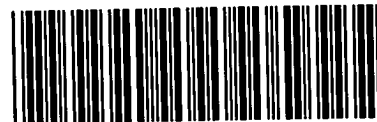


Company registration number 07732319 (England and Wales)

ACES ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

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ACES ACADEMIES TRUST

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ACES ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

B Curtis (resigned 7 April 2022)
C Glanville (resigned 3 May 2022)
C Sinclair
H Johal
P Fenney

Trustees

A Goulding
B Message
G Weston
I Phillips (Resigned 31 October 2021)
D Lewis (Resigned 12 July 2022)
R Ryan
R Joshi
C Meddle
J Matemba (Resigned 18 October 2022)
J Nicholson

Senior leadership team

- Chief Executive Officer
- Principal (Hinchingsbrooke School)
- Director of Finance and Operations
- Director of Primary Standards and Inclusion
- HR Manager
- Headteacher (Cromwell Academy)
- Headteachers (Godmanchester Community Academy)
- Headteacher (Godmanchester Bridge Academy)
- Headteacher (Spaldwick Primary School)
- Accounting Officer

A Goulding
M Patterson
D McMillan
R Berton
S Spira
H Connor-James
T Fielden & R Bakker

C Pirrie
L Worrell
A Goulding

Company registration number

07732319 (England and Wales)

Principal and registered office

Brampton Road
Huntingdon
Cambridgeshire
PE29 3BN
United Kingdom

Academies operated

Hinchingsbrooke School
Cromwell Academy
Godmanchester Bridge Academy
Godmanchester Community Academy
Spaldwick Primary School

Location

Huntingdon
Huntingdon
Godmanchester
Godmanchester
Spaldwick

Principal/Headteacher

M Patterson
H Connor-Jones
C Pirrie
T Fielden & R Bakker
L Worrell

Independent auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

ACES ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
99 High Street
Huntingdon
Cambridgeshire
PE29 3DU
United Kingdom

Solicitors

LGSS
John Dryden House
8-10 The Lakes
Northampton
NN4 7YD
United Kingdom

ACES ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2022.

The Multi Academy Trust operates five academies. One for pupils aged 11 to 18 serving a catchment area in Huntingdonshire. Excluding the Sixth Form, Hinchingsbrooke School has a pupil capacity of 1,600 and had a roll of 1,600 as of the 31st October 2022. There were a further 412 students in the Sixth Form, making a total roll of 2,012. Over the next 3 years, the school has planned growth which will see it realise 1750 students in pre-16 education. This should have a positive impact on numbers attending the Sixth Form. Cromwell Academy is a single form entry primary school in Huntingdon with a capacity of 210 and had a roll of 200 As at 31st October 2022. Godmanchester Bridge Academy is currently a single form entry primary school in Godmanchester (on the outskirts of Huntingdon) with a capacity of 210 and had a roll of 211 as at 31st October 2022. The school opened five years ago and has the ultimate capacity to be a two form of entry school to meet growth needs of the local community. Godmanchester Community Academy is a two-form entry primary school also in Godmanchester with a capacity of 420 and had a roll of 396 as at 31st October 2022. On 1st April 2022, Spaldwick Primary School joined ACES. Spaldwick is a small village some 5 miles to the west of Huntingdon. As at 31st October 2022, Spaldwick Primary School had 87 pupils on role.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The company was incorporated on 8th August 2011. On 1st September 2011 Hinchingsbrooke School converted from a community school to academy trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Hinchingsbrooke School Academy Trust from the Governors of Hinchingsbrooke School. On 1st January 2018, the Academy converted into a Multi Academy Trust, consisting of the two academies Hinchingsbrooke School and Cromwell Academy, and all the operations, and assets and liabilities were transferred to ACES Academies Trust.

The Directors of the Trust act as trustees for charitable activities of all schools within the Trust and are also the Trustees of the Charitable Company for the purposes of company law. The Charitable Company is known as ACES Academies Trust.

Members' liability

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

Principal activities

The Trust's principal activity is to advance, for the public benefit, education in the area served by the school, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum to its pupils.

The Trust operates under a Funding Agreement issued by the Department for Education on 1st January 2018 and commenced operations on 1st January 2018.

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of recruitment and appointment or election of trustees

The Trust currently has places for at least 13 Trustees with a variety of skills to support the trust, not including the CEO and 4 Members. The Trust Board is supported in each school by a local governing committee constituted in accordance with the Trust's Scheme of Delegation. Trustees and members of the Local Governing Committee are elected to serve for a four-year period; the CEO is an ex-officio Trustee.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of trustees

New Trustees receive an induction pack, attend an induction meeting with the Chairman and Chief Executive Officer and receive the offer of a visit to the schools. New Trustees attend full Board meetings and subsequently populate committees, often according to interests and personal expertise. All Trustees are required to attend training as appropriate.

Organisational structure

The leadership structure of the Trust consists of the Trustees, Local Governors, Senior Leadership Teams and a number of middle leaders with responsibility for specific areas of the Trust's operation. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Trustees are responsible for the strategic development of the Trust, adopting a strategic plan, receiving annual School Development Plans and budgets, monitoring the Trust by the use of budgets and management accounts and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

To ensure an efficient and effective committee structure with the Trust's Strategic Development Plan at its core, there are Trust committees responsible for HR, Finance and Estates, Audit and Risk, Standards and Innovation together with the Local Governing Committees who are responsible for ensuring a clarity of ethos, vision and strategic direction and holding the educational leaders to account for the educational performance of their school.

The Executive Leadership Team for the Trust, chaired by the Chief Executive Officer, comprise the Director of Finance & Operations, Director of Primary Education, Director of SEND, the HR Manager, and the Headteachers of Schools within the Trust. These leaders offer direction to the Trust at an executive level by developing and implementing the policies adopted by the Trustees and reporting back to them. The CEO undertakes the key leadership role overseeing all aspects of the Trust in consultation with the other members of the Executive Leadership Team. The Senior Leaders in the schools and throughout the Trust are responsible for the authorisation of spending within agreed budgets and for the appointment of staff. Appointment panels for posts in the Senior Leadership Team of the schools always contain the CEO, and/or a senior member of the Executive Team and/or a local governor. Some spending control is devolved to members of the Senior Leadership Teams, with limits above which the Director of Finance & Operations or the CEO must countersign.

Headteachers and Heads of Department, or Key Stage leaders in Primary schools, are responsible for the day-to-day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The pay scales for Leadership positions are determined in line with the current School Teacher' Pay and Conditions (STPC) document.

The Trustees may decide to pay additional payments to the CEO and Principals/Headteachers in accordance with the STPC Document. Where a decision is made to increase any salary beyond the maximum of the appropriate Pay Group it will not exceed 25 per cent of the previous salary being paid on the current point on the Pay Group, except in wholly exceptional circumstances, which will be approved by the Trustees.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Connected organisations, including related party relationships

As part of its operation the Trust liaises with organisations such as the local Authority, local Teaching School Alliances, partner primary schools, other local secondary schools, ASCL, CST, the Department for Education as well as with other education providers and trainers including further and higher education institutions and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established, mutually supportive associations.

The Foundation of Hinchingsbrooke School owns the Hinchingsbrooke School premises including some of the school land and possesses endowments, the income from which can be used for the educational benefit of pupils and young people from Huntingdon who are under 25, in financial need and have had at least two years' education in a Huntingdon secondary level school or college. The Trust occupies the premises on a 125-year lease from the Foundation.

Cambridgeshire County Council owns the playing fields that the Hinchingsbrooke School occupies and the sites that Cromwell Academy, Godmanchester Bridge Academy, Godmanchester Community Academy and Spaldwick Primary School occupy, each on a 125-year lease.

Values, Objectives, Core purpose and Activities

Our values

The VALUES of ACES Academies Trust are contained in the title of the Trust.

ASPIRATION: We value and promote aspiration for all.

CREATIVITY: We value creativity as a life skill. It lies at the heart of our educational offer and supports the achievement of excellence and the securing of success.

EXCELLENCE: We value excellence because we have high standards and want to provide the very best for our communities.

SUCCESS: We value success because a good education creates successful adults who can contribute positively to society.

We have the highest expectations of ourselves, the teams working across our academies and our students. The ACES Academies Trust has a shared local vision to raise aspiration and achievement for the communities we serve. We focus on the raising of standards, by sharing staff expertise and working together using our Framework for Excellence. New staff are employed by the Trust to work where most needed and we aspire to enhance recruitment and retention, through our curriculum innovation and approach to staff development.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

OUR MISSION	The ACES way A Framework for Excellence		OUR VISION
To work collaboratively with determination and integrity to improve life chances.	This framework supports our schools in achieving our mission.		
	The best from everyone	We expect the highest standards from everyone all of the time, so we can constantly challenge everyone – pupils and staff – to go the extra mile, to persist, to work hard, to be their best and to do their best for our cause.	Developing creative minds so pupils can fulfil their potential, achieve excellence and be successful.
	Education with Character	We will uphold our pupils' entitlement to a broad and balanced curriculum, which emphasises the teaching of literacy, oracy and numeracy. The curriculum must be engaging, provide for creative responses and offer a vibrant range of enrichment activities which enable the development of character. The curriculum must be adapted to suit the needs of all learners.	Excellence in every classroom.
	Leadership in every role	To give all our children – even the very youngest – opportunities to take responsibility for themselves and others. Equally, for every adult – opportunities to take responsibility and show initiative.	Every pupil is equipped to contribute positively to society.
	Continuous Improvement	To seek to improve all aspects of what we do and never become complacent. To implement change by stopping what is not working and finding better ways to have a more positive impact.	Ensuring the highest quality education for all.

Vision Statement

Our vision is to provide the highest-quality education for all our pupils, so that they learn and achieve well, and grow as successful, well-rounded young people equipped to contribute positively to society. We offer a challenging and ambitious curriculum for all our pupils, that provides them with opportunities to fulfil their potential, and we aim for excellence in every classroom.

Mission

Our academies will work collaboratively with determination and integrity to ensure we are improving the life chances for our pupils by:

- Raising aspirations;
- Improving our pedagogical practices;
- Providing appropriately challenging and motivational learning opportunities.
- Celebrating achievement.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

The objectives of the ACES Academies Trust are to:

- promote **aspiration** for all.
- use **creativity** as a vehicle for engagement, enrichment and improvement.
- achieve **excellence** in all areas, leading to better outcomes and **success** for students.
- develop skills for life and employment in our students.
- be flexible, visionary and responsive to emerging needs.
- be outward facing, actively engaging with and accessing external expertise.
- provide more efficient and effective services at a reduced collective cost.

Academies within our trust are expected to promote the objectives of **ACES** by ensuring their curricula offer opportunities to:

and by

- encourage creative and curious minds.
- facilitate independent learning.
- provide opportunities for personal expression and creativity.
- provide each child with the life skills to maximise their chance of success.
- upholding high standards of behaviour and promoting mutual respect.
- focusing on improving progress and achievement for all.
- pursuing excellence in pedagogical practice in every classroom.
- ensuring that every child is actively engaged in learning, has a sense of purpose and develops self-motivation, self-respect, self-regulation and self-worth.

The Trust wishes to secure high standards and good capacity before seeking growth. The Trustees will carefully consider the capacity for growth through a process of due diligence. Schools joining the Trust can expect to be supported in their areas of greatest need and have access to an enriched educational experience. They will be closely monitored and there will be opportunities for staff to develop professionally by sharing their strengths across the Trust. The due diligence arrangements, prior to joining the Trust, will identify priorities for improvement.

Public Benefit

The Trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Strategic report

Achievements and performance

In January 2018, ACES Academies Trust was formed and combined Hinchingsbrooke School and Cromwell Academy. Since then, it has consolidated its processes and focussed on the improvement of both schools. Further schools have since joined the Trust; all being feeder schools to Hinchingsbrooke School, a key aspect of our growth strategy.

2021 has continued to carry the complexities in dealing with COVID. All schools have seen considerable change because of COVID but have learnt a great deal as a result. The schools have embraced new technologies and procedures to ensure the continuity of education for all students and work has been undertaken to ensure staff and students alike remain secure and wish to attend school. Positive cases of COVID across the trust continue to remain low with no linked instances and numbers in isolation kept at a minimum.

Key Performance Indicators

Restricted general balances were £218,157 lower than 2020/21 due to additional COVID-19 funding received in the prior year. GAG reserves are now in surplus by £468,196.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. The Trustees also receive and approve the Annual Accounts and the External Auditors' Management Report.

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 accounting policies.

Financial review

For a long time, Cambridgeshire has received less funding for education than lots of other authorities and, in the last few years. This has been addressed in part by the Fairer Funding increase to GAG, however this continues to be offset by increased labour costs due to changes in salary uplifts, Tax, NI and pension contributions all of which remain been unfunded.

Most of the Trust's funding was provided by the Education and Skills Funding Agency (ESFA).

The Trust's total incoming revenue resources for the period 1 September 2021 to 31 August 2022 amounted to £17,439,952 (2021: £15,983,291) excluding transfer in of new academies into the trust. The Trust's total incoming capital resources for the period 1 September 2021 to 31 August 2022 amounted to £137,578 (2021: £243,062).

The Trust held revenue fund balances of £1,798,880 excluding pension deficit and capital fund balances of £30,781,290 at 31 August 2022.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are considered when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Trust continues and the appropriate training is arranged. It is the policy of the Trust that the training, career development and promotion of a disabled person should, as far as reasonably possible, be identical to that of a person who does not suffer from a disability.

Disabled students

Lifts, ramps, and disabled toilets are installed across the Trust and door widths are adequate to enable wheelchair access to the main areas of all schools.

Investment and Reserves Policy

The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning when rates permit. It is the intention of the Trustees to aim to hold reserves between 2% and 5% of annual recurring expenditure, and this is being worked towards. Unrestricted reserves are carried forward as unrestricted surplus in the year are used primarily to reduce the General Annual Grant deficit brought forward. The General Annual Grant surplus has decreased from £510,266 to £468,196. Remaining restricted general funds carried forward are £Nil. The aim is to return to a reserve of between 2% and 5% as soon as possible.

HBK Leisure funds are designated to a sinking fund to replace the all-weather football pitch in accordance with the agreements with the Football Foundation and further funds are being set aside for maintenance of the swimming pool.

School Funds are designated for the activity to which they relate e.g., Educational Visits etc.

The Trust is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

The Trustees have responsibility to assess the strategic risks to which the Trust is exposed and have commissioned a systematic analysis of all risks to produce a risk management register.

The Trustees have implemented several systems to assess risks that the Trust faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls to minimise risk. The Trust has an effective system of internal financial controls, and this is explained in more detail in this report.

The principal risk to the Trust remains the uncertainty of future funding. A Risk Register is being reviewed and will be subject to scrutiny on an ongoing basis by the Audit and Risk Committee.

Streamlined Energy and Carbon Reporting

As a large company (as defined by the Companies Act 2006), ACES is required to include the following information regarding its energy use and associated greenhouse emissions in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022		Current reporting year 2021/22	Comparison reporting year 2020/21 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)		3,971,105	4,281,857
Energy consumption break down (kWh):			
• gas		2,944,869	3,262,672
• electricity		1,026,236	1,019,185
• transport fuel		0	0
Scope 1 emissions in metric tonnes CO2e			
Gas consumption		537.56	597.59
Owned transport – mini-buses		0	0
Total Scope 1			
Scope 2 emissions in metric tonnes CO2e			
Purchased electricity		198.45	216.40
Scope 3 emissions in metric tonnes CO2e			
Business travel in employee-owned vehicles		0.00	0.00
Total gross emissions in metric tonnes CO2e		736.01	813.99
Intensity ratio Tonnes CO2e per pupil		0.27	0.31

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Note: During the Year 1 September 2021 – 31 August 2022 the trust increased in size by 1 school.

Measures taken to improve energy efficiency

We continue to monitor usage at all sites to maximise efficiency.

ACES ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

In order to further our stated mission, our core purpose is to provide effective and sustainable education so that we can nurture all of our students according to our mission and maximise their academic outcomes, their personal development and their capacity to be independent, autonomous and life-long learners. One area of focus is on the growth of the Trust, and we continue to investigate areas where we can expand through the local area and further afield. The Trust increased the number of students at Hinchingsbrooke by 50 per year group starting with Year 7 students starting in September 2021. This will allow for financial stability whilst maintaining educational standards. The school should reach full capacity by September 2026.

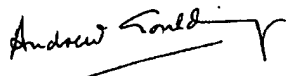
Auditor

In so far as the trustees are aware:

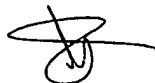
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06 December 2022 and signed on its behalf by:



A Goulding



B Message

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year.

Trustees	Meetings attended	Out of possible
A Goulding	5	5
B Message	4	5
G Weston	5	5
I Phillips (Resigned 31 October 2021)	0	1
D Lewis (Resigned 12 July 2022)	3	5
R Ryan	5	5
R Joshi	1	5
C Meddle	5	5
J Matamba (Resigned 18 October 2022)	5	5
J Nicholson	5	5

Conflicts of interest

The Trustees and senior staff with financial responsibility complete a register of business and pecuniary interest. Any interests are declared at the start of each meeting.

Governance reviews

Trustees have been subject to an external Governance review conducted by the DfE during the last academic year. The outcome was positive with minor areas for future consideration to be implemented when the Trust grows.

The finance committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Goulding	4	4
B Message	4	4
J Nicholson	4	4

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Review of value for money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

1. Robust governance and oversight of Trust finances

The Trust benefits from the provision by CEFM of a suitably qualified Responsible Officer (RO). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Trustees through the Finance and Premises Committee.

The Trust benefits from the provision by Azets of Annual Accounts Return, Budget Submission and External Audit.

The Chair of the Finance and Premises Committee meets regularly with the Director of Finance and Operations and Finance Manager to review the management accounts and to receive budget monitoring reports at least termly.

The full Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. The Board also receives and approves the Annual Accounts and the External Auditors Management Report.

2. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources

The Trust regularly benchmarks financial performance against other trusts to demonstrate that the Trust provides good value for money. Such benchmarking is provided annually by Azets.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. The Finance and Premises Committee review the contracts schedule annually.

For purchases above £2,000 but below the tender limit 3 quotes are required.

3. Maximising income generation

The Trust explores every opportunity to generate income through hire of Trust facilities for community sports and commercial hire of the Performing Arts Centre and Hinchbrook House.

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4. Reviewing controls and managing risks.

Monthly budget monitoring reports are produced and reviewed by the Chair of the Finance and Premises Committee and the Director of Finance & Operations and the CEO and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Indeed, the selection of the Trust's banking provider was put out to tender with investment opportunities being one of the key selection criteria.

The Trust maintains a risk register that they review annually. The register is also reviewed by the RO. There are currently no major risks that have not had adequate control measures applied.

5. Reviewing operations to maximise use of resources.

The Trust's Senior Leadership, led by the CEO and Director of Finance & Operations, review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Strategic Development Plan.

6. Use of renewable energy, improving energy efficiency and positive impact on the environment.

The Trust is progressing an Energy Performance Contract that will see dramatic reductions in energy usage, significant reductions in CO2 emissions. This long-term project over time will generate significant savings in the operational running costs of the Hinchbrook School.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in 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 Trustees 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 Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

ACES ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

The 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 Trustees;
- 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.

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed the Centre for Education and Finance Management (CEFM) to perform the duties of a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

During the year two RO reports were produced and no details of any material control issues were identified.

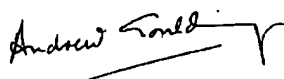
Review of effectiveness

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

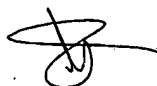
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development
- and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 06 December 2022 and signed on its behalf by:



A Goulding



B Message

ACES ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Aces Academies Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.



A Goulding
Accounting Officer

06 December 2022

ACES ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Aces Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

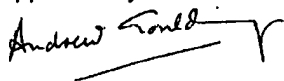
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

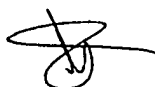
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have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

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

Approved by order of the members of the board of trustees on 06 December 2022 and signed on its behalf by:



A Goulding



B Message

ACES ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACES ACADEMIES TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Aces Academies Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

ACES ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACES ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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:

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

ACES ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACES ACADEMIES TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

9 December 2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

ACES ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACES ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 10 October 2022 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 Aces Academies Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aces Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Aces Academies Trust and 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 Aces Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aces Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aces Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of governors' meetings

ACES ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACES ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 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.



Reporting Accountant

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
PE1 2SP
United Kingdom

Dated: 09 December 2022

ACES ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	-	137,578	243,062
Donations - transfer in of Spaldwick Primary	27	81,624	(179,000)	1,226,241	-
Donations - transfer of existing academies into the trust	27	-	-	-	11,653,777
Charitable activities:					
- Funding for educational operations	4	1,216,817	15,664,519	-	16,881,336
- Sports and leisure activities		409,589	-	-	409,589
Other trading activities	5	148,656	-	-	148,656
Investments	6	371	-	-	371
Total		1,857,057	15,485,519	1,363,819	18,706,395
Expenditure on:					
Charitable activities:					
- Educational operations	9	1,263,497	17,287,611	962,472	19,513,580
- Sports and leisure activities		357,831	-	-	357,831
Charitable expenditure - transfer of existing academies into the trust	27	-	-	-	-
Total	7	1,621,328	17,287,611	962,472	19,871,411
Net income/(expenditure)		235,729	(1,802,092)	401,347	(1,165,016)
Transfers between funds	18	(40,000)	(33,065)	73,065	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	8,984,000	-	8,984,000
Net movement in funds		195,729	7,148,843	474,412	7,818,984
Reconciliation of funds					
Total funds brought forward		1,134,955	(7,413,647)	30,306,878	24,028,186
Total funds carried forward		1,330,684	(264,804)	30,781,290	31,847,170

ACES ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £
Income and endowments from:				
Donations and capital grants	3	-	-	243,062
Donations - transfer of existing academies into the trust	27	329,679	519,625	10,804,473
Charitable activities:				
- Funding for educational operations	4	883,230	14,631,957	-
- Sports and leisure activities		188,657	-	-
Other trading activities	5	36,086	-	-
Investments	6	299	-	-
Total		1,437,951	15,151,582	11,047,535
Expenditure on:				
Charitable activities:				
- Educational operations	9	758,809	15,388,577	956,561
- Sports and leisure activities		228,786	-	-
Charitable expenditure - transfer of existing academies into the trust	27	-	1,458,000	-
Total	7	987,595	16,846,577	956,561
Net income/(expenditure)		450,356	(1,694,995)	10,090,974
Transfers between funds	18	(70,606)	56,660	13,946
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	19	-	(1,541,000)	-
Net movement in funds		379,750	(3,179,335)	10,104,920
Reconciliation of funds				
Total funds brought forward		720,893	(4,200,000)	20,201,958
Total funds carried forward		1,100,643	(7,379,335)	30,306,878

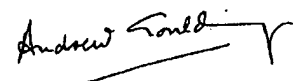
ACES ACADEMIES TRUST

BALANCE SHEET

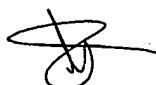
AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		30,781,290		30,313,977
Current assets					
Debtors	15	721,892		495,460	
Cash at bank and in hand		2,560,471		2,422,630	
		<u>3,282,363</u>		<u>2,918,090</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,483,483)		(1,103,881)	
Net current assets			<u>1,798,880</u>		<u>1,814,209</u>
Net assets excluding pension liability			32,580,170		32,128,186
Defined benefit pension scheme liability	19		(733,000)		(8,100,000)
Total net assets			<u>31,847,170</u>		<u>24,028,186</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			30,781,290		30,306,878
- Restricted income funds			468,196		720,665
- Pension reserve			(733,000)		(8,100,000)
Total restricted funds			<u>30,516,486</u>		<u>22,927,543</u>
Unrestricted income funds	18		<u>1,330,684</u>		<u>1,100,643</u>
Total funds			<u>31,847,170</u>		<u>24,028,186</u>

The accounts on pages 22 to 48 were approved by the trustees and authorised for issue on 06 December 2022 and are signed on their behalf by:



A Goulding



B Message

Company registration number 07732319

ACES ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	26		(8,461)		255,847
Cash funds transferred on conversion			81,624		820,868
			<u>73,163</u>		<u>1,076,715</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		371		299	
Capital grants from DfE Group		137,578		243,062	
Purchase of tangible fixed assets		(65,966)		(46,985)	
		<u></u>		<u></u>	
Net cash provided by investing activities			71,983		196,376
Cash flows from financing activities					
Repayment of long term bank loan		(7,099)		(9,568)	
Finance costs		(206)		(227)	
		<u></u>		<u></u>	
Net cash used in financing activities			(7,305)		(9,795)
Net increase in cash and cash equivalents in the reporting period			137,841		1,263,296
Cash and cash equivalents at beginning of the year			2,422,630		1,159,334
Cash and cash equivalents at end of the year			<u>2,560,471</u>		<u>2,422,630</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Spaldwick Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

1.4 Income

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

Grants

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

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

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

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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 to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Furniture and equipment transferred into the academy from the previous local authority school has not been valued and introduced into these accounts.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property	2% straight-line
Plant & machinery	3 years straight-line
Fixtures, fittings & equipment	3 to 10 years straight-line

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

The land and buildings from which the Hinchingsbrooke School operate are leased from the local authority and from The Foundation of Hinchingsbrooke School. A valuation was undertaken on the property by a professional valuer at 31 August 2012, commissioned by the ESFA, using a depreciated replacement cost basis. Depreciation is charged in accordance with the accounting policies set out above.

On 1 January 2018 the leasehold land and buildings in which Cromwell Academy operate were transferred into the MAT as follows:

- The school building is based on an ESFA valuation as the construction cost was not available at the time of the transfer.

On 1 September 2020 the leasehold land and buildings in which Godmanchester Community Academy operate were transferred into the MAT as follows:

- The school building is based on an ESFA valuation dated 31 March 2013 which has subsequently been depreciated at 2% straight line.

On 1 September 2020 the leasehold land and buildings in which Godmanchester Bridge Academy operate were transferred into the MAT as follows:

- The school building is based on the construction cost which has subsequently been depreciated at 2% straight line.

On 1 April 2022 the leasehold land and buildings in which Spaldwick Academy operate were transferred into the MAT as follows:

- The school building is based on a local authority valuation dated 31 March 2022 which has subsequently been depreciated at 2% straight line.

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.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.7 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.

1.8 Leased assets

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

1.9 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

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

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	137,578	137,578	243,062

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	13,574,218	13,574,218	12,200,405
Other DfE/ESFA grants:				
- UIFSM	-	37,649	37,649	174,368
- Pupil premium	-	472,565	472,565	418,725
- PE and sports premium	-	61,484	61,484	42,972
- Teachers pension grant	-	79,472	79,472	463,962
- Teachers pay grant	-	28,124	28,124	223,023
- Others	-	336,300	336,300	59,483
	-	14,589,812	14,589,812	13,582,938
Other government grants				
Local authority grants	-	848,177	848,177	632,285
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	14,796	14,796	179,764
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	-	-	34,312
Other COVID-19 funding	-	-	-	62,454
	-	14,796	14,796	276,530
Other funding				
Sports and leisure facilities	409,589	-	409,589	188,657
Other incoming resources	1,216,817	211,734	1,428,551	1,023,434
	1,626,406	211,734	1,838,140	1,212,091
Total funding	1,626,406	15,664,519	17,290,925	15,703,844

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

- The funding received from DfE / ESFA covers £160,142 (2021 - £96,872) of additional costs arising as a result of COVID-19. These costs are included in notes 7 and 9 as appropriate.
- The academy trust furloughed some of its sports and leisure facilities staff and kids club staff under the government's Coronavirus job retention scheme. The funding received of £nil (2021 - £34,312) relates to staff costs, which are included within note 11 below as appropriate.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Lettings	148,656	-	148,656	36,086

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	371	-	371	299

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Academy's educational operations					
- Direct costs	11,234,950	-	1,175,913	12,410,863	11,270,945
- Allocated support costs	3,409,402	2,373,295	1,320,020	7,102,717	5,833,002
Sports and leisure activities					
- Direct costs	153,635	-	184,196	337,831	228,786
- Allocated support costs	-	20,000	-	20,000	-
	14,797,987	2,393,295	2,680,129	19,871,411	17,332,733

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	16,500	15,750
- Other services	2,650	1,700
Operating lease rentals	20,771	27,520
Depreciation of tangible fixed assets	677,915	860,718
Loss on disposal of fixed assets	146,981	-
Bank and loan interest	206	227
Net interest on defined benefit pension liability	146,000	103,000

8 Central services

The academy trust has provided the following central services to its academies during the year:

- human resources;
- financial services; and
- educational support services

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Central services

(Continued)

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

- flat percentage of income - Hinchingsbrooke School 4%
- flat percentage of income - Cromwell Academy 6%
- flat percentage of income - Godmanchester Bridge Academy 6%
- flat percentage of income - Godmanchester Community Academy 6%

The amounts charged during the year were as follows:

	2022 £	2021 £
Hinchingsbrooke School	776,555	383,206
Cromwell Academy	63,457	46,973
Godmanchester Bridge Academy	74,843	50,812
Godmanchester Community Academy	131,347	93,972
Spaldwick Primary School	-	-
	<u>1,046,202</u>	<u>574,963</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	279,563	12,131,300	12,410,863	11,270,945
Sports and leisure activities	337,831	-	337,831	228,786
Support costs				
Educational operations	983,934	6,118,783	7,102,717	5,833,002
Sports and leisure activities	20,000	-	20,000	-
	<u>1,621,328</u>	<u>18,250,083</u>	<u>19,871,411</u>	<u>17,332,733</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities

(Continued)

Analysis of costs	Sports and leisure facilities	Educational operations	Total 2022	Total 2021
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	153,635	11,234,950	11,388,585	10,578,076
Staff development	-	37,207	37,207	56,387
Technology costs	-	200,175	200,175	107,778
Educational supplies and services	-	503,746	503,746	425,744
Examination fees	-	155,222	155,222	123,759
Other direct costs	184,196	279,563	463,759	207,987
	<u>337,831</u>	<u>12,410,863</u>	<u>12,748,694</u>	<u>11,499,731</u>
Support costs				
Support staff costs	-	3,409,402	3,409,402	2,787,521
Depreciation	-	824,896	824,896	860,718
Technology costs	-	-	-	114,619
Recruitment and support	-	46,234	46,234	40,126
Maintenance of premises and equipment	-	607,064	607,064	273,969
Rent, rates and other occupancy costs	20,000	941,335	961,335	816,497
Catering	-	711,821	711,821	464,419
Finance costs	-	146,206	146,206	103,227
Legal costs	-	1,725	1,725	2,447
Other support costs	-	394,884	394,884	351,859
Governance costs	-	19,150	19,150	17,600
	<u>20,000</u>	<u>7,102,717</u>	<u>7,122,717</u>	<u>5,833,002</u>

10 Governance costs

	Total 2022	Total 2021
	£	£
All from restricted funds:		
Amounts included in support costs		
Legal costs	1,725	2,447
Auditor's remuneration		
- Audit of financial statements	16,500	15,750
- Other audit costs	2,650	1,850
	<u>20,875</u>	<u>20,047</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	10,302,491	9,667,097
Social security costs	927,297	903,562
Pension costs	3,397,120	2,749,200
Staff costs - employees	14,626,908	13,319,859
Agency staff costs	171,079	45,738
	14,797,987	13,365,597
Staff development and other staff costs	37,207	56,387
Total staff expenditure	14,835,194	13,421,984

Staff numbers

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

	2022 Number	2021 Number
Teachers	171	164
Administration and support	194	185
Management	10	9
	375	358

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	8	8
£70,001 - £80,000	3	2
£80,001 - £90,000	1	2
£90,001 - £100,000	1	1
£140,001 - £150,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £812,233 (10 employees) (2021: £744,910 (9 employees)).

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits during the period they were a trustee was as follows:

Mr A Goulding (principal and trustee):

Remuneration £145,000 - £150,000 (2021: £140,000 - £145,000)

Employer's pension contributions £0 (2021: £0)

During the year, travel and subsistence payments totalling £nil (2021: £nil) were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 is included within insurance costs.

14 Tangible fixed assets

	Leasehold property	Plant & machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	33,531,827	136,299	863,754	34,531,880
Transfer on conversion	1,226,241	-	-	1,226,241
Additions	42,231	-	23,735	65,966
Disposals	(75,248)	(22,179)	(316,703)	(414,130)
At 31 August 2022	34,725,051	114,120	570,786	35,409,957
Depreciation				
At 1 September 2021	3,542,148	96,538	579,217	4,217,903
On disposals	(9,228)	(21,968)	(235,953)	(267,149)
Charge for the year	599,626	16,037	62,250	677,913
At 31 August 2022	4,132,546	90,607	405,514	4,628,667
Net book value				
At 31 August 2022	30,592,505	23,513	165,272	30,781,290
At 31 August 2021	29,989,679	39,761	284,537	30,313,977

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Debtors

	2022 £	2021 £
Trade debtors	103,380	41,198
VAT recoverable	151,393	95,775
Prepayments and accrued income	467,119	358,487
	<u>721,892</u>	<u>495,460</u>

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Government loans	-	7,099
Trade creditors	398,653	237,009
Other taxation and social security	247,843	257,957
Other creditors	247,819	218,667
Accruals and deferred income	589,168	383,149
	<u>1,483,483</u>	<u>1,103,881</u>

17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	<u>364,795</u>	<u>125,679</u>
Deferred income at 1 September 2021	125,679	102,447
Released from previous years	(125,679)	(102,447)
Resources deferred in the year	<u>364,795</u>	<u>125,679</u>
Deferred income at 31 August 2022	<u>364,795</u>	<u>125,679</u>

Deferred income relates to amounts received in advance for the 2022/23 school year for school trips and funding.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	510,266	13,574,218	(13,583,223)	(33,065)	468,196
UIFSM	-	37,649	(37,649)	-	-
Pupil premium	-	472,565	(472,565)	-	-
Other DfE/ESFA COVID-19 funding	145,346	14,796	(160,142)	-	-
Other DfE/ESFA grants	-	443,896	(443,896)	-	-
Other government grants	1,550	848,177	(849,727)	-	-
PE and sports premium	29,191	61,484	(90,675)	-	-
Other restricted funds	-	211,734	(211,734)	-	-
Pension reserve	(8,100,000)	(179,000)	(1,438,000)	8,984,000	(733,000)
	<u>(7,413,647)</u>	<u>15,485,519</u>	<u>(17,287,611)</u>	<u>8,950,935</u>	<u>(264,804)</u>
Restricted fixed asset funds					
Inherited on conversion	-	1,226,241	-	-	1,226,241
DfE group capital grants	(7,099)	137,578	(147,796)	7,099	(10,218)
Capital expenditure from GAG	30,313,977	-	(814,676)	65,966	29,565,267
	<u>30,306,878</u>	<u>1,363,819</u>	<u>(962,472)</u>	<u>73,065</u>	<u>30,781,290</u>
Total restricted funds	<u>22,893,231</u>	<u>16,849,338</u>	<u>(18,250,083)</u>	<u>9,024,000</u>	<u>30,516,486</u>
Unrestricted funds					
General funds	755,604	1,013,855	(784,916)	(1,104)	983,439
School fund	215,235	171,903	(222,438)	1,104	165,804
HSSP	70,782	261,710	(256,143)	-	76,349
Sports and leisure activities	93,334	409,589	(357,831)	(40,000)	105,092
	<u>1,134,955</u>	<u>1,857,057</u>	<u>(1,621,328)</u>	<u>(40,000)</u>	<u>1,330,684</u>
Total funds	<u>24,028,186</u>	<u>18,706,395</u>	<u>(19,871,411)</u>	<u>8,984,000</u>	<u>31,847,170</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

The restricted grant income in the year all relates to the provision of education for the pupils of the academy trust.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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

The fixed asset fund represents the net book value of fixed assets purchased.

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

The school fund balances are designated by the trustees for use in a variety of different areas.

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

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	12,720,030	(12,369,246)	56,660	407,444
UIFSM	-	174,368	(174,368)	-	-
Pupil premium	-	418,725	(418,725)	-	-
Other DfE/ESFA COVID-19 funding	-	179,764	-	-	179,764
Coronavirus job retention scheme grant	-	34,312	-	-	34,312
Other Coronavirus funding	-	62,454	-	-	62,454
Other DfE/ESFA grants	-	789,440	(760,249)	-	29,191
Other government grants	-	632,285	(624,785)	-	7,500
Other restricted funds	-	1,598,204	(1,598,204)	-	-
Pension reserve	(4,200,000)	(1,458,000)	(901,000)	(1,541,000)	(8,100,000)
	<u>(4,200,000)</u>	<u>15,151,582</u>	<u>(16,846,577)</u>	<u>(1,484,340)</u>	<u>(7,379,335)</u>
Restricted fixed asset funds					
DfE group capital grants	57,946	243,062	(275,069)	(33,039)	(7,100)
Capital expenditure from GAG	20,138,172	10,804,473	(675,652)	46,985	30,313,978
Private sector capital sponsorship	5,840	-	(5,840)	-	-
	<u>20,201,958</u>	<u>11,047,535</u>	<u>(956,561)</u>	<u>13,946</u>	<u>30,306,878</u>
Total restricted funds	<u>16,001,958</u>	<u>26,199,117</u>	<u>(17,803,138)</u>	<u>(1,470,394)</u>	<u>22,927,543</u>
Unrestricted funds					
General funds	371,207	849,926	(466,056)	(20,606)	734,471
School fund	84,922	208,494	(78,181)	-	215,235
HSSP	94,480	190,874	(214,572)	-	70,782
Sports and leisure activities	170,284	188,657	(228,786)	(50,000)	80,155
	<u>720,893</u>	<u>1,437,951</u>	<u>(987,595)</u>	<u>(70,606)</u>	<u>1,100,643</u>
Total funds	<u>16,722,851</u>	<u>27,637,068</u>	<u>(18,790,733)</u>	<u>(1,541,000)</u>	<u>24,028,186</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Hinchingbrooke School	761,405	732,960
Cromwell Academy	213,888	200,251
Godmanchester Bridge Academy	387,203	424,641
Godmanchester Community Academy	328,918	463,456
Spaldwick Primary School	107,466	-
Total before fixed assets fund and pension reserve	1,798,880	1,821,308
Restricted fixed asset fund	30,781,290	30,306,878
Pension reserve	(733,000)	(8,100,000)
Total funds	31,847,170	24,028,186

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Hinchingbrooke School	7,891,851	1,255,135	484,705	2,380,127	12,011,818	11,847,391
Cromwell Academy	728,994	83,990	34,670	172,467	1,020,121	994,601
Godmanchester Bridge Academy	800,394	71,295	63,631	287,244	1,222,564	1,035,199
Godmanchester Community Academy	1,438,778	158,518	66,981	383,847	2,048,124	3,667,006
Spaldwick Primary School	172,912	27,405	6,039	29,509	235,865	-
Central services	350,256	567,293	2,942	149,533	1,070,024	569,897
	11,383,185	2,163,636	658,968	3,402,727	17,608,516	18,114,094

19 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 Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £245,446 (2021: £217,929) were payable to the schemes at 31 August 2022 and are included within creditors.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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 academy trusts. 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The 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 2024.

The pension costs paid to the TPS in the period amounted to £1,526,397 (2021: £1,431,242).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.1% for employers and 5.5 to 12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

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

The actuarial valuation prepared under FRS102 in respect of the Local Government Pension Scheme indicated that one of the school's share of the scheme was in surplus as at the year end to the value of £1,013,000. At the time of approving the accounts, the trustees have no indication that this will result in either a refund of contributions or a material reduction in future contributions and therefore the corresponding asset has not been reflected in these accounts.

Total contributions made	2022 £	2021 £
Employer's contributions	562,000	516,000
Employees' contributions	173,000	160,000
Total contributions	<u>735,000</u>	<u>676,000</u>

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.55	3.4
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	<u>4.25</u>	<u>1.65</u>

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

	2022 Years	2021 Years
Retiring today		
- Males	22.0	22.2
- Females	24.2	24.4
Retiring in 20 years		
- Males	22.9	23.2
- Females	<u>26.0</u>	<u>26.2</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £'000	2021 £'000
0.1% decrease in Real Discount Rate	304	496
1 year increase in member life expectancy	496	800
0.1% increase in the Salary Increase Rate	14	23
0.1% increase in the Pension Increase Rate	<u>293</u>	<u>467</u>

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

Defined benefit pension scheme net liability	2022 £	2021 £
Scheme assets	11,675,000	11,924,000
Scheme obligations	(12,408,000)	(20,024,000)
Net liability	(733,000)	(8,100,000)

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

	2022 Fair value £	2021 Fair value £
Equities	8,881,600	7,989,000
Bonds	1,649,440	2,027,000
Cash	126,880	239,000
Property	2,030,080	1,669,000
Asset not recognised	(1,013,000)	-
Total market value of assets	11,675,000	11,924,000

The actual return on scheme assets was £(1,127,000) (2021: £1,934,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	1,854,000	1,314,000
Interest income	(204,000)	(165,000)
Interest cost	350,000	268,000
Total operating charge	2,000,000	1,417,000

Changes in the present value of defined benefit obligations

	2022 £	2021 £
At 1 September 2021	20,024,000	12,370,000
Obligations acquired on conversion	449,000	-
Transferred in on existing academies joining the academy trust	-	2,709,000
Current service cost	1,854,000	1,314,000
Interest cost	350,000	268,000
Employee contributions	173,000	160,000
Actuarial (gain)/loss	(10,315,000)	3,310,000
Benefits paid	(127,000)	(107,000)
At 31 August 2022	12,408,000	20,024,000

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

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

	2022 £	2021 £
At 1 September 2021	11,924,000	8,170,000
Assets acquired on conversion	270,000	-
Transferred in on existing academies joining the academy trust	-	1,251,000
Interest income	(48,000)	165,000
Actuarial loss/(gain)	(66,000)	1,769,000
Employer contributions	562,000	516,000
Employee contributions	173,000	160,000
Benefits paid	(127,000)	(107,000)
Asset not recognised	(1,013,000)	-
At 31 August 2022	11,675,000	11,924,000

20 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	30,781,290	30,781,290
Current assets	1,547,828	1,734,535	-	3,282,363
Creditors falling due within one year	(217,144)	(1,266,339)	-	(1,483,483)
Defined benefit pension liability	-	(733,000)	-	(733,000)
Total net assets	1,330,684	(264,804)	30,781,290	31,847,170

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	30,313,977	30,313,977
Current assets	2,230,187	686,353	1,550	2,918,090
Creditors falling due within one year	(1,095,232)	-	(8,649)	(1,103,881)
Defined benefit pension liability	-	(8,100,000)	-	(8,100,000)
Total net assets	1,134,955	(7,413,647)	30,306,878	24,028,186

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	2,422,630	137,841	2,560,471
Loans falling due within one year	(7,099)	7,099	-
	<u>2,415,531</u>	<u>144,940</u>	<u>2,560,471</u>

22 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	12,697	20,771
Amounts due in two and five years	45,940	-
	<u>58,637</u>	<u>20,771</u>

23 Capital commitments

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	36,128	-

24 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has 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. The following related party transaction took place in the period of account.

During the year the Hinchingsbrooke School received £66,536 (2021: £93,088) from The Hinchingsbrooke Foundation. There are trustees in common to both organisations. The school also occupies property owned by The Hinchingsbrooke Foundation on a rent free basis.

Mrs J Elliot, wife of the chief executive officer of the academy trust, provided educational consultancy services to the trust in the year amounting to £525 (2021 : £3,632).

Some of the trustees have children who are pupils at the academy trust, consequently there will be transactions between those trustees and the academy trust in respect of their children's education. These are on the same basis as other pupils at the academy trust.

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

No individual has a controlling interest in the charitable company.

26 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,165,016)	8,846,335
Adjusted for:		
Net surplus on conversion to academy	(1,128,865)	-
Net surplus on transfer of academy in the trust	-	(10,195,777)
Capital grants from DfE and other capital income	(137,578)	(243,062)
Investment income receivable	(371)	(299)
Finance costs payable	206	227
Defined benefit pension costs less contributions payable	1,292,000	798,000
Defined benefit pension scheme finance cost	146,000	103,000
Depreciation of tangible fixed assets	677,914	675,652
Loss on disposal of fixed assets	146,981	-
(Increase) in debtors	(226,433)	(154,338)
Increase in creditors	386,701	397,673
Stocks, debtors and creditors transferred on conversion	-	28,436
Net cash (used in)/provided by operating activities	(8,461)	255,847

27 Conversion to an academy

On 1 April 2022 the Spaldwick Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aces Academies Trust from the Huntingdonshire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Spaldwick Primary School	Spaldwick	1 April 2022

ACES ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

27 Conversion to an academy

(Continued)

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Net assets transferred:				
Leasehold land and buildings	-	-	1,226,241	1,226,241
Cash	81,624	-	-	81,624
Pension scheme deficit	-	(179,000)	-	(179,000)
	<u>81,624</u>	<u>(179,000)</u>	<u>1,226,241</u>	<u>1,128,865</u>

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	1,226,241	1,226,241
LA budget funds	81,624	-	-	81,624
LGPS pension funds	-	(179,000)	-	(179,000)
	<u>81,624</u>	<u>(179,000)</u>	<u>1,226,241</u>	<u>1,128,865</u>