

ACE Schools Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019

Company Registration Number 10038640 (England and Wales)



ACE Schools Multi Academy Trust

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ACE Schools Multi Academy Trust

Reference and Administrative Details

Members	Ms Wendy Hannon (resigned 28 March 2019) Mr Adrian Kemp Ms Anne-Marie Singer (resigned 7 September 2018) Ms Michelle Thomas Mrs Joan Watkins (appointed 12 December 2018)
Trustees	Mrs Annette Benny Mr Andrew Dunkley (appointed 8 October 2018) Mrs Sarah Gillett (CEO & Accounting Officer) (resigned 12 July 2019) Mr Gavin Gracie (appointed 8 October 2018, Interim CEO & Accounting Officer appointed 5 September 2019) Mr Peter McDonnell Mr Denis Parsons (appointed 8 October 2018) Dr Tim Searle (Chair) Mrs Joan Watkins (resigned 10 October 2018) Mr Alastair Wright (resigned 6 September 2018)

Senior Leadership Team:

CEO (Accounting Officer)	Mrs Sarah Gillett (resigned 12 July 2019)
Interim CEO (Accounting Officer)	Mr Gavin Gracie (appointed 5 September 2019)
Director of Performance	Mr Chris Humphries
Director of School Improvement	Mr Paul Winterton
Director of Finance (CFO)	Mr Paul Turner (Interim Accounting Officer from 22 May 2019 to 4 September 2019)

Company Name ACE Schools Multi Academy Trust

Principal and Registered Office Unit 3, Ensign House
Parkway Court
Longbridge Road
Plymouth PL6 8LR

Company Registration Number 10038640 (England and Wales)

Independent Auditor PKF Francis Clark
North Quay House
Sutton Harbour
Plymouth PL4 0RA

Bankers Lloyds Bank plc
37 Ridgeway
Plympton
Plymouth PL7 2AP

Solicitors Michelmores
Woodwater House
Pynes Hill
Exeter EX2 5WR

ACE Schools Multi Academy Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2019.

The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The MAT operates an alternative provision academy, ACE Schools Plymouth, providing a range of education services for primary and secondary students at a number of locations around Plymouth and more recently through satellite bases in Cornwall and Devon. In Plymouth it has a pupil capacity of 264 which consists of 230 alternative provision places and 34 hospital education places. Places in Cornwall and Devon are commissioned directly by the relevant local authorities.

On 1 February 2017 Courtlands Special School joined the MAT. Courtlands is a primary special school based in Plymouth supporting pupils with a range of social, emotional and mental health issues and moderate learning difficulties as defined in their education and healthcare plan. In Plymouth the school has 75 places with a further 25 places available to be commissioned directly by other local authorities.

On 9 September 2019 ACE Tiverton Special School opened as a new presumption free special school within the MAT. The secondary special school is based in Devon supporting pupils with a range of autistic spectrum conditions and social, emotional and mental health issues as defined in their education and healthcare plan. It has an initial pupil capacity of 35 places in the first academic year rising to 70 places when fully operational in the third academic year.

Structure, Governance and Management

Constitution

The MAT 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 MAT. The trustees of ACE Schools Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as ACE Schools Multi Academy Trust.

Details of the trustees who served during the year, and to the date of these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Acts, every trustee or other officer or auditor of the MAT shall be indemnified out of the assets of the MAT against any liability incurred by them in that capacity in defending any proceedings, whether civil or

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Trustees' Indemnities (continued)

criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to the affairs of the MAT.

During the year the MAT also purchased professional indemnity cover (unlimited indemnity) and governors' liability cover (£10m indemnity limit) which covers any member of an MAT, a director or trustee of an MAT, or a person who sits on a local governing body.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association require the members of the MAT to appoint at least 3 and up to 10 trustees.

The term of office for any trustee shall be four years, save that this time limit will not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected at a general meeting.

Policies and Procedures Adopted for the Induction and Training of Trustees

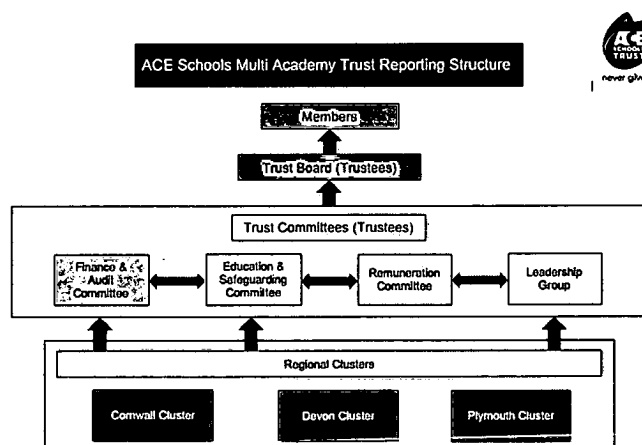
The MAT has joined the National Governance Association Learning Link to provide online training for trustees and Cluster representatives.

All trustees are provided with the means by which to obtain copies of the policies from the MAT website plus procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Organisational Structure

The organisational structure of the MAT consisted of 4 levels:

- Members
- Board of Trustees
- MAT Officers
- Regional Cluster Committees



ACE Schools Multi Academy Trust

Trustees' Report (continued)

The organisational structure is based on a delegated authority framework which clearly defines the roles and responsibilities at each level and encourages distributed leadership and involvement in decision making at all levels.

Members have overall responsibility for the appointment and removal of trustees and are signatories to the Articles of Association.

The trustees are responsible and accountable for the MAT's performance, its secure and sound financial management and works within its agreed ethos and values framework. It is ultimately responsible for the financial performance of each academy.

The trustees are responsible for the running of each academy from facilities, staffing to curriculum.

The trustees rely, at a local level, on Regional Cluster governors to account and drive forward performance improvements, attainment and progress in each operating site. Governors' impact and effectiveness is overseen and monitored by the Board. Governors are responsible for adopting an annual school improvement plan and monitoring policy implementation laid down by the Board.

The Chief Executive Officer, Directors, Head teachers, HR, IT and Facilities managers form the executive responsible for leadership and management of the Trust.

The Chief Executive has the role of Accounting Officer and the Director of Finance is the Chief Financial Officer.

The Chief Executive, Mrs Sarah Gillett, left the MAT on 12 July 2019 and the Director of Finance, Mr Paul Turner, took on the role of Interim Accounting Officer from 22 May 2019.

On 5 September 2019 The Board of Trustees appointed Mr Gavin Gracie, a Trustee, to the role of Interim Chief Executive and Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The members, Board of Trustees (excluding Chief Executive and staff trustees) and regional Cluster members are all unpaid roles within the organisational structure.

The setting of pay and remuneration of the Chief Executive and senior leadership team is the responsibility of the Board of Trustees. The trustees have set up a remuneration committee to undertake the task of approving pay and remuneration of key management personnel in light of responsibilities, retention, succession planning and market comparatives.

Related Parties and other Connected Charities and Organisations

There are no other connected organisations or related parties which either control or significantly influence the decisions and operations of the MAT. It does, however, work closely with a number of other schools, colleges, educational bodies and local authorities on particular collaborative projects in the pursuit of its charitable activities.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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ACE Schools Multi Academy Trust

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The principal object and aim of the MAT in accordance with the Articles of Association are the provision of educational services delivered through academy schools within the MAT.

Underpinning the principal objective are a number of other objectives as follows:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ('the mainstream Academies') or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ('the alternative provision Academies') or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specifically organised to make special educational needs provision for pupils with Special Educational Needs ('the Special Academies').
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The main objectives of the MAT during the year ended 31 August 2019 are summarised below:

- To grow the number of schools within the MAT.
- To grow the educational provision in the South West.
- To improve and strengthen the governance of schools and the MAT.
- To ensure that the educational provision is cost effective, value for money and properly funded.

Public Benefit

The MAT provides educational services to all children in the local area. The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the guidance on public benefit published by the Charity Commission.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The MAT's achievement and performance in the year is summarised below:

- ***To grow the number of schools within the MAT.***

The MAT was successful in its application to Devon County Council to set up a new free special school in Tiverton, Devon to support students with ASC (Autistic Spectrum Conditions) and SEMH (Social, Emotional and Mental Health) and related conditions for Key Stage 3 and 4 students. The school was provided by Devon County Council in a £4.5m conversion of an existing building. This complex project was completed on time and on budget allowing for an albeit rushed opening on the 9th September 2019.

During the year the MAT has actively participated in the next wave of the presumption free special school process throughout the South West. Expressions of interest have been submitted for four new special schools planned for Plymouth, Cornwall, Somerset and North Somerset providing special needs support for pupils with ASC, SEMH and a range of learning, communication and interaction difficulties.

The MAT participated in tender opportunities for Glendinning House Academy free school and expressed an interest in the Steiner Academies in Exeter, Frome and Bristol as well as the former Plymouth Studio School building in Plymouth. The MAT was unsuccessful in these applications.

- ***To grow the educational provision in the South West.***

The MAT has continued to expand its educational provision in both Cornwall and Devon working closely with local authority commissioners in these counties.

The MAT has seen growth in pupil numbers at its bases in Cornwall and Devon and continues to seek further opportunities to expand and deliver high needs, bespoke provision for students unable to attend mainstream, special or alternative provision schools. The MAT is keen to expand further into Devon with new satellite bases planned for Exeter and Exmouth.

During the year the MAT has worked with other MATs in Plymouth, Exeter and Devon to provide support for their own inclusion and alternative provision models to help prevent exclusions.

In addition the MAT has provided school improvement support in special needs and inclusion to secondary schools in Plymouth.

The MAT provided a member of the senior leadership team to support another MAT in Devon through a Trustee role on the Academy Management Committee of the Steiner Academy Exeter.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Achievements and Performance (continued)

- ***To improve and strengthen the governance of schools and the MAT.***

The MAT has strengthened a number of aspects of governance over the past year, including:

- The establishment of a Finance & Audit Committee to meet half-termly (6 times per academic year) to focus on finance, audit and risk matters. This has been in operation throughout the year.
- The establishment of an Education & Safeguarding Committee to meet half-termly (6 times per academic year) to focus on teaching and learning, safeguarding and other educational matters. This met for the first time in January 2019.
- A review of the role of Regional Cluster committees to ensure that they work effectively with the new Education & Safeguarding Committee and that their remit extends on a regional basis to cover the satellite bases in Cornwall and Devon and the new free school, ACE Tiverton, in Devon.
- An independent review of governance at all levels by Bishop Fleming including a skills review and external governance review. The full report was received in September 2018 and an action plan was implemented.

- ***To ensure that educational provision is cost effective, value for money and properly funded.***

The MAT worked closely with the local authority during the year on its review of Alternative Education Provision throughout Plymouth. This included the provision of data, analysis of education provision and participation in a consultation process to consider the existing provision and to develop and improve the local offer for commissioners, schools and trusts within Plymouth. The outcome of this review is anticipated by the end of 2019 with implementation from September 2020.

The MAT restructured its elective home education monitoring and visiting service at the end of the year in response to the ending of its contract with Plymouth City Council on 31 August 2019.

The MAT implemented a new HR and recruitment strategy during the year which has resulted in an increase of permanent, contracted staff and the reduction in temporary, agency staff. This has delivered significant cost savings in staffing as well as having an impact on staff engagement and the overall quality and continuity of education provision.

Key Performance Indicators

ACE Schools Plymouth was inspected by Ofsted during the year and was rated 'Good'. Courtlands Special School has yet to be inspected by Ofsted since becoming part of the MAT. ACE Tiverton Special School underwent a successful pre-registration Ofsted inspection in June 2019.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

ACE Schools Plymouth:

The school operates across 13 sites from Camborne to Exeter and includes services provision in Derriford Hospital and SA provision in Plymbridge House. At the Ofsted inspection in February 2019 the school was assessed as 'Good'

- Overall effectiveness – Good.
- Effectiveness of leadership and management – Good.
- Quality of teaching, learning and assessment – Good.
- Personal development, behaviour and welfare – Good.
- Outcomes for pupils – Good.

The key findings concluded that this was a good school where:

- Leaders are passionate that every pupil, whatever their previous education history, deserves another chance to succeed. As a result of their commitment to providing high quality provision, pupils do well.
- Leaders have developed strong systems of management across sites. There are common expectations and systems of accountability. Individual sites are, therefore, well organised.
- Leaders work very hard to safeguard pupils. They are very aware of the many risks to their pupils. They have established good relationships with outside agencies. There is a very strong safeguarding culture throughout ACE.
- Teaching is of high quality on most sites. It is tailored precisely to individual needs and underpinned by very strong relationships between adults and pupils. This quality is not as consistent on the Bretonside site.
- Leaders offer a bespoke curriculum tailored to individual needs and aspirations. This means that pupils are much more likely to engage and succeed.
- Pupils' attendance improves considerably. Pupils learn to manage their emotions and behaviour. Pupils develop pride in their work.
- Pupils make good progress. They frequently gain a range of qualifications and leave ACE for a variety of appropriate destinations. Pupils with special educational needs and/or disabilities (SEND), including those with mental health needs, do well.
- Trustees have overseen the successful establishment of the MAT and a period of expansion. They identified themselves that governance required strengthening. They have taken appropriate action but there is still work to do to ensure that leaders are rigorously held accountable for all sites.

Courtlands Special School:

At the last Ofsted inspection in June 2013 the school was assessed as 'Good'.

- Overall effectiveness – Good.
- Achievement of pupils – Good.
- Quality of teaching – Good.
- Behaviour and safety of pupils – Outstanding.
- Leadership and management – Good.

The key findings concluded that this was a good school where:

- Courtlands School has improved well in all areas since the last inspection.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

- Teaching has improved substantially so that it is now good and, as a result, the majority of pupils make better than expected progress.
- The school works exceptionally closely with parents to provide advice and support. Parents have a high opinion of the school. One parent commented, 'When my child came here, he couldn't talk at all and was withdrawn and within weeks he was transformed.'
- The well-informed and committed governing body, together with senior leaders, has an accurate view of the school's strengths and areas for development. Their self-evaluation of the school is succinct and information made available on the school's website is both excellent and readable.
- Pupil's behaviour and safety are exemplary. Pupils feel safe and are confident learners and regularly work well together in activities.
- The use of the outdoor environment to provide exciting and imaginative learning opportunities is innovative and is outstanding practice.
- Pupils benefit from a good selection of after-school club, such as sports and outdoor activities where pupils can cook food on campfires. These promote their personal and social development outstandingly well.
- The school works closely with other professionals, such as therapists, so that pupils are receptive to learning. For example, occupational therapists provide equipment to enable pupils to improve their posture so that they can concentrate on their work better.
- The school provides a wide range of memorable experiences and opportunities for pupils to enrich their lives.

The key financial performance indicator for the MAT is the adherence to the financial budget set at the beginning of the year. Excluding other income from the MAT's educational operations and other trading activities a significant amount of income for the MAT is government or local authority funded and therefore the income for the academy is largely secured.

An expenditure budget is set at the start of the year taking into consideration the level of government funding. The trustees have reviewed detailed capital and revenue expenditure reports compared to budgets which confirms that the processes and procedures in place for controlling expenditure are acceptable. The carried forward General Annual Grant is within acceptable parameters.

Going Concern

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

Financial Review

A significant portion of the MAT's revenue income (£4,071k) (2018: £4,168k) was obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of General Annual Grant (GAG) and Other Grants. In addition the MAT also received Capital Grants (£117k) (2018: £369k) from the ESFA as part of the Condition Improvement Fund (CIF) for

ACE Schools Multi Academy Trust

Trustees' Report (continued)

the replacement of an annex building at Courtlands Special School in 2018/19, £150k (2018: £ nil) in respect of Tiverton set up costs .

The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The MAT also received grants (£2,421k) (2018: £2,010k) from Plymouth City Council as top up funding to support high needs SEN and home educated students.

Finally, the MAT generated other income (£3,427k) (2018: £2,803k) from local authority commissioning (Plymouth City Council, Cornwall Council, Devon County Council) for high needs education provision, in Plymouth and at our regional bases, and support packages for schools in Plymouth with dual registered pupils.

Both local authority funding and academy generated other income are shown as restricted funds in the Statement of Financial Activities.

Total income received in the year (excluding fixed asset and pension liability transfers) amounted to £10,027k (2018: £9,066k).

During the year ended 31 August 2019 the MAT incurred total expenditure of £10,781k (2018: £9,186k) on its charitable activities and educational operations with £10,483k (2018: £8,969k) attributable to restricted fund activities.

The majority of costs are staff costs (£8,139k) (2018: £7,087k) which include direct costs, support costs, supply staff and staff restructuring costs and constitutes 76% (2018: 77%) of total spend.

At 31st August 2019 the restricted income fund and unrestricted income funds show carry forward surplus balances of £195k (2018: £441k) and £351k (2018: £316k) respectively and combined carry forward funds of £546k (2018: £758k).

At 31 August 2019 the restricted fixed asset fund reflected fixed assets with a net book value of £6,608k (2018: £6,083k), together with unspent capital funds of £nil (2018 : £321k), while the restricted pension fund shows the defined benefit pension liability of £2,447k (2018: £1,578k) in the Local Government Pension Scheme.

Reserves Policy

The MAT had free reserves (unrestricted income fund) of £351k (2018: £316k) at 31 August 2019.

The level of reserves required by the MAT is reviewed annually by the Board of Trustees. In determining the level of reserves, the trustees consider the future plan of the MAT, the uncertainty over future income streams, future planned expenditure and key risks identified by the risk review. The MATs total reserves, excluding pension and fixed assets, at 31 August 2019 was £546k (2018: £758k) which comprised £195k (2018: £441k) restricted income funds and £351k (2018: £317k) of unrestricted income funds.

Investment Policy

The MAT has no investments other than cash balances. Currently these are held within a school account at the bank.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The trustees regularly review the risks of the MAT and have established a risk management register in addition to the internal control systems.

The principal risks and uncertainties facing the MAT are as follows:

- Financial – risks associated with national and local funding levels in the education sector and specific uncertainty around high needs top up funding. The MAT also has the risk of significant changes in pupil numbers commissioned by the Local Authorities and schools.
- Premises – risks associated with the need to maintain and improve old buildings, plant and equipment to meet the needs of students and staff.
- Pension Scheme – risks associated with the LGPS defined benefit pension scheme with the current pension deficit.
- Staff – risks associated with the recruitment and retention of high quality teaching and support staff in Devon and Cornwall.

All key risks are insured against where insurance is available and it is cost effective to do so.

Fundraising

The MAT's fundraising activity is limited to events held at the school which are managed by the school leadership team. These events typically involve staff, students, parents and members of the local community in raising funds for the school fund account, school equipment or in support of another designated charity.

The MAT does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for Future Years

The vision for the MAT is to continue to grow and expand to ensure the benefits of a MAT are fully realised. The trust plans to continue to build on its strategy and activities in the following key areas:

- To achieve outstanding when the academy schools are next inspected by.
- To ensure governance of schools and the MAT is the most effective that it can be to support the growth and development of the MAT.
- To grow the number of schools within the MAT through schools joining the MAT and applications for new free schools.
- To grow the educational provision through the continuing expansion of satellite bases in the South West.
- To provide school improvement support to other schools and MATs in the South West.
- To ensure that the MAT's operations are cost effective, value for money and properly funded, ensuring best value for the MAT and the taxpayer.

ACE Schools Multi Academy Trust

Trustees' Report (continued)

Funds Held as Custodian Trustee on Behalf of Others

Neither the MAT nor any of its trustees are acting as custodian trustees on behalf of others.

Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2019 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to read 'TIM SEARLE', with a long horizontal line extending from the end of the signature.

Dr Tim Searle
Chair of Trustees
18 December 2019

ACE Schools Multi Academy Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that ACE Schools Multi Academy 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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 ACE Schools Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year which consisted of 6 planned meetings and 2 extraordinary meeting to discuss a specific development opportunity and senior staff succession planning. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs Annette Benny	7	8
Mr Andrew Dunkley (appointed 8 October 2018)	6	8
Mrs Sarah Gillett (CEO) (resigned 12 July 2019)	5	6
Mr Gavin Gracie (appointed 8 October 2018, Interim CEO & Accounting Officer appointed 5 September 2019)	6	8
Mr Peter McDonnell	7	8
Mr Denis Parsons (appointed 8 October 2018)	6	8
Dr Tim Searle (Chair)	8	8
Mrs Joan Watkins (resigned 10 October 2018)	1	1
Mr Alastair Wright (resigned 6 September 2018)	0	0

The trustees individually and collectively are very competent, energetic and committed, with a wide range of complementary skills and personalities. The Board works well dynamically and strategically with the senior leadership team. The Board now has responsibility for three schools and is expecting and is scaling for further growth.

With the growing pace and ambition of the MAT a wide-ranging and independent external review was commissioned towards the end of last year with the outcomes and an action plan delivered at the start of this year. The overall aim of the governance review, and action plan, was to ensure the MAT has a governance structure in place that meets the future requirements of a growing MAT.

ACE Schools Multi Academy Trust

Governance Statement (continued)

Governance (continued)

The external review of governance was conducted by an accredited national leader of governance from an independent organisation (Bishop Fleming, business advisers) and produced the following key findings and action plan:

Skills & Governance Review – Key Findings:

- The Board of Trustees was under pressure with only five individuals (including the CEO). Recruitment is underway with 3 strong candidates being appointed.
- Skills gaps within the trustees are identified relating to finance and educational data, and the Board are continuing recruiting to fill them.
- The trustees had ongoing training needs including strategic clarity, finance and educational data.
- The two LGB's varied significantly in skills.
- The clerk is leaving the trust in October 2018 and a temporary clerk will be in place until a permanent appointment is made.
- The Board has resolved to form an Education & Safeguarding Committee and has defined its purpose with terms of reference and scope. The committee has yet to be finalised and has not yet held a meeting.
- Full Board meetings are very lengthy and the agendas full. It is recommended that the content of the agendas be considered carefully to ensure that matters addressed are appropriate in length and focused on strategic matters, without falling into operational issues. The format of financial information should be reviewed to ensure it is effective yet concise where appropriate and that the function of the Finance & Audit Committee is not repeated at full Board level.
- It is recommended that a separate audit committee is established to support trust growth and monitoring.
- The remuneration committee have struggled to address CEO performance management effectively, and in line with the timings laid out within the policy. This needs to be addressed going forward to ensure that the CEO is challenged effectively with SMART objectives and benchmarking is done, to ensure value for money is considered.
- As new trustees are appointed to the Board they will need to be supported with a robust induction process, to allow them to become effective quickly.
- The CEO and Chair are in the process of reviewing the most appropriate structure for governance of the trust going forward and a 'Cluster' model appears to be the most likely to achieve the trusts strategic priorities effectively. The communication between the existing LGB's and the trust needs to be improved, as this has been variable.

Action Plan – Board Response:

- The search for trustees with educational skills and experience at a senior level, to fill the identified skills gap on educational data, continues.
- A review of the MAT's strategy was undertaken in the autumn term in order to provide improved strategic clarity.
- The existing LGB structure was replaced with a Regional Cluster committee model (based on local authority regions for Plymouth, Devon and Cornwall), Plymouth LGB's were merged to form a single governor body called the Plymouth Cluster.

ACE Schools Multi Academy Trust

Governance Statement (continued)

- A new clerk to the trustees was appointed in December 2018.
- The Education & Safeguarding Committee has been fully set up and is operational.
- Board agendas and papers have been reviewed and restructured with timings added for key agenda items.
- The regional 'Cluster' model of local governance has been implemented across the MAT with Cluster committees in operation in Plymouth and Devon and reporting structures between these bodies and the Board of Trustees via the Education & Safeguarding Committee.
- Following an agreed termination, the MAT parted company with the former CEO Sarah Gillet on the 12th July 2019 and she was paid all monies due to the date of termination.

Finance & Audit Committee

The Finance & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide greater focus and scrutiny of finance, audit and risk matters on behalf of the main Board.

The Finance & Audit Committee, has met 5 times this year.

During the year, Mr Andrew Dunkley and Mr Gavin Gracie, who are both Chartered Accountants, joined the committee and Mrs Annette Benny and Mr Peter McDonnell moved to the Education & Safeguarding Committee. Mr Denis Parsons attended one meeting on an exceptional basis to ensure that the meeting was quorate.

Attendance at Finance & Audit Committee meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs Annette Benny	1	1
Mr Andrew Dunkley (appointed 8 October 2018)	5	5
Mr Gavin Gracie (appointed 8 October 2018)	4	5
Mr Peter McDonnell	1	1
Mr Denis Parsons (appointed 8 October 2018)	1	1

Mr Andrew Dunkley is Chair of the Finance & Audit Committee.

Education & Safeguarding Committee

The Education & Safeguarding Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide greater focus and scrutiny of teaching & learning, safeguarding and other educational matters on behalf of the main Board.

The Education & Safeguarding Committee, like the main Board, has met on a half-termly basis since the first meeting in January 2019. Attendance at Education & Safeguarding Committee meetings in the year was as follows:

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Governance Statement (continued)

Trustee	Meetings Attended	Out of a possible
Mrs Annette Benny	2	4
Mr Peter McDonnell	3	4
Mr Denis Parsons (appointed 8 October 2018)	4	4

Mr Denis Parsons is Chair of the Education & Safeguarding Committee

Review of Value for Money

As accounting officer the Chief Executive has responsibility for ensuring that the MAT delivers good value in the use of public resources. Mr Paul Turner, Director of Finance and Chief Financial Officer was appointed Interim Accounting Officer from 22 May 2019 until the appointment of the new Interim CEO and Accounting Officer, Mr Gavin Gracie, on 5 September 2019. 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 MAT'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 appropriate. The accounting officer for the MAT has delivered improved value for money during this year by:

- Working closely with the local authority during the year on its review of Alternative Education Provision throughout Plymouth. This included the provision of data, analysis of education provision and participation in a consultation process to consider the existing provision and to develop and improve the local offer for commissioners, schools and trusts within Plymouth. The outcome of this review is anticipated by the end of 2019 with implementation from September 2020.
- Restructuring its elective home education monitoring and visiting service at the end of the year in response to the ending of its contract with Plymouth City Council on 31 August 2019.
- Implementing a new HR and recruitment strategy during the year which has resulted in an increase of permanent, contracted staff and the reduction in temporary, agency staff. This has delivered significant cost savings in staffing as well as having an impact on staff engagement and the overall quality and continuity of education provision.

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 the MAT policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the MAT for the year, 1 September 2018 to 31

ACE Schools Multi Academy Trust

Governance Statement (continued)

August 2019, and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the MAT's significant risks that has been in place for the year, 1 September 2018 to 31 August 2019, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the finance & audit 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 Board of Trustees has considered the need for a specific internal audit function and appointed PKF Francis Clark as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the MAT's financial systems. In particular the checks carried out in the current year included testing of income, purchase and payment systems, payroll systems, control accounts, nominal ledger and management reporting.

On a termly basis the internal auditor reports to the Board of Trustees, through the Finance & Audit committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of this work, apart from as disclosed in the Regularity Opinion.

Review of Effectiveness

As accounting officer the Chief Executive and subsequently Mr Paul Turner, Interim Accounting Officer from 22 May 2019, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor.
- The work of the external auditor.
- The work of the Finance & Audit committee.

ACE Schools Multi Academy Trust

Governance Statement (continued)

- The work of the executive managers within the MAT 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 & Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2019 and signed on its behalf by:



Dr Tim Searle
Chair of Trustees



Mr Gavin Gracie
Interim CEO & Accounting Officer

ACE Schools Multi Academy Trust

Statement of Regularity, Propriety and Compliance

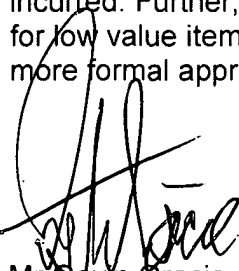
As accounting officer of ACE Schools Multi Academy Trust I have considered my responsibility to notify the MAT Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the MAT and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the MAT Board of Trustees are able to identify any material irregular or improper use of funds by the MAT, or material non-compliance with the terms and conditions of funding under the MAT's funding agreement and the Academies Financial Handbook 2018.

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.

Matters to report

During the period it was noted that there were weaknesses in the area of expenditure, with a lack of authorisation for purchases/orders and poor documentation of support for costs incurred. Further, certain expenditure was incurred where value for money was not evident for low value items. There was also an overuse of petty cash which was not subject to more formal approval procedures.



Mr Gavin Gracie
Interim CEO & Accounting Officer
18 December 2019

ACE Schools Multi Academy Trust

Statement of Trustees' Responsibilities

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

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

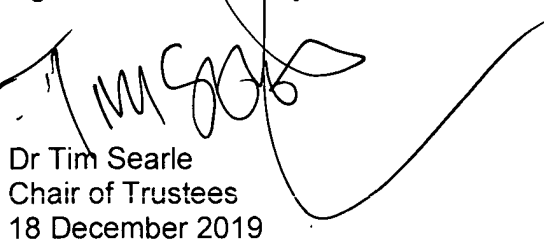
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the charities SORP 2015 and the academies accounts direction 2018 to 2019.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2019 and signed on its behalf by:



Dr Tim Searle
Chair of Trustees
18 December 2019

ACE Schools Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of ACE Schools Multi Academy Trust

Opinion

We have audited the financial statements of ACE Schools Multi Academy Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- Give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ACE Schools Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of ACE Schools Multi Academy Trust (continued)

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

ACE Schools Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of ACE Schools Multi Academy Trust (continued)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 22), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

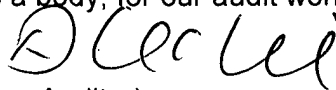
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
North Quay House
Sutton Harbour
Plymouth
PL4 0RA

18 December 2019

ACE Schools Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to ACE Schools Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ACE Schools Multi Academy Trust during the year, 1 September 2018 to 31 August 2019, 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 ACE Schools Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to ACE Schools Multi Academy 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 ACE Schools Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of ACE Schools Multi Academy Trust's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of ACE Schools Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year, 1 September 2018 to 31 August 2019, 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 Academies Accounts Direction 2018 to 2019 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.

ACE Schools Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to ACE Schools Multi Academy Trust and the Education and Skills Funding Agency (continued)

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 MAT's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures.
- Evaluation of the system of internal controls for authorisation and approval.
- Performing substantive tests on relevant transactions.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year, 1 September 2018 to 31 August 2019, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matters to report

During the period we noted weaknesses in the area of expenditure, with a lack of authorisation for purchases/orders and poor documentation of support for costs incurred. Further, certain expenditure was incurred where value for money was not evident for low value items. We also noted an overuse of petty cash which was not subject to more formal approval procedures.



Duncan Leslie
PKF Francis Clark Chartered Accountants

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

18 December 2019

ACE Schools Multi Academy Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:						
Donations and capital grants	2	-	3,191	313,176	316,367	378,841
Charitable activities:						
Funding for the academy trust's educational operations	3	10,490	9,919,410	-	9,929,900	8,981,707
Other trading activities	4	23,186	73,191	-	96,377	81,657
Investments	5	626	-	-	626	397
Total		34,302	9,999,792	313,176	10,343,270	9,442,602
Expenditure on:						
Charitable activities:						
Academy Trust's educational operations	6,7	-	10,483,034	297,707	10,780,741	9,186,353
Total		-	10,483,034	297,707	10,780,741	9,186,353
Net (expenditure) / income		34,302	(487,242)	15,469	(437,471)	256,249
Transfers between funds	15	-	(188,329)	188,329	-	-
Other recognised gains						
Actuarial gain on defined benefit pension schemes	15, 22	-	(439,000)	-	(439,000)	413,000
Net movement in funds		34,302	(1,114,571)	203,798	(876,471)	669,249
Reconciliation of funds						
Total funds brought forward		316,945	(1,136,968)	6,404,487	5,584,464	4,915,215
Total funds carried forward		351,247	(2,251,539)	6,608,285	4,707,993	5,584,464

ACE Schools Multi Academy Trust

Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £	2016/17 Total £
Income and endowments from:						
Donations and capital grants	2	-	2,496	376,345	378,841	15,054
Transfer from local authority on conversion		-	-	-	-	1,713,185
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,981,707	-	8,981,707	5,698,396
Other trading activities	4	38,005	43,652	-	81,657	62,636
Investments	5	397	-	-	397	610
Total		38,402	9,027,855	376,345	9,442,602	7,489,881
Expenditure on:						
Charitable activities:						
Academy Trust's educational operations	6,7	-	8,968,711	217,642	9,186,353	6,263,712
Total		-	8,968,711	217,642	9,186,353	6,263,712
Net income		38,402	59,144	158,703	256,249	1,226,169
Transfers between funds	15	-	(170,649)	170,649	-	-
Other recognised gains						
Actuarial gain on defined benefit pension schemes	15, 22	-	413,000	-	413,000	165,000
Net movement in funds		38,402	301,495	329,352	669,249	1,391,169
Reconciliation of funds						
Total funds brought forward		278,543	(1,438,463)	6,075,135	4,915,215	3,524,046
Total funds carried forward		316,945	(1,136,968)	6,404,487	5,584,464	4,915,215

ACE Schools Multi Academy Trust

Balance Sheet as at 31st August 2019

Company Number: 100386040

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Intangible assets	11		37,294		45,070
Tangible assets	12		6,570,991		6,038,071
			<u>6,608,285</u>		<u>6,083,141</u>
Current Assets					
Debtors	13	515,179		341,892	
Cash at bank and in hand		<u>450,875</u>		<u>1,084,939</u>	
		966,054		1,426,831	
Liabilities					
Creditors: Amounts falling due within one year	14				
		<u>(419,346)</u>		<u>(347,508)</u>	
Net current assets			<u>546,708</u>		<u>1,079,323</u>
Total assets less current liabilities			<u>7,154,993</u>		<u>7,162,464</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>7,154,993</u>		<u>7,162,464</u>
Defined benefit pension scheme liability	22		(2,447,000)		(1,578,000)
Total net assets			<u>4,707,993</u>		<u>5,584,464</u>
Funds of the MAT:					
Restricted funds					
Fixed asset fund	15	6,608,285		6,404,487	
Restricted income fund	15	195,461		441,032	
Pension reserve	15	<u>(2,447,000)</u>		<u>(1,578,000)</u>	
Total restricted funds			<u>4,340,125</u>		<u>5,267,519</u>
Unrestricted income funds	15		351,247		316,945
Total funds			<u>4,707,993</u>		<u>5,584,464</u>

The financial statements on pages 28 to 55 were approved by the trustees and authorised for issue on 18 December 2019 and are signed on their behalf by

Dr Tim Searle
Chair of Trustees



ACE Schools Multi Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used by) / received from operating activities	18	(125,015)	271,668
Cash flows (to) / from investing activities	19	(509,049)	160,643
Change in cash and cash equivalents in the reporting period		(634,064)	432,311
Cash and cash equivalents at 1 September 2018		1,084,939	652,628
Cash and cash equivalents at 31 August 2019	20	450,875	1,084,939

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

1. Statement of accounting policies

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

Basis of Preparation

The financial statements of the MAT, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

ACE Schools Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the MAT 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 year 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.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

Grants (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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.

The MAT is benefitting from the ESFA's Condition Improvement Fund (CIF) programme for 2018/19. The funding for the programme is not recognised as a capital grant until there is an unconditional entitlement from costs being incurred, and the development occurring on a site where the MAT controls (through leasehold) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

Sponsorship Income

Sponsorship income provided to the MAT which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 year it is receivable and to the extent the MAT 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

Transfer of free school assets into the MAT

Where assets are received on the setting up of a new free school into the MAT, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the MAT. An equal amount of income is recognised for the transfer of assets into the MAT within Donations and capital grant income to the net assets received.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 MAT's accounting policies.

Expenditure

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

Expenditure on Raising Funds

This includes all expenditure incurred by the MAT 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 MAT's educational operations, including support costs and costs relating to the governance of the MAT apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 33%

Tangible Fixed Assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Long leasehold buildings 2%
- Fixtures, fittings and equipment 20%
- Computer hardware 33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are bought into use and reclassified to freehold or leasehold land and buildings.

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

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

Taxation

The MAT 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 MAT is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the MAT in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the year to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the MAT in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/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 year 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.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

1. Statement of accounting policies (continued)

Fund Accounting

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

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

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

The master funding agreement permits the MAT to carry forward any unspent General Annual Grant (GAG) from one year to the next without limit (unless a limit is specified in the Academies Financial Handbook or otherwise as specified in writing by the Secretary of State).

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	2018/19 Total £	2017/18 Total £
Capital grants from DfE Group	-	163,176	163,176	376,345
Capital grants from Local Authorities	-	150,000	150,000	-
School fund account	-	3,191	3,191	2,496
	-	316,367	316,367	378,841

3. Funding for the MAT's educational operations

	Unrestricted Funds £	Restricted Funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,704,391	3,704,391	3,740,242
Start Up Grants	-	25,000	25,000	-
Other DfE Group grants	-	341,666	341,666	428,109
	-	4,071,057	4,071,057	4,168,351
Other Government grants				
Local authority grants	-	2,421,336	2,421,336	2,010,482
Other income from the MAT's educational operations	10,490	3,427,017	3,437,507	2,802,874
	-	9,919,410	9,929,900	8,981,707

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2018/19 Total £	2017/18 Total £
Income from other charitable activities	23,186	73,191	96,377	81,657
	23,186	73,191	96,377	81,657

5. Investment income

	Unrestricted Funds £	Restricted Funds £	2018/19 Total £	2017/18 Total £
Short term deposits	626	-	626	397
	626	-	626	397

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

6. Expenditure

	Staff Costs £	Non Pay Premises £	Expenditure Other £	2018/19 Total £	2017/18 Total £
Academy's educational operations:					
Direct costs	7,107,098	-	815,694	7,922,792	7,107,249
Allocated support costs	1,032,147	822,398	1,003,404	2,857,949	2,079,104
	8,139,245	822,398	1,819,098	10,780,741	9,186,353

Net income / (expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating lease rentals	218,098	144,249
Depreciation	269,687	203,970
Amortisation of intangible fixed assets	28,020	13,672
Fees payable to auditor for:		
• audit	12,000	10,000
• other services	3,030	3,525

7. Charitable activities

	2018/19 Total £	2017/18 Total £
Direct costs – educational operations	7,922,792	7,107,249
Support costs – educational operations	2,857,949	2,079,104
	10,780,741	9,186,353

Analysis of support costs	Educational operations £	2018/19 Total £	2017/18 Total £
Support staff costs	1,032,147	1,032,147	716,525
Depreciation	269,687	269,687	203,970
Amortisation	28,020	28,020	13,672
Technology costs	179,201	179,201	132,260
Premises costs	524,690	524,690	501,201
Other support costs	796,724	796,724	497,951
Governance costs	27,480	27,480	13,525
Total support costs	2,857,949	2,857,949	2,079,104

All direct and support costs are restricted expenditure.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8. Staff

a. Staff Costs

Staff costs during the year were:

	2018/19	2017/18
	Total	Total
	£	£
Wages and salaries	4,535,800	3,744,625
Social security costs	404,170	350,453
Pension costs	1,086,783	852,953
	6,026,753	4,948,031
Agency staff costs	2,104,840	2,046,098
Staff restructuring costs	7,652	93,002
	8,139,245	7,087,131
Staff restructuring costs comprise:		
Redundancy payments	-	93,002
Severance payments	7,652	-
	7,652	93,002

The severance payment relates to a payment made in February 2019 for a teacher who left the MAT on the basis of an ill health settlement.

b. Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	64	61
Administration and support	131	98
Management	4	4
	199	163

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

c. Higher paid staff

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

	2018/19 No.	2017/18 No.
£60,000 - £70,000	1	-
£70,000 - £80,000	1	-
£80,000 - £90,000	3	3
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

d. Key management personnel

The key management personnel of the MAT comprise the trustees and the senior leadership 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 MAT was £469,912 (2018: £444,876).

9. Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the MAT. The Chief Executive and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Sarah Gillett (Chief Executive and Trustee):

Remuneration £100,000 - £105,000 (2018: £95,000 - £100,000)

Employer's pension contributions paid £15,000 - £20,000 (2018: £15,000 - £20,000)

Sarah Gillett left the MAT on 12 July 2019 and was paid only contractual amounts due to the date of termination of her employment.

During the year ended 31 August 2019, travel, subsistence and other academy expenses totalling £4,045 were reimbursed or paid directly to 3 trustees (2018: £1,217 to 3 trustees).

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

10. Trustees and officers insurance

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

11. Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2018	67,541	67,541
Additions	20,244	20,244
At 31 August 2019	<u>87,785</u>	<u>87,785</u>
Amortisation		
At 1 September 2018	22,471	22,471
Charged in year	28,020	28,020
At 31 August 2019	<u>50,491</u>	<u>50,491</u>
Carrying Amount		
At 31 August 2018	45,070	45,070
At 31 August 2019	<u>37,294</u>	<u>37,294</u>

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

12. Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Hardware £	Assets Under Construction £	Total £
Cost					
At 1 September 2018	5,850,195	149,241	369,666	48,178	6,417,280
Additions	-	157,745	226,137	418,725	802,607
Transfers	466,903	-	-	(466,903)	-
At 31 August 2019	6,317,098	306,986	595,803	-	7,219,887
Depreciation					
At 1 September 2018	135,148	64,167	179,894	-	379,209
Charged in year	71,417	39,025	159,245	-	269,687
At 31 August 2019	206,565	103,192	339,139	-	648,896
Net book values					
At 31 August 2018	5,715,047	85,074	189,772	48,178	6,038,071
At 31 August 2019	6,110,533	203,794	256,664	-	6,570,991

The MAT's transactions relating to land and buildings included:

- The construction work on the replacement of an annex building at Courtlands Special School. The project was completed in May 2019 and the new building has been in operation during the Summer term.

The MAT has benefitted from the ESFA's Condition Improvement Fund (CIF) programme for 2018/19. Expenditure incurred in the year was capitalised in assets under construction until the project was completed and then transferred to leasehold buildings.

13. Debtors

	2019 £	2018 £
Trade debtors	6,547	88,242
VAT recoverable	108,299	88,236
Other debtors	2,737	3,424
Prepayments and accrued income	397,596	161,990
	515,179	341,892

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

14. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	100,563	88,671
Other taxation and social security	109,232	87,634
Other creditors	92,191	73,376
Accruals and deferred income	117,360	97,827
	419,346	347,508

Deferred income	2019	2018
	£	£
Deferred income at 1 September 2018	9,545	8,035
Released from previous years	(9,545)	(8,035)
Resources deferred in the year	10,127	9,545
Deferred income at 31 August 2019	10,127	9,545

At the balance sheet date the MAT was holding funds received in advance in respect of devolved capital of £10,127 (2018: £9,545).

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15. Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	438,536	3,704,391	(3,764,823)	(188,329)	189,775
Start Up Grant	-	25,000	(25,000)	-	-
Pupil Premium	-	189,944	(189,944)	-	-
Pension reserve	(1,578,000)	-	(430,000)	(439,000)	(2,447,000)
Other grants	-	2,573,058	(2,573,058)	-	-
Other income	2,496	3,503,399	(3,500,209)	-	5,686
	(1,136,968)	9,995,792	(10,483,034)	(627,329)	(2,251,539)
Restricted fixed asset funds					
Fixed Asset fund	6,038,071	-	(269,687)	802,607	6,570,991
DfE Group capital grants	321,346	163,176	-	(484,522)	-
Local Authority capital grants	-	150,000	-	(150,000)	-
Intangible Assets fund	45,070	-	(28,020)	20,244	37,294
	6,404,487	313,176	(297,707)	188,329	6,608,285
Total restricted funds	5,267,519	10,292,347	(10,780,741)	(439,000)	4,340,125
Total unrestricted funds	316,945	34,302	-	-	351,247
Total funds	5,584,464	10,343,270	(10,780,741)	(439,000)	4,707,993

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

General Annual Grant:

Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the MAT as defined in the funding agreement. Under the funding agreement with the Secretary of State, the MAT was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2019.

The transfer from GAG represents the purchase of fixed assets.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

Start Up Grant:

Funds received from the ESFA to support the costs of starting up the individual academies.

Pupil Premium:

Funds received from the ESFA to help raise the attainment of children likely to underachieve.

Pension Reserve:

This represents the negative reserve in respect of the LGPS scheme transferred over.

Other Grants:

Top up funding received from the LA for the High Needs Block.

Other Income:

Income from the MAT's educational operations received from other schools and LA's and other income related to the provision of educational services.

Restricted Fixed Asset Funds:

The fund includes the value of the fixed assets of the academy transferred from the LA on conversion and monies transferred from the GAG for the purchase of fixed assets.

The MAT is carrying a net surplus of £546,708 (2018: £757,977) on restricted general funds (excluding pension reserve) plus unrestricted funds.

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
ACE Schools Plymouth	200,350	47,065
Courtlands Special School	486,858	438,674
Tiverton, Devon	(5,310)	-
Central MAT Services	(135,190)	272,238
Total before fixed assets and pension reserve	546,708	757,977
Restricted fixed asset funds	6,608,285	6,404,487
Pension reserve	(2,447,000)	(1,578,000)
Total	4,707,993	5,584,464

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	242,537	3,740,242	(3,373,594)	(170,649)	438,536
Start Up Grant	-	-	-	-	-
Pupil Premium	-	220,364	(220,364)	-	-
Pension reserve	(1,681,000)	-	(310,000)	413,000	(1,578,000)
Other grants	-	2,218,227	(2,218,227)	-	-
Other income	-	2,849,022	(2,846,526)	-	2,496
	(1,438,463)	9,027,855	(8,968,711)	242,351	(1,136,968)
Restricted fixed asset funds					
Fixed Asset fund	6,054,377	-	(203,970)	187,664	6,038,071
DfE Group capital grants	-	376,345	-	(54,999)	321,346
Intangible Assets fund	20,758	-	(13,672)	37,984	45,070
	6,075,135	376,345	(217,642)	170,649	6,404,487
Total restricted funds	4,636,672	9,404,200	(9,186,353)	413,000	5,267,519
Total unrestricted funds	278,543	38,402	-	-	316,945
Total funds	4,915,215	9,442,602	(9,186,353)	413,000	5,584,464

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	37,294	37,294
Tangible fixed assets	-	-	6,570,991	6,570,991
Current assets	351,247	614,807	-	966,054
Current liabilities	-	(419,346)	-	(419,346)
Pension scheme liability	-	(2,447,000)	-	(2,447,000)
Total net assets	351,247	(2,251,539)	6,608,285	4,707,993

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	45,070	45,070
Tangible fixed assets	-	-	6,038,071	6,038,071
Current assets	316,944	788,541	321,346	1,426,831
Current liabilities	-	(347,508)	-	(347,508)
Pension scheme liability	-	(2,447,000)	-	(2,447,000)
Total net assets	316,944	(2,005,967)	6,404,487	4,715,464

17. Commitments under operating leases

Operating leases

At 31 August 2019 the total of the MAT's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	171,291	148,203
Amounts due between one and five years	222,959	191,171
Amounts after five years	24,000	-
	418,250	339,374

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

18. Reconciliation of net income to net cash inflow from operating activities

	2019	2018
	£	£
Net (expenditure) / income for the reporting period	(876,471)	669,249
Adjusted for:		
Amortisation	28,020	13,672
Depreciation	269,687	203,970
Capital grants from DfE / ESFA	(163,176)	(385,894)
Capital grants from Local Authorities	(150,000)	-
Interest receivable	(626)	(397)
Defined benefit pension scheme finance cost	430,000	310,000
Defined benefit pension scheme obligation inherited	439,000	(413,000)
(Increase) in debtors	(173,287)	(163,275)
Increase in creditors	71,838	37,343
Net cash (used in) / provided by Operating Activities	(125,015)	271,668

19. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	626	397
Purchase of intangible fixed assets	(20,244)	(37,984)
Purchase of tangible fixed assets	(802,607)	(187,664)
Capital grants from Local Authorities	163,176	385,894
Capital grants from DfE / ESFA	150,000	-
Net cash (used in) / provided by investing activities	(509,049)	160,643

20. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	450,875	1,084,939
Total cash and cash equivalents	450,875	1,084,939

21. 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 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 cease to be a member.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

22. Pension and similar obligations

The MAT'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 Peninsula Pensions (a shared administration service on behalf of Devon and Somerset Administering Authorities). Both are multi-employer defined benefit schemes.

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

Contributions amounting to £92,191 were payable to the schemes at 31 August 2019 (2018: £73,375) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £393,349 (2018: £366,622).

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 MAT has accounted for its contributions to the scheme as if it were a defined contribution scheme. The MAT 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 contribution made for the year ended 31 August 2019 was £401,000 (2018: £283,000) of which employer's contributions totalled £301,000 (2018: £216,000) and employees' contributions totalled £100,000 (2018: £67,000). The agreed contribution rates for future years are 15.3 per cent for employers and 5.5 – 12.5 per cent for employees.

Included in employers contributions the MAT is paying a past service deficit contribution of £41,320 (2018: £43,840). This payment is anticipated to continue in the future while the scheme is in deficit.

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.

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

Principal actuarial assumptions	2019	2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.90%	2.65%
Inflation assumption (CPI)	2.20%	2.30%
RPI assumption	3.20%	3.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

	2019	2018
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	24.2	25.8
Females	26.2	28.0

Sensitivity analysis

	2019 £	2018 £
Present value of scheme liabilities	4,309,000	2,978,000
Adjustments:		
Discount rate +0.1%	4,198,000	2,902,000
Discount rate -0.1%	4,423,000	3,056,000
Mortality assumption – 1 year increase	4,466,000	3,074,000
Mortality assumption – 1 year decrease	4,157,000	2,885,000
CPI rate +0.1%	4,413,000	3,049,000
CPI rate -0.1%	4,208,000	2,909,000

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

The MAT's share of the assets in the scheme were:

	2019 £	2018 £
Gilts	66,000	44,000
UK equities	299,000	260,000
Overseas equities	813,000	585,000
Property	162,000	126,000
Infrastructure	71,000	50,000
Target return portfolio	260,000	200,000
Cash	25,000	22,000
Other bonds	35,000	27,000
Alternative assets	97,000	72,000
Private equity	34,000	14,000
Total market value of assets	1,862,000	1,400,000

Present value of scheme liabilities – funded	(4,309,000)	(2,978,000)
Deficit in the scheme	(2,447,000)	(1,578,000)

The actual return on scheme assets was £71,000 (2018: £75,000).

Amount recognised in the statement of financial activities	2018/19 £	2017/18 £
Current service cost (net of employee contributions)	(391,000)	(268,000)
Net interest cost	(38,000)	(41,000)
Administration expenses	(1,000)	(1,000)
Total amount recognised in the SOFA	(430,000)	(310,000)

Changes in the present value of defined benefit obligations were as follows:	2018/19 £	2017/18 £
At 1 September 2018	2,978,000	2,719,000
Conversion of MATs	-	-
Current service cost	637,000	484,000
Interest cost	80,000	72,000
Employee contributions	100,000	67,000
Benefits paid	(9,000)	5,000
Change in financial assumptions	663,000	(369,000)
Change in demographic conditions	(195,000)	-
Past service costs, including curtailments	55,000	-
At 31 August 2019	4,309,000	2,978,000

ACE Schools Multi Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

Changes in the fair value of MAT's share of scheme assets:	2018/19 £	2017/18 £
At 1 September 2018	1,400,000	1,038,000
Interest income	42,000	31,000
Return on plan assets (excluding net interest on the net defined pension liability)	29,000	44,000
Employer contributions	301,000	216,000
Employee contributions	100,000	67,000
Benefits paid	(9,000)	5,000
Administration expenses	(1,000)	(1,000)
At 31 August 2019	1,862,000	1,400,000

24. Related party transactions

Owing to the nature of the MAT 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 trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their prior approval where required, and with the MAT's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mr M Gillett, husband of Mrs S Gillett, the CEO and a trustee, was employed by the MAT as a teacher. Mr Gillett's appointment was made in open competition and Mrs Gillett was not involved in the decision making process regarding appointment. Mr Gillett was paid within the normal pay scale for his role and received no special treatment as a result of his relationship to a trustee.

Mr M Gillett resigned as a teacher on 9 July 2019 and was paid only contractual amounts due to the date of termination of his employment.

Mrs S Gillett, CEO and a trustee, left the MAT on 12 July 2019 and was paid only contractual amounts due to the date of termination of her employment.

No other related party transactions took place in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.