see the development of clusters in the North of England, Central and Southern England.

The development of Improve Framework has been a major step forward in developing the capacity of the AET to take on more projects. This web-based toolkit www.improveframework.org is used extensively by all AET academies and has attracted the attention of a number of other schools and academies to use this resource.

The Academies Enterprise Trusts plans for the future are -


- Open at least 3 new Academies
- Increase 5 A*-C grades with English and Maths in all academies by 5%
- Ensure each Academy improves literacy scores for 85% of students
- Ensure all Academies are effectively using the AET Learning Portal to comply with the DCSF Requirements
- Ensure all Academies are judged in Section 5 inspections as making at least satisfactory or good progress towards raising standards

AUDITORS

The auditors, Crowe Clark Whitehill, are willing to continue in office and a resolution to appoint them will be proposed at the next trustees board meeting.

APPROVAL

The Report of the Trust board was approved on the 15th December 2010 and signed on their behalf by -


D Triggs
Chief Executive Officer

Independent Auditor's Report to the Members of The Academies Enterprise Trust

We have audited the financial statements of The Academies Enterprise Trust for the year ended 31 August 2010 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1-25. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent Auditor's Report (continued)

Respective responsibilities of trustees and auditor

The trustees' (who are also the directors of The Academies Enterprise Trust for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,

Independent Auditor's Report (continued)

- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education in respect of the relevant financial year,
- proper accounting records have been kept by the charitable company throughout the financial year,
- grants made by the Department for Education have been applied for the purposes intended, and
- the information given in the Trustees' Report is consistent with the financial statements



Tina M Allison
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
St Brides House
London EC4Y 8EH

Date *28 March 2011*

Academies Enterprise Trust
(A Company Limited by Guarantee)

Statement of Financial Activities
for the Period Ended 31 August 2010

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2010 Total £000	2009 Total £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
• Voluntary income	3	427	65	45,000	45,492	189
• Activities for generating funds	4	114	212	-	326	149
• Investment Income	5	-	-	-	-	28
Incoming resources from charitable activities:						
• Funding for the Academy's educational operations	6	644	36,586	663	37,893	24,727
TOTAL INCOMING RESOURCES		1,185	36,863	45,663	83,711	25,093
RESOURCES EXPENDED						
Costs of generating funds:						
• Cost of generating voluntary income			-	-	-	
Charitable Activities:						
• Academy's educational operations	8	(918)	(34,073)	(1,077)	(36,068)	(23,371)
Governance Costs	9	-	(3,332)	(107)	(3,439)	(937)
TOTAL RESOURCES EXPENDED	7	(918)	(37,405)	(1,184)	(39,507)	(24,308)
Net incoming/(outgoing) resources before transfers		267	(542)	44,479	44,204	785
Gross transfers between funds	17	-	(310)	310	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		267	(852)	44,789	44,204	785
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	25	(470)	-	-	(470)	176
Net pension contributions	25	290			290	-
Business combinations	25	(1,435)			(1,435)	
NET MOVEMENT IN FUNDS IN THE YEAR		(1,348)	(852)	44,789	42,589	961
Funds brought forward		15	1,000	179	1,194	409
Pension deficit brought forward		(3,551)			(3,551)	(3,727)
FUNDS CARRIED FORWARD		(4,884)	148	44,968	40,232	(2,357)

The deficit of £4,884,000 included in unrestricted funds includes a loss of £470,000 in respect of the actuarial review

For further details see the Report of the Trustees

Academies Enterprise Trust
(A Company Limited by Guarantee)

Income and Expenditure Account
for the Year Ended 31 August 2010

		2010	2009
	Note	£000	£000
INCOME			
General annual grant (GAG)	2	28,881	16,476
DFE capital grants	6	-	-
Other DFE grants	6	4,007	5,668
Other government grants	6	2,649	1,160
Other capital grants	3	45,663	-
Interest receivable	5	-	28
Other income	4, 6	2,511	1,761
TOTAL INCOME		83,711	25,093
EXPENDITURE			
	7		
General annual grant related expenditure		29,036	15,883
Other DFE grant expenditure		3,534	5,329
Other grant expenditure		2,466	1,269
Depreciation and loss on disposal of assets		1,184	91
Other expenditure		3,287	1,736
TOTAL EXPENDITURE		39,507	24,308
EXCESS INCOME OVER EXPENDITURE		44,204	785

Statement of Total Recognised Gains and Losses
for the Year Ended 31 August 2010

	2010	2009
	£000	£000
Excess of income over expenditure	44,204	785
Actuarial (losses) gains on defined benefit pension schemes	(1,615)	(3,551)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	42,589	(2,766)
NET MOVEMENT TO (FROM) FUNDS		
Restricted general funds	17	591
Restricted fixed asset funds	17	179
	(1,348)	(3,536)
	42,589	(2,766)

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 14 which, together with the notes to the financial statements on pages 19 to 35 provides full information on the movements during the year on all the funds of the Trust

All of the Trust's activities derived from continuing operations during the above two financial periods

The notes on pages 19 to 35 form part of these financial statements

Academies Enterprise Trust
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2010

	Note	2010 £000	2009 £000
FIXED ASSETS			
Tangible assets	13	44,968	179
CURRENT ASSETS:			
Stock		95	45
Debtors and prepayments	14	1,922	527
Cash at bank and in hand		<u>1,719</u>	<u>1,137</u>
		3,736	1,709
CREDITORS Amounts falling due within one year	15	<u>(3,306)</u>	<u>(694)</u>
NET CURRENT ASSETS		430	1,015
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,398</u>	<u>1,194</u>
CREDITORS Amounts falling due after more than one year		-	-
NET ASSETS EXCLUDING PENSION LIABILITY		<u>45,398</u>	<u>1,194</u>
Pension scheme liability		(5,166)	(3,551)
NET ASSETS INCLUDING PENSION LIABILITY		<u>40,232</u>	<u>£ (2,357)</u>
FUNDS			
INCOME FUNDS			
Restricted funds			
Restricted general funds	16	148	1,000
Restricted fixed asset funds	16	44,968	179
Total restricted funds		<u>45,116</u>	<u>1,179</u>
Unrestricted funds			
General fund	17	<u>282</u>	<u>15</u>
Total unrestricted funds		<u>282</u>	<u>15</u>
NET FUNDS EXCLUDING PENSION RESERVE		<u>45,398</u>	<u>£ 1,194</u>
Pension Reserve		(5,166)	(3,551)
NET FUNDS INCLUDING PENSION RESERVE		<u>40,232</u>	<u>(2,357)</u>

The financial statements were approved by the Board on 15 December 2010 and signed on their behalf by


D Triggs
Chief Executive Officer

Trustee

The notes on pages 19 to 35 form part of these financial statements

Academies Enterprise Trust
(A Company Limited by Guarantee)

Cash Flow Statement
for the Year Ended 31 August 2010

	2010 £000	2009 £000
Reconciliation of operating surplus to net cash flows from operating activities		
RECEIPTS		
Recurrent grants received from DFE	-	0
General Annual Grant	28,881	16,476
Capital grants received from DFE	-	-
Other receipts from DFE	4,267	5,726
Other grants received from central or local government	2,649	842
Other capital grant receipts	45,663	-
Other receipts	857	1,496
Total receipts	<u>82,317</u>	<u>24,540</u>
PAYMENTS		
Staff costs	(25,508)	(15,467)
Other cash payments	(10,253)	(8,102)
Total payments	<u>(35,761)</u>	<u>(23,569)</u>
Net cash inflow from operating activities	<u>46,556</u>	<u>971</u>
CASHFLOW STATEMENT		
Net cash inflow from operating activities	46,556	971
Returns on investments and servicing of finance		
Interest received	-	27
Interest paid	-	-
Net cash inflow from returns on investments and servicing of finance	<u>-</u>	<u>27</u>
Taxation	-	-
Capital expenditure		
Purchase of tangible fixed assets	(45,974)	(270)
Receipts from sale of tangible fixed assets	-	-
	<u>(45,974)</u>	<u>(270)</u>
Management of liquid resources and financing		
NET INCREASE / (DECREASE) IN CASH	<u>582</u>	<u>728</u>
a) Analysis of changes in net funds		
	At 1 September 2009 £'000	At 31 August 2010 £'000
Cash at bank and in hand (including short term deposits)	<u>1,137</u>	<u>582</u>
	<u>1,137</u>	<u>1,719</u>

The notes on pages 19 to 35 form part of these financial statements

Academies Enterprise Trust
(A Company Limited by Guarantee)

Cash Flow Statement
for the Year Ended 31 August 2010

	<u>2010</u> <u>£'000</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	
Increase in cash in the year	582
Changes in net cash funds	<u>582</u>
Net cash funds at 1 September 2009	1,137
Net cash funds at 31 August 2010	<u><u>1,719</u></u>

**Academies Enterprise Trust
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
for the Year Ended 31 August 2010**

1 ACCOUNTING POLICIES

Format of financial statements

The standard format for the financial statements as required by the Companies Act 1985 schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005') and reflects the activities of the Academy

Basis of Accounting

The financial statements are prepared under the historic cost convention as modified by the adoption of the current cost for investment assets and in accordance with applicable accounting standards and the Charities SORP 2005

Incoming Resources

Grants receivable

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 the grant has imposed conditions that the income is expended in a future accounting period, income is credited to deferred income and accounted for as a liability.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

**Academies Enterprise Trust
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
for the Year Ended 31 August 2010**

1 ACCOUNTING POLICIES (continued)

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academies Enterprise Trust at the discretion of the governors.

Restricted funds comprise all grants devolved to and raised by the individual academies which are to be used for specific purposes as explained in note 17.

Tangible Fixed Assets

Tangible fixed assets acquired since each Academy was established are included in the accounts at cost. Assets inherited on establishment of each Academy are assumed to be fully depreciated and are not included in the financial statements.

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). The 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 depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

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. The principal annual rates used for other assets are:

Leasehold buildings	2% on cost
Furniture, fittings and administration equipment	33.33% on cost
Computer and educational equipment	33.33% on cost
Motor vehicles	33.33% on cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks

Stocks, when held, are stated at the lower of cost and net realisable value.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

1 ACCOUNTING POLICIES (continued)

Taxation

The Academies Enterprise Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Trust has been included in the statement of financial activities.

AET solutions Ltd, a subsidiary of the Academies Enterprise Trust, as a limited company is liable for corporation tax. The majority of the profits from this company, however, have been gifted to the AET and as such only a small taxation liability has arisen.

Pensions

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 25.

Defined Benefit Schemes

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

2 GENERAL ANNUAL GRANT

	2010 £000s	2009 £'000
<u>GREENSWARD ACADEMY</u>		
General Annual Grant (GAG) awarded	7,797	7,417
Carry over from previous year	518	-
Total GAG available to spend	8,315	7,417
Net GAG revenue expenditure	(7,731)	(6,899)
Fixed assets purchased from GAG	170	
Transfers between funds	(170)	
Underspent GAG	584	518
Maximum permitted GAG carry forward (12%)	936	890
GAG to surrender	(352)	(372)
	<i>no breach</i>	<i>no breach</i>
 Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	7,731	6,899
GAG allocation for current year	(7,797)	(7,417)
Prior year GAG allocation x 2%	(148)	
	(214)	(518)
	<i>no breach</i>	<i>no breach</i>
 <u>MALTINGS ACADEMY</u>		
General Annual Grant (GAG) awarded	5,295	4,987
Carry over from previous year	87	-
Total GAG available to spend	5,382	4,987
Net GAG revenue expenditure	(5,549)	(4,900)
Fixed assets purchased from GAG	-	
Transfers between funds	-	
Underspent GAG	(167)	87
Maximum permitted GAG carry forward (12%)	635	598
GAG to surrender	(802)	(511)
	<i>no breach</i>	<i>no breach</i>
 Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	5,549	4,900
GAG allocation for current year	(5,295)	(4,987)
Prior year GAG allocation x 2%	(100)	-
	154	(87)
	<i>breach</i>	<i>no breach</i>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

NEW RICKSTONES ACADEMY

General Annual Grant (GAG) awarded	4,565	4,072
Carry over from previous year	87	-
Total GAG available to spend	4,652	4,072
Net GAG revenue expenditure	(4,558)	(3,985)
Fixed assets purchased from GAG	-	32
Transfers between funds	#REF!	(32)
Underspent GAG	#REF!	87
Maximum permitted GAG carry forward (12%)	548	489
GAG to surrender	#REF!	-
Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	4,558	3,985
GAG allocation for current year	(4,565)	(4,072)
Prior year GAG allocation x 2%	(81)	-
	(88)	(87)
	<i>no breach</i>	<i>no breach</i>

CLACTON COASTAL ACADEMY

General Annual Grant (GAG) awarded	11,223	-
Carry over from previous year	-	-
Total GAG available to spend	11,223	-
Net GAG revenue expenditure	(31,196)	-
Fixed assets purchased from GAG	-	-
Transfers between funds	-	-
Underspent GAG	(19,973)	-
Maximum permitted GAG carry forward (12%)	1,347	-
GAG to surrender	-	-
Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	31,196	-
GAG allocation for current year	(11,223)	-
Prior year GAG allocation x 2%	-	-
	19,973	-

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

3 VOLUNTARY INCOME

	2010 £000s	2009 £'000
Sundry Donations	65	189
Donations for fixed assets	-	-
	<u>65</u>	<u>189</u>

4 ACTIVITIES FOR GENERATING FUNDS

	2010 £000s	2009 £'000
Hire of facilities	212	140
Provided services	114	9
	<u>326</u>	<u>149</u>

5 INVESTMENT INCOME

	2010 £000s	2009 £'000
Bank Interest	-	9
	<u>-</u>	<u>9</u>

6 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	2010					TOTAL	2009
	Greensward £000s	Maltings £000s	New Rickstone £000s	Clacton £000s	AET £000s	£000s	£000s
DFE Grants							
General Annual Grant (GAG)	7,797	5,295	4,566	11,223		28,881	16,476
Start Up 48a	-	-	22	428		450	2,801
Start Up 48b	53	66	240	251		610	1,254
DFE - Standards Fund grant	188	165	156	260		769	179
Education Improvement grant	-	50	47	229		326	103
National Challenge grant	-	-	76	118		194	
Devolved Formula Capital Grant	261	130	111	19		521	405
Feasibility & Implementation grants	-	-	-	-	1,138	1,138	926
	<u>8,299</u>	<u>5,706</u>	<u>5,218</u>	<u>12,528</u>	<u>1,138</u>	<u>32,889</u>	<u>22,144</u>
Other Government grants							
Teacher Training Agency grant	103	-	32	18		153	133
ECC standards fund	-	-	-	320		320	832
ECC SEN funding	117	99	196	232		644	
Capital grant	260				403	663	
Other LEA income	147	-	-	1,385		1,532	195
	<u>627</u>	<u>99</u>	<u>228</u>	<u>1,955</u>	<u>403</u>	<u>3,312</u>	<u>1,160</u>
Other income							
Catering income	192	67	71	-	-	330	319
Academy trips	259	185	-	6	-	450	452
Sundry income	124	272	121	25	-	542	136
Grants & reimbursements	40	48	83	626	-	797	516
	<u>615</u>	<u>572</u>	<u>275</u>	<u>657</u>	<u>-</u>	<u>2,119</u>	<u>1,423</u>
	<u>9,541</u>	<u>6,377</u>	<u>5,721</u>	<u>15,140</u>	<u>1,541</u>	<u>38,320</u>	<u>24,727</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

7 RESOURCES EXPENDED

	Staff costs £000s	Depreciation £000s	Other costs £000s	Total 2010 £000s
Costs of generating voluntary income	-	-	-	-
Academy's educational operations				
• Direct costs	21,875	970	4,559	27,404
• Allocated support costs	3,923	107	4,634	8,664
	<u>25,798</u>	<u>1,077</u>	<u>9,193</u>	<u>36,068</u>
Governance costs including allocated support costs	-	107	3,332	3,439
	<u>25,798</u>	<u>1,184</u>	<u>12,525</u>	<u>39,507</u>

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2010 £000s	2009 £'000
Direct costs		
Teaching and educational support staff costs	21,875	13,102
Depreciation	970	74
Books, apparatus and stationery	2,306	1,943
Examination fees	747	332
Staff development	645	234
Educational consultancy	206	597
Other direct costs	655	539
	<u>27,404</u>	<u>16,821</u>
Allocated support costs		
Support staff costs	3,923	2,674
Depreciation	107	8
Pupil recruitment and support	294	188
Maintenance of premises and equipment	1,016	1,241
Cleaning	72	85
Rent and rates	453	226
Heat and light	511	292
Insurance	185	219
Security	44	5
Transport	169	229
Postage	48	27
Telephone	120	76
Catering	391	298
Technology costs	644	815
Bank interest and charges	3	1
Other support costs	684	166
	<u>8,664</u>	<u>6,550</u>

9 GOVERNANCE COSTS

	2010 £000s	2009 £'000
Depreciation	107	8
Legal and professional fees	3,305	901
Auditors remuneration - as auditors	25	18
Auditors remuneration - other services	-	-
Governors' reimbursed expenses	2	10
	<u>3,439</u>	<u>937</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

10 STAFF COSTS

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2010 expressed as full time equivalents was as follows

	2010 No	2009 No
Charitable Activities		
Teachers	381	199
Administration and support	448	290
Management	18	41
	<u>847</u>	<u>530</u>
Governance activities	8	10
Total employees	<u><u>855</u></u>	<u><u>540</u></u>
Staff costs comprise	2010 £000s	2009 £'000
Wages and salaries	21,622	13,556
Social security costs	1,534	798
Other pension costs	2,642	1,422
	<u><u>25,798</u></u>	<u><u>15,776</u></u>

Sixteen employees earned more than £60,000 per annum (including taxable benefits but excluding employers pension contributions) during the year ended 31 August 2010. The total emoluments of these employees were in the following ranges

	2010	2009
£60,000-£69,999	5	6
£70,000-£79,999	5	1
£100,000-£109,999	4	3
£120,000-£129,999	1	-
£160,000-£169,999	-	1
£200,000-£209,999	1	-

12 of the above employees earning more than £60,000 per annum participated in the Teachers Pension Scheme. During the year ended 31 August 2010, pension contributions for these staff amounted to £133,422 (2009 £92,498)

2 of the above employees earning more than £60,000 per annum participated in the Local Government Pension Scheme. During the year ended 31 August 2010, pension contributions for these members of staff amounted to £23,602 (2009 £15,548)

11 GOVERNORS' REMUNERATION AND EXPENSES

None of the Trustees of the AET or Governors of the Academies received any remuneration in respect of their services during the year. One trustee is remunerated as an employee of the Academy. Two trustees and one governor received remuneration in respect of consultancy services provided.

Except for the above, the governors of the Academy did not receive any payment from the Academy other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

During the year ended 31 August 2010, travel and subsistence expenses totalling £2,172 were reimbursed to 5 governors/trustees (2009 £1,185 was reimbursed to 2 governors)

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

12 GOVERNORS AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2010 was £5,045 (2009 £3,827)

13 TANGIBLE FIXED ASSETS

	Leasehold land & buildings £000s	Furniture, Furniture & educational equipment £000s	Computers & software £000s	Motor vehicles £000s	Assets under construction £000s
COST					
At 1 September 2009	-	126	135	9	-
Additions	45,000	22	564	-	388
Disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 August 2010	45,000	148	698	9	388
DEPRECIATION					
At 1 September 2009	-	42	46	3	-
Charge in year	900	49	232	3	-
Disposals	-	-	-	-	-
At 31 August 2010	900	91	278	6	-
NET BOOK VALUE					
At 31 August 2010	44,100	57	420	3	388
At 31 August 2009	-	84	89	6	-

All fixed assets are used for charitable purposes

The above net book value at 31 August 2008 represents fixed assets used for

Educational provision	36,162	47	344	3	318
Support services	3,969	5	38	-	35
Governance	3,969	5	38	-	35
	44,100	57	420	3	388

SOURCE OF FUNDING FOR ASSETS ACQUIRED (cumulative to date)

	2010 £000s	
Voluntary donations	-	
DFE capital grants	-	
ECC Capital grants	45,663	
Revenue contributions to capital	580	
Cost of fixed assets at 31 August 2010	46,243	
Less Accumulated depreciation	(1,275)	
Net book value of fixed assets at 31 August 2010	44,968	

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

14 STOCK

	2010 £000s
Catering	89
Uniform	6
	<u>95</u>

15 DEBTORS

	2010 £000s	2009 £000s
Debtors	227	92
Prepayments	1,695	93
Accrued income	-	903
Sundry debtors	-	5
	<u>1,922</u>	<u>1,093</u>

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £000s	2009 £000s
Creditors	870	402
Taxation and social security	601	112
Sundry creditors	-	63
Accruals	1,835	482
Deferred income	-	226
	<u>3,306</u>	<u>1,285</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

17 RESTRICTED FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes

	2009 £000s	Incoming resources £000s	Resources Expended £000s	Gains, losses & transfers £000s	2010 £000s
RESTRICTED GENERAL FUNDS					
Restricted General Fund (GAG)	691	28,881	29,063	-	509
Start Up 48a&b	-	1,059	691	(126)	242
TTA grant	-	153	160	-	(7)
Standards fund	11	1,088	1,084	-	15
Devolved Formula Capital	100	522	421	(169)	32
Feasibility & Implementation Grants	-	1,138	1,138	-	-
Other government grant income	-	2,696	1,551	-	1,145
Other restricted funds	198	1,326	3,297	(15)	(1,788)
	<u>1,000</u>	<u>36,863</u>	<u>37,405</u>	<u>(310)</u>	<u>148</u>
RESTRICTED FIXED ASSET FUNDS					
LA Capital grant	-	45,663	987	-	44,676
Revenue contribution to capital	179	-	197	310	292
	<u>179</u>	<u>45,663</u>	<u>1,184</u>	<u>310</u>	<u>44,968</u>
Total restricted funds	<u>1,179</u>	<u>82,526</u>	<u>38,589</u>	<u>-</u>	<u>45,116</u>

General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted funds comprise funds received from the DCSF and by Essex LEA to reimburse expenditure incurred by the Academy in its ordinary operational activities.

Restricted fixed assets were funded by government grants.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2010 are represented by

	Unrestricted Fund £000s	Restricted General Fund £000s	Restricted Fixed Asset Fund		
			Public £000s	Private £000s	Total £000s
Tangible fixed assets	-	-	44,968	-	44,968
Current assets					
Stock	6	89	-	-	95
Debtors	-	1,922	-	-	1,922
Cash at bank	276	1,443	-	-	1,719
Creditors due within one year	-	(3,306)	-	-	(3,306)
Pension scheme liability	(5,166)	-	-	-	(5,166)
Total	<u>£ (4,884)</u>	<u>148</u>	<u>44,968</u>	<u>-</u>	<u>40,232</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

19 CAPITAL COMMITMENTS

	2010 £000s
Contracted for, but not provided in the financial statements	50
Authorised by governors, but not yet contracted	-
The above capital commitments will be met from Local Authority capital grants to be received in future years	

20 LEASE COMMITMENTS

Operating leases

At 31 August 2009 the Academy had annual commitments under non-cancellable operating leases as follows

	2010 £000s
Operating leases which expire	
• Within one year	33
• Within two to five years	297

21 RELATED PARTY TRANSACTIONS

In the year ending 31 August 2010 the following transactions were made with related parties

The following trustees were paid for consultancy services provided to the AET

Company	Amount	Trustee	Service provided
Frank Butler Human Resource Consultants	£21,408	Frank Butler	HR Consultancy
Steve Leverett	£36,878	Steve Leverett	Responsible Officer
Foster Project & Leadership Development	£59,773	Ian Foster	Project Management

22 TRADING SUBSIDIARY

The Academies Enterprise Trust owns 100% of the share capital of AET Solutions limited, a trading subsidiary. In the period to 31 August 2010, this AET Solutions Ltd had a turnover of £166,572 and made profits after taxation of £12, having previously gifted £34,200 to the Academies Enterprise Trust.

At the balance sheet date, AET Solutions Ltd owed the Academies Enterprise Trust £106,084.

23 LAET SUBSIDIARY

The LAET, a subsidiary of the Academies Enterprise Trust, opened in June 2010. There are no figures to report in the accounts however, as the LAET had no income or expenditure prior to 1 September 2010.

24 COMMITMENTS AND CONTINGENT LIABILITIES

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

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

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

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

25 PENSION COMMITMENTS

The Academy'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 Essex Pension Fund

The total pension cost to the Trust during the year ended 31 August 2010 was £2,642,000 (2009 £1,686,000) of which £1,799,000 (2009 £1,153,000) relates to the TPS, and £843,000 (2009 £533,000) relates to LGPS

Teachers' Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme. The Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out below the latest information available for the scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities (LAs), to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although teachers are employed by LAs and various other bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years, with a supporting interim valuation in-between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. Firstly, a standard contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher / lecturer entering service, which would defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions.

The latest actuarial valuation of the Scheme by the Government Actuary published in November 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

25 PENSION COMMITMENTS (Continued)

From 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75% and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1%. The cost sharing agreement has also introduced, for the first time from the 2008 valuation, a 14% cap on employer contributions payable. The next valuation of the Scheme by the Government Actuary due to be prepared as at 31 March 2008 has not yet been published.

The pension charge for the year includes contributions payable to the scheme of £1,799,000 (2009: £1,153,000).

Local Government Pension Scheme

The Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2010 was £1,107,000 of which employer's contributions totalled £843,000 and employees' contributions totalled £264,000. The agreed contribution rates for the year ended 31 August 2010 were 20.6% for employers and variable based upon earnings for employees.

The following information is based upon a full actuarial valuation of the fund at 31 March 2007, updated to 31 August 2010 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 August 2010 % per annum	31 August 2009 % per annum
Rate of increase in salaries	4.5%	4.9%
Rate of increase in pensions	2.5%	3.4%
Discount rate for liabilities	4.9%	5.6%
Inflation	3.0%	3.4%
The assumed life expectations from 65 are:		
<i>Non-pensioners</i>	years	years
Males	23.1	23.1
Females	25.9	25.9
<i>Pensioners</i>		
Males	22.1	22.0
Females	25.0	24.9

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

25 PENSION COMMITMENTS (Continued)

The assets of the scheme and the weighted average expected rate of return were

	Long-term rate of return expected 31 August 2010 %	Value at 31 August 2010 £000s	Long-term rate of return expected 31 August 2009 %	Value at 31 August 2009 £000s
Equities	7.0	2,176	7.5	1,207
Government Bonds	3.7	271	4.0	98
Other Bonds	4.5	205	5.1	147
Property	6.0	428	6.5	129
Cash/Liquidity	0.5	117	0.5	110
Other	7.0	465	N/A	
Total assets		3,662		1,691

Present value of scheme liabilities:

Funded	8,828	5,242
Unfunded	19	-
Surplus / (deficit) in the scheme	(5,185)	(3,551)

None of the fair values of the assets shown above include any of the Academies' own financial instruments or any property occupied by, or other assets used by, the Academies.

The expected long term on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above the gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £310,000.

Total expenditure recognised in the Statement of Financial Activities

	2010 £000s	2009 £000s
Current service cost	838	594
Interest cost	437	286
Expected return on Scheme assets	(175)	(94)
Past service cost	(545)	-
Curtailment and settlements	-	-
Total expenditure recognised in SOFA	555	786

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

25 PENSION COMMITMENTS (Continued)

Net (loss)/gain recognised in the statement of total recognised gains and losses (STRGL)

	2010 £000s	2009 £000s
Actuarial gains/(losses) on pension scheme assets	135	(174)
Actuarial gains/(losses) on pension scheme liabilities	(605)	350
Amounts arising from wholly unfunded schemes	(20)	
Total amount recognised in STRGL	<u>(490)</u>	<u>176</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £490,000

Contributions

The total contributions made by the employer in the year have been £845,000. The level of the contribution will be reviewed as a result of the triennial valuation scheme as at 31 August 2010.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2009 is £845,000.

Movement in deficit during the year

	2010 £000s	2009 £000s
Surplus/(Deficit) at 1 September	(3,551)	-
Movement in year		
Past service cost		
- Employer service cost	(838)	(594)
- Employer contributions	845	533
- Past service cost	545	-
- Net interest/return of assets	(262)	(192)
- Actuarial gain or loss	(470)	176
- Business combinations	(1,435)	(3,474)
Deficit at 31 August	<u>(5,166)</u>	<u>(3,551)</u>
Amounts arising from wholly unfunded schemes		
- Actuarial gain or loss	(20)	-
- Employer contributions	1	-
Total Deficit at 31 August	<u>(5,185)</u>	<u>(3,551)</u>

Reconciliation of opening and closing balances of the present value of the Academies' share of Scheme liabilities

	2010 £000s	2009 £000s
Scheme liabilities at 1 September	5,242	-
Current service cost	838	594
Past service cost	(545)	286
Interest cost	437	167
Contributions by Scheme participants	264	-
Actuarial losses (gains)	605	(350)
Curtailments	-	-
Settlements	-	-
Estimated benefits paid (net of transfers in)	(29)	(26)
Business Combinations	2,016	4,571
Fair value of Scheme assets at end of period	<u>8,828</u>	<u>5,242</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2010

25 PENSION COMMITMENTS (Continued)

Reconciliation of opening and closing balances of present value of unfunded liabilities

Unfunded liabilities at 1 September	-
Actuarial losses	20
Estimated benefits paid (net of transfers in)	(1)
	<u>19</u>

Reconciliation of opening and closing balances of the present value of the Academies' share of Scheme assets

	2010 £000s	2009 £000s
Fair value of schemes assets at 1 September	1,691	-
Expected return on scheme assets	175	94
Actuarial gains/(losses)	135	(174)
Business combinations	581	1,097
Contributions by employer	845	533
Contributions by scheme participants	264	167
Benefits paid	(29)	(26)
	<u>3,662</u>	<u>1,691</u>
Deficit at the end of the year		

Reconciliation of opening and closing balances of present value of unfunded assets

Unfunded benefits at 1 September	-
Employer Contributions	1
Estimated benefits paid (net of transfers in)	(1)
	<u>-</u>

Amounts for the current and previous periods

	2010 £000s	2009 £000s
Fair value of assets	3,662	1,691
Present value of scheme liabilities	8,847	5,242
Deficit	(5,185)	3,551
Experience adjustments on Scheme liabilities	(20)	-
Experience adjustments on Scheme assets	135	(174)

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

Academies Enterprise Trust
(A Company Limited by Guarantee)

Detailed Income and Expenditure Account
for the Year Ended 31 August 2010

Line no		2010 £'000	2009 £'000
	INCOME		
32	GENERAL ANNUAL GRANT	<u>28,881</u>	<u>16,476</u>
33	DCSF CAPITAL GRANTS	<u>-</u>	<u>-</u>
34	OTHER DCSF GRANTS		
	Start Up 48a	450	2,801
	Start Up 48b	609	1,254
	Devoled Formula Capital	522	405
	DCSF - Standards Fund grant	768	179
	Education Improvement grant	326	103
	Feasibility and Implementation grants	1,138	926
	National Challenge	194	-
		<u>4,007</u>	<u>5,668</u>
35	OTHER GOVERNMENT GRANTS		
	Teacher Training Agency	153	133
	Essex County Council - Sfunds	320	832
	Essex County Council - SEN funding	644	195
	BAP Funding	125	-
	Essex County Council - other	1,407	-
		<u>2,649</u>	<u>1,160</u>
36	OTHER CAPITAL GRANTS		
	Essex County Council	45,663	-
		<u>45,663</u>	<u>-</u>
36	OTHER INCOME		
	Interest receivable	-	28
	Catering income	330	319
	Academy trips	451	452
	Hire of facilities	212	140
	Training courses	114	9
	Sundry income	277	136
	Grants & reimbursements	1,062	516
	Other donations	65	189
	Provision of services	-	-
		<u>2,511</u>	<u>1,789</u>
38	TOTAL INCOME	<u>83,711</u>	<u>25,093</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Detailed Income and Expenditure Account
for the Year Ended 31 August 2010

Line no		2010 £ 000	2009 £'000
	EXPENDITURE		
	GENERAL ANNUAL GRANT EXPENDITURE		
	Staff costs		
39	Teaching	15,761	8,688
40	Educational support	2,540	1,474
41	Other	-	-
	Premises	696	584
	Admin & clerical	236	132
	Catering	2,204	1,065
	Midday supervision	210	268
	AET staff costs	-	19
42	Total GAG staff costs	<u>21,647</u>	<u>12,230</u>
43	Maintenance of premises		
	Building maintenance	208	389
	Grounds maintenance	28	41
		<u>236</u>	<u>430</u>
44	Other occupancy costs		
	Cleaning	70	79
	Water	76	32
	Fuel	496	268
	Rates	136	138
	Rent	156	40
	Insurance	174	194
	Security	16	1
		<u>1,124</u>	<u>752</u>
45	Educational supplies and services		
	Books	70	53
	Educational equipment	1,046	256
	Stationery & materials	208	143
	Transport	101	150
	Examination fees	740	153
	Fees for external advice	50	455
	Music	16	12
	Other - Licences and subscriptions	20	13
	School trips & activities	19	70
		<u>2,270</u>	<u>1,305</u>
46	Other supplies and services		
	Catering and school meals	128	121
	Legal & professional	2,247	411
	Auditors remuneration	-	18
	Bank interest and charges	2	1
	Pupil recruitment & support	154	81
	Insurance	28	17
	Excluded pupil costs	119	-
	Office expenses	159	130
	Equipment hire	211	34
	Sundry expenses	35	23
		<u>3,083</u>	<u>836</u>

Academies Enterprise Trust
(A Company Limited by Guarantee)

Detailed Income and Expenditure Account
for the Year Ended 31 August 2010

Line no		<u>2010</u> £'000	<u>2009</u> £'000
	EXPENDITURE		
	GENERAL ANNUAL GRANT EXPENDITURE		
47	Furniture and equipment		
	Purchase	30	-
	Repairs and maintenance	29	58
48	Technology costs (not capitalised)		
	Software	60	45
	Consumables	170	70
	Internet	-	
49	Staff development and recruitment	382	157
50	Other GAG expenditure	5	-
51	TOTAL GAG EXPENDITURE	<u>29 036</u>	<u>15,883</u>
52	OTHER DCSF GRANT RELATED EXPENDITURE		
	Staff costs	1,225	1,663
	Educational supplies	266	1,307
	Other occupancy costs	97	578
	Other costs	1,946	1,781
53	OTHER GOVERNMENT GRANT RELATED EXPENDITURE		
	Staff costs	1,095	1,122
	Educational supplies	45	29
	Other occupancy costs	181	34
	Other costs	1,145	84
54	OTHER EXPENDITURE		
	Staff costs	1,361	-
	Educational supplies	955	759
	School meals	264	91
	Academy trips	451	453
	Other costs	256	267
55	DEPRECIATION & LOSS ON DISPOSAL		
	Depreciation	1,184	90
	Loss on disposal of fixed assets	-	-
56	TOTAL EXPENDITURE	<u><u>39,507</u></u>	<u><u>24,141</u></u>