

Academies Enterprise Trust

Find your remarkable

Annual Report and Financial Statements

31 August 2022

Company Limited by Guarantee
Registration Number
06625091 (England and Wales)

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Reference and administrative information

Members	J Boyer J Chin C Gregson
Trustees	D Hall (Chair) A Boddison D Carter (resigned 19 July 2022) J Chin (Vice Chair) R Boomer-Clark (Chief Executive) D Eyre (resigned 19 July 2022) D Osagie (resigned 19 July 2022) A Mroz (appointed 20 October 2022) N Perera (appointed 5 September 2022) J Perry J Ramsey K Squillino A Thraves E Vainker (appointed 5 September 2022)
Company registration number	06625091 (England & Wales)
Company Secretary	S Sadeghi (appointed 26 April 2022)
Principal and registered office	3 rd Floor 183 Eversholt Street London NW1 1BU
Leadership Team	
Chief Executive Officer	R Boomer-Clark
Chief Digital and Information Officer	J Browning
Business Development Director	L Cooper (resigned 18 April 2022)
Chief Talent Officer	J Guy (appointed 1 September 2022)
Director of Education	C Heald (appointed 1 September 2021)
Director of Standards & Quality	D Hatchett
Director of Insight & Innovation	U Jones (appointed 1 November 2021)
Director of Strategy	E Lewis (appointed 1 November 2021)
Chief Financial Officer	J Nicholson
Director of Human Resources	K Parish
National Director of Education	M Purves (resigned 31 December 2021)
Head of Governance, Risk and Compliance	J Wheeldon (until 31 December 2021)
External auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers HSBC plc
60 Queen Victoria Street
London
EC4N 4TR

Solicitors Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Internal auditors RSM UK
25 Farringdon Street
London
EC4A 4AB

Chair of Trustees' Statement

Chair of Trustees' Statement

2021/2022 marked a new chapter for AET.

With the enormous challenge of turning around AET from its weak financial and education performance largely accomplished, the Trust is now embarking on the exciting path of achieving and sustaining excellence. Financially we have made the first repayment of the outstanding DfE loan.

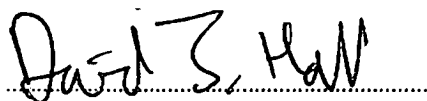
Under Rebecca Boomer-Clark's leadership, in her first full year in post as our new Chief Executive, significant progress has been made.

Key highlights include an improved Ofsted profile where 79% of our schools are now rated as Good or better, and we also saw three termination warning notices and pre-termination warning notices lifted in recognition of the improvements made in these schools.

At secondary level, we saw an encouraging set of examination results at Key Stage 4 and 5 – the first exams to be held since 2019. And at primary, our results exceeded the national average. The strong results demonstrate the impact of our education recovery strategy.

Strong governance is synonymous with strong trusts, and we take our responsibilities extremely seriously. In addition to changes to the way our governance works at a local level, which is covered in Rebecca's introduction and in more detail in the body of the report, we have also sought to refresh the membership of the Trust Board and are delighted that Ed Vainker from the Reach Foundation and Natalie Perera from the Education Policy Institute both formally joined the Board in September. Ann Mroz, former editor of the Times Educational Supplement followed, joining the board in October. With the new Trustees joining, we also say farewell to David Carter, Deborah Eyre and Diana Osagie and thank them for their significant contributions during their terms of office.

Finally, I'd like to take this opportunity on behalf of the Board to thank every member of the AET team – all 4,648 of them across our 57 schools and in the central team – for everything they do, day in day out. These are unquestionably challenging times, but their efforts shine through as a fine example of public service. I have every confidence with a team this strong, and this united, that the coming year will build on the successes of 2021/22.



David Hall

Chairman

Chief Executive's Statement

It would be all too easy to think that 2021/22 had been a year purely characterised by difficulty and challenge for the sector. But just as you find in even the most troubled schools, there have been bright spots, triumphs and real successes - not least the continued efforts and commitment of our frontline leaders, teachers and support staff as we come through Covid.

The shadow cast by the pandemic is long and cannot be resolved by simply flicking a switch. And of course, many trusts – like AET – with many schools serving areas of high deprivation also face the same educational challenges they did pre-Covid. For us at AET, we are thinking in terms of a 10-year horizon for the completion of our work to pivot from turnaround to sustainable excellence.

This year – the first in that decade – was an important one as we set out our stall to transform our schools so that without exception, there is excellence in every classroom, every day. We have been bold in our ambition by launching AET 490 – our goal to ensure that by 2028 our schools will achieve 90% in four major school performance measures: children reading at their chronological reading age; passing the phonics check; achieving the expected standard in Reading Writing Maths at Key Stage 2; and achieving at least grade 4 in English and maths GCSEs.

The 2028 goal is quite deliberately two years in advance of the DfE's stated ambitions in the Schools White Paper and is now our headline articulation of AET's mission to deliver an entitlement to excellence for every child.

To support this, we have completely remodelled our finances to focus on educational priorities. We've made big steps with the resources we have, but like all schools and trusts, face significant external pressures over the coming years, notably energy costs and funding pay increases for teaching staff.

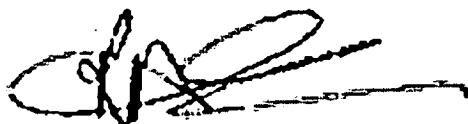
Across the sector, we are seeing recruitment challenges in attracting sufficient new teachers to the system and our national scale means that we feel the regional disparities in talent. Having a ready supply of teachers who are able to teach to an excellent standard is key to unlocking our ambitions for AET. This year, we launched our own ITT programme in partnership with Ark Schools, with 65 new trainees beginning their teacher training with us. That figure is expected to ramp up significantly over the coming years as we seek to recruit ahead of need and grow our own talent within AET.

The final major milestone I want to highlight from this year has been our move to put localism front and centre of what we do. It is too easy for school trusts to become distant and disconnected from the communities they serve, and it is only when we are deeply embedded in our communities that we can really make a lasting, generational difference.

To this end, we have reshaped our local governance, launching Academy Councils across each of our 57 schools. These Councils replace the previous Local Governing Bodies and Parent and Community Advisory Boards. As well as providing independent checks on performance, championing the schools' achievements, and developing local community links, the Academy Councils will provide us with direct feedback on what it's like to be a child in an AET school, and importantly hold us to account for providing effective support to our schools.

Chief Executive's Statement

Together – AET 490, our refocused finances, our strategic commitment to attract new talent into the sector and localism – make for a very positive start to our 10-year time horizon. Whilst there are clearly challenges ahead for the entire sector that we will need to confront together, this year I want to thank the whole team for their individual part in laying strong foundations for AET's future.

A handwritten signature in black ink, appearing to read 'Rebecca Boomer-Clark', with a long horizontal flourish extending to the right.

Rebecca Boomer-Clark
Chief Executive

The Year at a Glance

- ◆ New Chief Executive with a clear 10-year strategy for the organisation and a mandate to deliver on our commitment to educational excellence everywhere
- ◆ Launch of AET490 – our goal to ensure 90% success rate in four major attainment milestones by 2028 in both primary and secondary schools
- ◆ 79% of Ofsted grades now Good or better
- ◆ Three termination warning notices and pre-termination warning notices lifted in recognition of the improvements made in these schools
- ◆ Launch of our own ITT programme, with 65 new trainees marking the start of our own drive to grow our own talent
- ◆ Establishing 57 new Academy Councils to replace Local Governing Bodies and Parent and Community Advisory Boards, putting localism front and centre of what we do and reaffirming our commitment to the importance of place
- ◆ Repayment of £1million of our DfE loan, ahead of schedule
- ◆ Two new trustees with extensive educational expertise: Ed Vainker from the Reach Foundation and Natalie Perera from the Education Policy Institute. A third, Ann Mroz (former editor of the Times Educational Supplement) joined the board in autumn 2022.

The Trustees present their annual report, which includes the strategic report, together with the audited financial statements of Academies Enterprise Trust ('AET' or 'the Trust') for the year ended 31 August 2022. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Academies Enterprise Trust ("the Trust") is a company limited by guarantee and an exempt charity. The Trust's articles are the primary governing documents of the Trust. The Trustees of the Trust are also the Directors of the charitable company for the purposes of company law. During 2021-22 the Trust had two connected companies: Unity City Academy Trust and AET Solutions Limited (which is dormant, please see below). Together these companies are referred to as the AET Group. On 1 August 2022, Unity City Academy Trust (UCAT) transferred its school to the Trust to streamline governance and the legal entity will now be wound up.

AET Solutions Ltd (company number 07003257) is a subsidiary of the Trust. The Trust is a person with significant control, with more than 75% ownership of shares and voting rights, the right to appoint and remove directors and significant influence and control over the trustees. The nature of its business is educational support services. The company is currently dormant.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

There are no qualifying third-party indemnity provisions in place in respect of Trustees, other than Trustees' insurance, which is in place.

Method of recruitment and appointment or election of Trustees

It is the Chair's responsibility to consider the range and balance of skills required on the Board of Trustees. Senior educationalists and experts in key functional areas are especially important. All new Trustee candidates are interviewed and shortlisted by a designated subset of Trustees on the Nomination Committee, who then make recommendations on appointments. The Trustees are then appointed in accordance with the provisions set out in the Articles.

Trustees' term of office

In accordance with the articles of association adopted on 25 October 2017, the initial term of office for Trustees is three years and they shall be deemed to retire (but may stand to be re-elected) at the Annual General Meeting following that initial term. Any Trustee re-elected shall be deemed to retire (but again may stand to be re-elected) at each subsequent Annual General Meeting, subject to only one third of the Trustees being required to retire at any Annual General Meeting.

Policies and procedures adopted for the induction and training of Trustees

Collectively, the Trustees offer a wide range of skills and experience essential to the good governance of the Trust. Each Trustee undertakes a comprehensive induction programme that includes a review of AET's unique governance model and scheme of delegation, setting out of expectations and responsibilities of the Trustees and meetings with the Chief Executive and members of the executive team.

Organisational structure

During the reporting year, the Trust had a clear structure in place to control the way in which it is run. The structure consists of four levels:

- ◆ Members;
- ◆ Trustees;
- ◆ Executive; and
- ◆ Local Governing Boards.

From 1 September 2022, Academy Councils will replace Local Governing Boards.

The Trust has agreed a scheme of delegation that sets out the matters reserved to the Members and to the Trustees. Matters not reserved to Members or Trustees are delegated to the Trust's committees or to the Chief Executive.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The matters reserved to the Members include:

- ♦ Changes to the Articles;
- ♦ Appointment of Trustees; and
- ♦ Appointment of external auditors.

The matters reserved to Trustees include:

- ♦ Oversight of performance;
- ♦ Strategy;
- ♦ Policy;
- ♦ Corporate structure;
- ♦ Membership of committees;
- ♦ The scheme of delegation;
- ♦ Financial reporting and controls;
- ♦ Remuneration;
- ♦ Acquisition of assets; and
- ♦ Material contracts.

The Trustees have established the following committees with appropriate terms of reference: Audit & Risk, Education, Finance, Nomination, Remuneration, and Wellbeing & Safeguarding. The Chief Executive Officer exercises their delegated authority through the Leadership Team, which has standing groups responsible for negotiation and consultation with trade unions through the Joint Consultative and Negotiating Committee (JCNC) for education, operations and for health and safety.

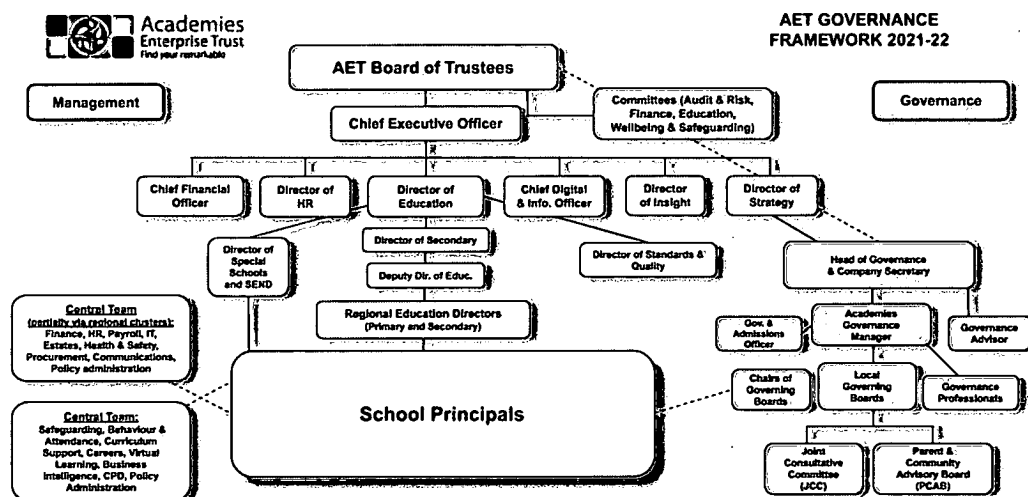
During the past year, the governance framework has operated as set out below. Each Principal was accountable to the relevant Regional Education Director. The Local Governing Boards were chaired via a network of professional Chairs.

From 1 September 2022, Academy Councils will replace Local Governing Boards.

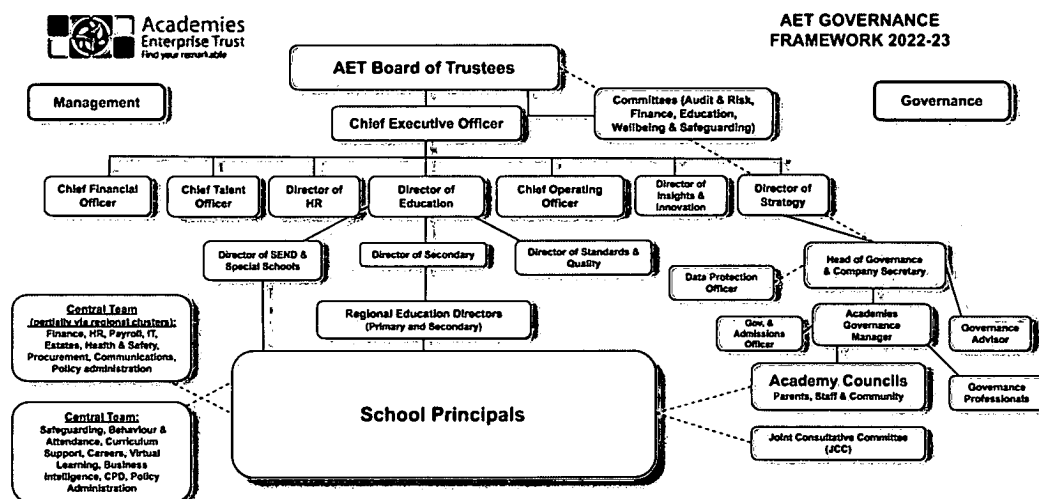
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

2021/22 Structure



2022/23 Structure



Pay policy for key management personnel

The key management personnel refers to the Trustees and Leadership Team as documented on page 1. The salary arrangements for key management personnel within the Group are determined by the Board of Trustees. HAY Group was originally commissioned by the Group to advise on and develop appropriate pay ranges for senior roles and they used appropriate benchmarking data in the public and private sector to inform these. This scheme has evolved into a spot salary scheme that is controlled by the Remuneration Committee of the Board. Pay progression is linked to performance in line with the relevant Pay Policy and is reviewed annually through a robust appraisal process.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Central Team

The Trust centralises a number of direct school operational areas:

- ♦ A comprehensive front line IT support service for schools as well as innovative EdTech support;
- ♦ HR business partnering support and all aspects of HR transactional work including payroll;
- ♦ Strategic financial support for school leaders as well as a comprehensive transactional service for all finance activities;
- ♦ Legal and insurance support;
- ♦ Facilities and estates management provision for all building aspects and maintenance;
- ♦ PR and marketing support; and
- ♦ Procurement of trust-wide contracts including the management information software and all other core systems as well as all other significant supplies required by schools.

Without consolidation, the schools would need to arrange these aspects of work themselves and would not benefit from the Trust's economies of scale. The cost of this work is set out in Note 10 to the Financial Statements.

Relevant trade union (TU) officials

Number of TU reps	39
FTE number of TU reps	32.55
Number of TU representatives that spent 0% working hours	12
Number of TU representatives that spent 1-50% working hours	26
Number of TU representatives that spent 51-99% working hours	1
Number of TU representatives that spent 100% working hours	0
Total pay bill	£144,911,655
Total cost of facility time	£9,954
Percentage of pay spent on facility time	0.0069%
Percentage of total hours spent on paid trade union activities	79%

Related parties and other connected charities and organisations

The Trust has connections with the following organisations:

- ♦ AET Solutions Limited, a subsidiary company for the Group which is currently dormant;
- ♦ Unity City Academy Trust (an exempt charity). The Trust provided services to the latter in the year under review. On 1 August 2022, the assets and liabilities of Unity City Academy were transferred to AET. Unity City Academy Trust will be dissolved before 31 August 2023.
- ♦ The Vice Chair of Trustees, Jude Chin, is a director and shareholder in SSAT (the Schools Network) Limited;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties and other connected charities and organisations (continued)

- ♦ Andrew Thraves, a Trustee, became a director of CST Professional Development Ltd in May 2022;
- ♦ Professor Deborah Eyres, a Trustee, owns an organisation called High Performance Learning Services Ltd (HPL) which works with schools to raise pupil achievement; and
- ♦ Diana Osagie, a Trustee, owns an organisation called Courageous Leadership Consultancy Ltd.

Any transactions with these related parties were undertaken in compliance with the requirements of the Academy Trust Handbook.

Engagement with employees

The Trust has engaged meaningfully with employees by empowering and supporting our Principals to cascade information and provide feedback. The introduction of the new regional education structure has been critical to this change in approach following Covid-19 lockdowns.

Having listened to feedback from our Principals and other staff, we have streamlined our staff surveying to one core survey, where we enjoyed a record-breaking participation rate of 94%. In addition, we have launched a new Headlines bulletin which has been customised to receive employee feedback.

Within the staff survey, the communication module compares favourably with the external benchmarking data we use and is significantly higher than pre-Covid feedback from our own staff.

Alongside the new regional education structure, a number of networking opportunities have been launched where staff have the opportunity to influence and develop the approach of the Trust from an educational perspective in various aspects and, at the same time, network with other like-minded teaching colleagues from all over the country.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Trust's charitable objects are set out in its Articles. In summary, the Trust's purposes are to:

- ♦ Advance for the public benefit, education in the United Kingdom, in particular by being the proprietor of academies.
- ♦ Promote for the benefit of local communities, provision of facilities for recreation or other leisure time pursuits.

Our vision

Every child can choose a Remarkable Life.

OBJECTIVES AND ACTIVITIES (continued)

Our mission

We will provide an excellent education to every child, in every classroom, every day.

With excellent leadership and teaching in every school, we will help children go on to lead successful and happy lives.

We will work with others beyond our network to create capacity in the sector to benefit more children and communities.

Our values

Be unusually brave - at AET we choose to be unusually brave. We're not afraid to challenge wrongs, to make the right call, even when it's both unusual and difficult to do so.

Discover what's possible - we are on the search for discovering what's possible. We look to create 'eureka moments' for our students, helping them discover a world of possibilities and opportunities.

Push the limits - we always strive to push the limits. We don't settle for less than excellence and we won't allow our students to either. We resolve to overcome any self-imposed limits.

Be big-hearted - we commit to being big-hearted. We choose to treat each other with kindness, warmth and care, believing that everybody matters and believing in one another.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty set out in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the guidance set out in the Charity Commission's general guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities. In particular, the Trustees have considered how planned activities contribute to the aims and objectives they have set.

The Trustees consider that the Trust's aims and objectives are demonstrably to the public benefit. The Trust provides education and recreational facilities for the benefit of the community situated around each academy. In addition, community-based projects and fundraising are undertaken during the year by both students and staff.

STRATEGIC REPORT

The past reporting year has been the first year in a 10-year strategic horizon which will see AET move from being in turnaround mode to embedding sustainable excellence right across the organisation and our 57 schools.

STRATEGIC REPORT (continued)

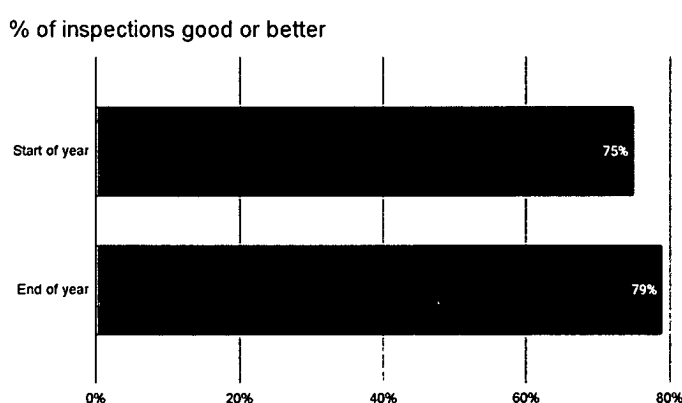
The core pillars of this strategy are illustrated below.



During the year important milestones were achieved, most notably in the way we have structured finances to be even more focused on front-line education and making sure that every pound works hard to support an entitlement of educational excellence.

This year we have also introduced a regional structure with the creation of Regional Education Directors in both primary and secondary respectively. These roles are critical to ensuring excellence in our schools and we are delighted to have made some exceptional appointments to these new roles.

Whilst there has been a significant focus on making sure we have the right architecture and structures in place for the 10-year strategic horizon, our schools have continued to make progress. Overall 79% of our schools are now rated good or better, an increase of 4 percentage points since the start of the year. Beacon Academy was judged 'good' for the first time in its history, following three successive 'requires improvement' judgments. Unity City Academy achieved its first 'good' judgement since 2013.



We were also pleased to see our school improvement work recognised by the removal of three termination warning notices or pre-warning notices by Regional Schools Commissioners.

STRATEGIC REPORT (continued)

We have set out our ambitions for educational performance with the launch of AET 490. This articulates our goal for 90% of children to be achieving in four key areas by 2028: children reading at the expected standard for their age; passing the phonics check; achieving the expected standard in reading, writing and Maths in Year 6 of primary school; and achieving grade 4 or above in English and Maths GCSEs. This sits alongside six other top ten targets for the Trust to achieve, including every school at Ofsted Good or Better.

Ambition
(2028 targets)



<ul style="list-style-type: none"> • CRA >90% • Phonics results: 90% • KS2: 90% RWM expected standard 	<ul style="list-style-type: none"> • KS4: 90% 4+ in Eng/Maths • KS5: APS • Improvement in Teacher effectiveness rubric 	<ul style="list-style-type: none"> • 97% Pupil attendance • Student Well-being Index • All schools at least Ofsted Good 	<ul style="list-style-type: none"> • Sustained destinations • PP v. non-PP gap narrows across all measures
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Achieving these ambitious goals will not happen overnight. And key to our success will be the extent to which we can truly harness the collective power of our network of schools. During the year, we have taken steps to raise the bar on teaching and introduced new subject network groups across eight secondary subjects and ten primary subjects.

We have also begun to create a suite of playbooks across key thematic areas, starting with tutoring and attendance. The playbooks share the best practice from across our network and will help us to build consistency and raise standards.

Critically, to give voice to our commitment to system generosity, we have put in place the foundations for Project H, a brand new initiative that will see us sharing what works (and what doesn't) in real time so that our schools learn from each other, and we can also share these valuable insights with the wider schools' community too.

Finally, the reporting year saw us take important steps in defining our commitment to localism. We have put in place a new architecture for local governance, replacing Local Governing Boards and our Parent and Community Advisory Boards with new Academy Councils. These will play a critical role in helping us connect with communities by forging deep and lasting good relationships that will help ensure we are delivering an entitlement for excellence in every community that we have a presence in, which truly reflects what the community wants and needs.

Our Schools' Performance

Our 2022 performance outcomes were positive, with an improvement on 2019 outcomes being seen at Key Stage 4 and Key Stage 5. Primary outcomes exceeded the national average. The strong results demonstrate the impact of our education recovery strategy.

Financial performance

Key financial performance indicators:

- ♦ The financial results for the year show an operational surplus (excluding fixed asset and pension reserve movements and transfers of schools out of the Trust) of £6.19m (2021: surplus of £2.45m). This is higher than anticipated due to late, and unexpected, receipt of extra income and expenditure being halted in July when the news was announced that the teachers' and support staff pay rises were substantially higher than indicated earlier in the year. This last minute increase in salary costs will result in the Trust using reserves to fund the pay award in the next academic year. The Trust will also use reserves next year to cover the unexpected increase in energy costs.
- ♦ Reserves (excluding fixed asset and pension funds) of £16.9m (2021: £10.8m).

STRATEGIC REPORT (continued)

Financial performance (continued)

- ◆ Funds excluding fixed asset and pension funds, as a % of total income (excluding transfer of buildings and leases income) of 7.2% (2021: 4.8%).
- ◆ Cash ratio (cash to current liabilities) of 1.5 (2021: 1.4).
- ◆ Cash held at the year-end was £43.7m (2021: £42.6m).
- ◆ Current ratio (current assets to current liabilities) of 1.7 (2021: 1.7).
- ◆ Percentage of total income (excluding transfer of buildings or leases income) received from the DfE was 87.8% (2021: 92%).

In addition to these KPIs, AET staff have worked with a number of other Academy Trusts on their financial and operational strategies and day to day issues. AET continues to be represented on the ESFA Academy Finance and Assurance Steering Group which assists the ESFA in setting guidance and regulations for the sector.

Going concern

As at 31 August 2022, AET had £16.3m of unrestricted funds and restricted general funds of £0.6m. Whilst the Trust's aim is to maintain its reserves in line with its policy (see below), the current level of funds is higher than expected and likely to drop again in the next year. The Trust has reported an operational surplus of £6.19m for 2021/22 and also reported a surplus of £2.45m in 2020/21. Trust reserves grew again this year, largely due to the Trust deciding to curtail spending when higher than expected national pay awards for teachers and support staff pay were announced, along with difficulty in securing contractors for school refurbishments. It is anticipated that reserves will drop in the following year to fund the staff pay awards and increased energy costs. Cash balances remain robust.

The Board of Trustees is of the opinion that the Trust has adequate resources to continue its activities for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements. 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.

Reserves policy

The Trust's reserves policy is that it should build and maintain a sufficient level of funds in order to create stability and sustainability, and to serve every school's short and long term plans, including future capital expenditure.

The Trust aims to maintain a minimum of revenue reserves, excluding fixed assets and pension funds but including loan funding of between 4% and 8% of total annual income. At 31 August 2022, the Trust held funds, excluding fixed assets and pension funds, of £16.9m, which represents 7.2% of total annual income (2021: £10.8m representing 4.8%). Reserves are within the range of the Trust's Reserves policy.

The Trust aims to make surpluses to maintain the level of reserves within the target range.

STRATEGIC REPORT (continued)

Investment policy

The Trustees take account of the requirements of the Academy Trust Handbook when investing funds and the need to not place capital at risk. The Trustees generate income from surplus cash by investing in short term cash deposits with UK banks. The Trust does not hold any other investments but is investigating alternative investments that might generate a better rate of return.

Principal risks and uncertainties

The Trustees assess, monitor and manage risks through the Audit and Risk Committee, its internal control framework and internal audit. Key risks include:

Safeguarding

The safety of students and staff is of utmost importance to the Trust. Robust safeguarding and child protection policies and procedures, which are available online, support schools to ensure that students are safe and feel supported, and that everyone working in the Trust knows when and how to raise any concerns that they may have about safeguarding. Implementation and effectiveness of these policies, which conform to the latest DfE guidance, are monitored regularly. The Trust appointed a designated Safeguarding Trustee, Karen Squillino, whose work at the NSPCC gives her first-hand knowledge and experience of the best safeguarding practices in the nation. Ahead of 2022-23, a new safeguarding assurance framework was developed and introduced.

Governance

The Board and Committees have a wide-ranging skill set that will equip them to provide support and scrutiny and move the Trust into its next phase. The Committees have developed a sharper focus within their areas of responsibility, while also improving cross-committee collaboration and decision-making through All Chairs' meetings.

The Board is committed to its own growth and development in order to serve the needs of the Trust. It undertook a comprehensive self-evaluation exercise in July/August 2022 to review its own effectiveness and identify areas for improvement, as well as evaluating the performance of the Chair.

People

The Trust's success is dependent on recruiting, developing and retaining the best people for every position in each of its schools and schools support team. The recruitment of strong school leaders and teachers continues to be a challenge, particularly in some areas of the country and in core subject areas. The Trust has therefore introduced a new Initial Teacher Training (ITT) programme which during the course of the year has seen us recruit an additional 65 trainees to commence in September 2022. The plan is develop and expand this offer further over the course of the next year. The Trust has also invested in a suite of NPQs through a leading national provider for our current and potential leaders across the Trust. A Chief Talent Officer has been appointed and a new People Strategy will be developed and launched during the next academic year.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Finance

The sector faces uncertainty over the level of future finances.

Whilst the DfE increased funding for this academic year this has proved to be insufficient to cover the annual pay awards for teachers and support staff and general inflation increases, especially energy costs. Future academic years will be financially tough unless more external financial support is forthcoming. The Trust has had to re-evaluate its expenditure to manage budgets. The Trust's schools are planning, through multi-year financial planning, to ensure that they are both educationally and financially viable during a period of rising costs and significant uncertainty.

The Trust's estate comprises buildings of varying ages some of which, before becoming part of the Trust, were not adequately looked after. The cost of repairs and ongoing maintenance of the estate is considerable. That expenditure is funded through a capital grant received from the DfE. If this grant were to be reduced, or to disappear, the Trust would have to reduce the amount of resources that it could invest in the pupils' education.

Risk Framework

The Trust's approach to risk management involves a risk management policy and accompanying register. In the context of an increasingly volatile operating environment, the Risk Management Policy was recently revised and streamlined and routine procedures around risk register review are being refreshed. Risk ownership is aligned with strategy, executive responsibilities and annual performance objectives.

Promoting the success of the organisation

As noted, the Trust's charitable objectives are:

- ◆ Advance for the public benefit, education in the United Kingdom, in particular by being the proprietor of schools.
- ◆ Promote for the benefit of local communities, provision of facilities for recreation or other leisure time pursuits.

These are the sole aims of the Trust's business plan. To be successful the Trust has to engage with employees and suppliers as set out above. By meeting its charitable objectives, the Trust has a positive impact on the communities around each school as it provides an excellent education and facilities to its beneficiaries.

The Trust has embraced the need to be a sustainable organisation. Substantial resources have been invested to reduce the amount of energy consumed each year.

STRATEGIC REPORT (continued)

Promoting the success of the organisation (continued)

In delivering its business plan the Trust expects all of its employees, suppliers, beneficiaries and Trustees to exhibit high standards of business conduct in line with the Seven Principles of Public life:

- ◆ Selflessness
- ◆ Integrity
- ◆ Objectivity
- ◆ Accountability
- ◆ Openness
- ◆ Honesty
- ◆ Leadership

Fundraising

AET's schools fundraise through specific activities, including non-uniform days and particular fundraising events and pupils and staff choose third party charities to donate to.

The Trust does not actively fundraise on its own behalf and therefore, does not employ professional fundraisers. Any complaints relating to fundraising are dealt with in the first instance by the relevant school which follows the Trust's complaints procedure. There were no complaints received in the year.

Financial review

The majority of school income comes from the DfE and the ESFA in the form of recurrent grants, the use of which is restricted to the Trust's charitable objectives. The grants received from the DfE and ESFA during the year ended 31 August 2022 and the associated expenditure are reported as restricted funds in the Statement of Financial Activities ("SOFA").

The SOFA reports total income for the year of £250m of which £220m was restricted funding received from the DfE and ESFA (including SCA income). Total expenditure for the year was £262m, of which £15m were Local Government Pension Scheme operational and finance costs.

Other gains for the year amounted to £137m, which related to actuarial gains of LGPS pension funds, resulting in a positive net movement in funds for the year of £126m.

Total funds at 31 August 2022 were £350.3m (2021: £224.5m), of which £16.3m were unrestricted funds, £376m were restricted fixed asset funds including unspent capital funds, £0.6m were other restricted funds (including unspent General Annual Grant ("GAG") and other government funding) and £43m is the Local Government Pension Scheme pension fund deficit.

STRATEGIC REPORT (continued)

Financial review (continued)

Total funds excluding fixed asset and pension funds at 31 August 2022 were £16.9m (2021: £10.8m). The operational surplus for the year amounted to £6.2m (2021: £2.4m surplus). This is summarised below:

	2022 £'000	2021 £'000
Net movement in funds as per Statement of Financial Activities	125,808	(39,395)
Add: LGPS actuarial loss/(gain)	(137,313)	27,477
Net (expenditure)	(11,505)	(11,918)
Exclude fixed asset fund movements	2,205	4,043
Exclude pension fund movements	15,485	10,110
Exclude pension deficits and surplus funds transferred out for leaving schools (note 23)	—	211
Exclude one-off income	—	—
Total operational surplus	6,185	2,446
Net movement in free reserves	6,185	2,446

Total cash balances at 31 August 2022 were £43.7m (2021: £42.6m).

The majority of school buildings are leased from local authorities for a peppercorn rent. In accordance with the Accounts Direction and Charity SORP FRS 102, the buildings on long term leases (typically 125 years) from local authorities have been recognised as tangible fixed assets in the Financial Statements and the value of the buildings has been treated as voluntary income in the Financial Statements, in the year of transfer to the Group. The value is subsequently treated as deemed cost. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

The buildings of four schools are leased under Private Finance Initiative ("PFI") contracts. The commitments under PFI contracts are disclosed as operating leases in note 20 and as such no valuation is included within fixed assets on the Balance Sheet for these buildings.

At 31 August 2022 the net book value of tangible fixed assets was £375.7m (2021: £374.5m). Movements in tangible fixed assets are reported in note 12 to the Financial Statements. The assets were used exclusively for providing education and associated support services to the pupils of AET schools.

The deficit in LGPS pension funds is recognised on the balance sheet in accordance with the provisions of FRS102. The total deficit in the scheme at 31 August 2022 was £43m (2021: £164.8m). Movements in the pension fund are reported in note 19 to the Financial Statements.

Expenditure was curtailed in July when the very late news was announced that the national teachers' and support staff pay rises were substantially higher than had been indicated earlier in the year. This, together with some unexpected income and a shortage of materials for some projects resulted in the year's result being higher than expected. However, the last minute increase in salary costs, announced after the budget had been finalised and submitted to the ESFA, will result in the Trust using reserves to fund the pay award in the next academic year.

STRATEGIC REPORT (continued)

Financial review (continued)

The Trust will also use reserves next year to cover the significantly increased energy costs after suffering from the spike in those costs that occurred during the summer. Forward buying of energy mitigated the increase which could have been even larger. The Trust's energy buying strategy means that Government support receivable in the next year will be minimal.

Streamlined Energy and Carbon Reporting

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

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	46,788,328	57,714,623
Energy consumption breakdown <ul style="list-style-type: none"> gas (kwh) electricity (kwh) transport fuel - Trust vehicles (miles) transport fuel - private/hire vehicles (miles) Biomass (kwh) Oil (litres) 	31,209,370 13,701,505 206,607 392,026 736,326 45,343	40,855,000 15,468,532 61,286 168,949 489,869 59,841
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	5,686.04	7,483.00
Oil	12.30	158.93
Biomass	9.51	7.41
Owned transport – mini-buses	47.46	11.22
<u>Total scope 1</u>	5,755.31	7,660.56
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	26.07	58.06
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	71.38	39.11
<u>Business travel in hire vehicles</u>	29.90	7.53
<u>Business travel in aeroplanes</u>	4.42	0.00
Total gross emissions in metric tonnes CO2e	5,887.08	7,770.76
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.18	0.24
Quantification and Reporting Methodology <ul style="list-style-type: none"> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. Intensity measurement <p>The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p>		

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

Measures taken to improve energy efficiency

£3.6m in capital funding was allocated to complete LED lighting replacement schemes in a further 20 schools. The balance of this funding will be used in 22/23 to install solar panels on our remaining schools. The new LED schemes will deliver savings of over £290k per annum.

The installation of mobile communications onto all electric and gas meters, to enable us to obtain half hourly usage, in order to better manage our utilities and reduce wastage has been completed.

We have completed building management system reviews on 16 of our worst performing sites for gas usage and this has led to savings being achieved by reducing heating temperatures and operating hours.

Within our estates we have replaced roofing with improved insulation at Percy Shurmer Academy, Tendring Technology College, Sir Herbert Leon Academy, Firth Park Academy, Ashingdon Academy, Lea Forest Academy, New Forest Academy and Richmond Park Academy. We have replaced boilers at Caldicotes Academy, Greensward Academy and St Helens Academy.

We have extended the use of video conferencing technology for staff meetings, to reduce the need for travel between sites.

During the year we have started to purchase refurbished or remanufactured IT devices as opposed to buying new equipment.

PLANS FOR THE FUTURE

2022/23 will see us move into the second year of a 10-year strategy, with an explicit focus on pivoting from turnaround to high-performance. Work will continue apace to embed AET490, the articulation of our ambition to see 90% of our pupils securing expected levels in four key targets across primary and secondary school (phonics check, expected reading age, key stage 2 results, and key stage 4 results).

We believe that every child is entitled to an excellent education in every classroom, every day. To secure this, we will further develop our subject networks, and our teaching principles. As well as developing our existing people, we will also be focusing on growing our own talent, bringing new graduates into the AET network. Our ITT programme begins with 65 trainees and we will develop this offer further over the coming year.

Localism will also be a central focus for the coming period, and with our Academy Councils now in place across each of our 57 schools, we are looking to embed these so that they become authentic champions for their local communities and, critically, provide us with a clear feedback loop on what it is like to attend each of our schools.

PLANS FOR THE FUTURE (continued)

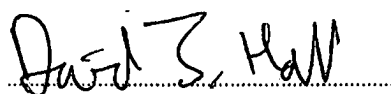
Finally, with the formal launch of Project H in September 2022, we are extending our work to help establish a movement defined by system generosity. We will be narrating the AET story - highs and lows - in real time, sharing what works, and just as importantly, what does not. We will draw on wider sector voices from both the UK and beyond with a view to creating a space in which the sector can learn and grow.

AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- ◆ So far as the Trustees are aware, there is no relevant audit information of which the charitable group's auditors are unaware.
- ◆ That the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the Board of Trustees on 15 December 2022 on and signed on its behalf by:



D Hall
Chair

Date: 15 December 2022



R Boomer-Clark
Chief Executive and Accounting Officer

Date: 15 December 2022

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 Trust's recently revised Risk Management Policy brings greater alignment of strategy, risk and executive responsibilities and targets. As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the 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 the 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. The Trust's Scheme of Delegation has been reviewed and is published on the Trust website.

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 met four times during the year. Attendance during the year at meetings of the Board was as follows:

Trustee	Number of meetings attended	Out of a possible
D Hall (Chair)	4	4
A Boddison	3	4
D Carter	4	4
J Chin (Vice Chair)	3	4
R Boomer-Clark (Chief Executive)	4	4
D Eyre	4	4
D Osagie	3	4
J Perry	4	4
J Ramsey	2	4
K Squillino	3	4
A Thraves	4	4

Conflicts of interest

Each year, all staff, governors and Trustees undertake an affirmation of the Code of Conduct, which includes declaring any conflicts of interest. In addition, at each meeting throughout the year Trustees and governors declare any new conflicts of interest. The register of interest for Trustees is published on the Trust's main website and those of local governors are published on each school's website.

Review of governance

The Board continues to improve the skill set of Trustees. Two new Trustees have joined the Trust as of September 2022, and a third joined in October 2022. Our new trustees, Natalie Perera, Edward Vainker and Ann Mroz, bring with them extensive in-school and education policy experience. Board effectiveness remains a focus and Trustees recently engaged in an annual Board self-assessment and Chair assessment process.

Review of governance (continued)

This past year, Local Governing Boards continued to provide schools with the professionalised support and challenge necessary to ensure robust governance at the local level. Governance professionals continued to develop their effectiveness and productivity, providing robust independent advice to governors and helping ensure compliance at a local level. The Trust continued to monitor the effectiveness of school governance through a variety of controls. These include Leadership Team attendance at local governance meetings, online review of governance and policy documentation for quality assurance and regular meetings with Chairs of Governors. The Parents & Community Advisory Board remained a dedicated item on the Local Governing Boards agenda and Parents & Community Advisory Board Chairs were invited to Local Governing Board meetings to ensure parent voice at the local level.

Strong local governance is the foundation of school improvement, especially in a large multi-academy trust. As the Trust moves into a new phase of delivery, it is seeking to elevate and empower the local voice, establish strong local accountability, build local partnerships and ensure that it fully understands the lived experience of those in and around our schools. To that end, the Trust has been transitioning to a new local governance model and Academy Councils have been established at each school from September 2022.

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the financial statements and accounting policies, receive and review the internal and external auditors' reports and assist the Board in fulfilling its oversight responsibilities with regard to the risk management of AET.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
R Boomer Clark*	4	4
J Chin (Chair)	3	4
D Hall	4	4
J Perry	4	4
A Thraves	3	4

*in attendance only

Finance Committee

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the Board in fulfilling its oversight responsibilities with regard to the financial management of AET. It does this through the review of financial projections and management accounts making recommendations to the main Board meeting.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
R Boomer Clark	4	4
J Chin	4	4
D Hall	4	4
J Perry (Chair)	3	4
A Thraves	3	4

Education Committee

Attendance at meetings in the year was as follows:

Trustees and committee members	Number of meetings attended	Out of a possible
A Boddison	2	3
R Boomer-Clark	3	3
D Carter	2	3
D Eyre (Chair)	3	3
B Francis (Advisory education expert)	3	3
C Heald	3	3
M Purves	1	1

Nomination Committee

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
D Hall (Chair)	3	3
J Chin	3	3
D Eyre	2	3
A Thraves	3	3

Remuneration Committee

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
D Hall (Chair)	2	2
R Boomer-Clark	1	1
J Chin	2	2
A Thraves	2	2

Wellbeing & Safeguarding Committee

This committee serves to address the myriad of wellbeing and safeguarding issues that impacted staff and pupils this past few years as a result of the pandemic. Attendance at meetings in the year was as follows:

Trustees and committee members	Number of meetings attended	Out of a possible
A Boddison	2	3
R Boomer-Clark	3	3
D Hall	1	3
C Heald	3	3
D Osagie	3	3
M Purves	1	1
J Ramsey	2	3
K Squillino (Chair)	3	3

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. Value for money means the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Review of value for money (continued)

Each academic year, the Accounting Officer reports to the Board of Trustees where value for money can be improved. The following value for money improvements have been delivered this year:

- ♦ Improvements in educational outcomes at all key stages.
- ♦ Continued consolidation of procurement and supplier spend across the Trust, leveraging the buying power of the Trust. Over the year we have revised our ICT Managed Service reducing the annual cost by approximately £285,000 per annum.
- ♦ Supporting our individual schools on tendering and supplier quotations, resulting in reduced costs.
- ♦ We have worked with our academies to reduce energy consumption through the installation of solar panels and LED lighting as well as working to reduce wastage, most notably for gas.
- ♦ Improving procurement practice, resulting in identified contract life savings of £2.855m during the year of which £557,000 is in-year savings across a range of areas, including ICT hardware and managed services, advertising, supply staff, telephony line rental and call costs, cleaning, catering equipment and utilities.
- ♦ Negotiating improved discounts and reduced prices with a number of key suppliers. These new arrangements offer more favourable pricing and terms than individual schools have been able to secure in the past.
- ♦ The award of the contracts for planned preventative maintenance with a single supplier which has enabled the Trust to improve the management of its assets and reduce the associated costs of maintaining these assets.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- ♦ identify and prioritise the risks to the achievement of the company policies, aims and objectives
- ♦ evaluate the likelihood and impact of those risks being realised
- ♦ manage risks efficiently, effectively and economically.

The system of internal control has been in place in the Trust for the year 1 September 2021 to 31 August 2022 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 Trust 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 ongoing process for identifying, evaluating and managing the company's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- ◆ Comprehensive budgeting and monitoring systems with an annual budget review and monthly financial reports which are reviewed and agreed by the Board of Trustees.
- ◆ Regular reviews by the Finance Committee of reports which highlight 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 RSM continues to serve as the Trust's internal auditor focusing on organisational wide reviews. At the same time a programme of reviews by school support service staff ensures that financial and operational policies and procedures are being followed by everyone within the organisation.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In this year the checks carried out by RSM included;

- ◆ Estates management
- ◆ Safeguarding
- ◆ Environmental sustainability
- ◆ Implementation of MIS System
- ◆ Review of internal reviews of hubs
- ◆ Key financial controls

The risk and control framework (continued)

The internal auditor reports to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material findings from the internal audit work performed during the year.

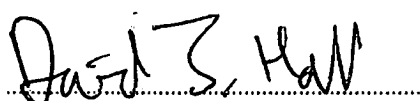
Review of effectiveness

As Accounting Officer, the Chief Executive 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 financial management and governance self-assessment process.
- ♦ The work of the executive team within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk and Finance Committees. A plan to address weaknesses and ensure continuous improvement of the system is in place.


Approved by order of the Board of Trustees on and signed on its behalf by:



D Hall

Chair

Date: 15 December 2022



R Boomer-Clark

Accounting Officer

Date: 15 December 2022

Statement on Regularity, Propriety and Compliance Year to 31 August 2022

As Accounting Officer of Academies Enterprise Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

A handwritten signature in black ink, appearing to read 'R Boomer-Clark', with a long horizontal stroke extending to the right.

R Boomer-Clark

Chief Executive and Accounting Officer

Date: 15 December 2022

Statement of Trustees' Responsibilities Year to 31 August 2022

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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

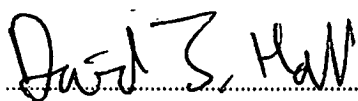
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its income and expenditure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

- ♦ Select suitable accounting policies and then apply them consistently.
- ♦ Observe the methods and principles of the Charities SORP FRS102 and the Academies Accounts Direction 2021 to 2022.
- ♦ Make judgements and accounting estimates that are reasonable and prudent.
- ♦ State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- ♦ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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.



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D Hall
Chair
Date 15 December 2022

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

Opinion

We have audited the financial statements of Academies Enterprise Trust (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP FRS102) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

Conclusions relating to going concern (continued)

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

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

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

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

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and

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

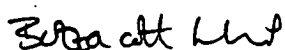
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting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

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

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

Use of our report

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



19 December 2022

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

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

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academies Enterprise Trust (the 'Trust') during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the Trust's funding agreement with the Secretary of State for Education dated 21 January 2014, and the Academy Trust Handbook extant from 1 September 2021 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Independent reporting accountant's report on regularity 31 August 2022

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



19 December 2022

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Operational income and expenditure for the year ended 31 August 2022

The 'operational results' of the Trust for the year, excluding transactions relating to buildings and other assets, pension scheme adjustments, and significant one-off items of income and expenditure, were as follows:

	2022 Total funds £'000	2021 Total funds £'000
Income:		
. Donations received	719	355
Charitable activities:		
. Government and local authority funding	233,572	221,931
. Self-generated income	2,013	1,175
. Bank interest	245	37
Total operational income	236,549	223,498
Expenditure:		
. Raising income	8	26
Charitable activities		
. Educational operations	230,356	221,026
Total operational expenditure	230,364	221,052
Operational surplus for the year	6,185	2,446

Consolidated Statement of Financial Activities for the year ended 31 August 2022
(Including Income and Expenditure Account)

	Notes	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Restricted fixed asset fund 2022 £'000	Restricted pension funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
Income from:							
Donations and capital grants:	1	719	—	13,556	—	14,275	11,258
Charitable activities							
· Funding for the Trust's educational operations	4	4,812	228,760	—	—	233,572	221,931
Other trading activities	2	2,013	—	—	—	2,013	1,175
Investments	3	245	—	—	—	245	37
Gain on disposal of fixed asset		—	—	—	—	—	16
Total income		7,789	228,760	13,556	—	250,105	234,417
Expenditure on:							
Raising funds	5	8	—	—	—	8	26
Charitable activities							
· Trust's educational operations	6	1,398	258,958	15,761	15,485	261,602	244,683
Transfers out of academies	23	—	—	—	—	—	1,626
Total expenditure		1,406	228,958	15,761	15,485	261,610	246,335
Net income/(expenditure) before transfers		6,383	(198)	(2,205)	(15,485)	(11,505)	(11,918)
Transfers between funds	17	(101)	—	101	—	—	—
Net income (expenditure) for the year		6,282	(198)	(2,104)	(15,485)	(11,505)	(11,918)
Actuarial gains (losses) on defined benefit pension scheme	19	—	—	—	137,313	137,313	(27,477)
Net movement in funds		6,282	(198)	(2,104)	121,828	125,808	(39,395)
Reconciliation of funds							
Total fund balances brought forward at 1 September 2021	17	10,046	786	378,460	(164,820)	224,472	263,867
Total fund balances carried forward at 31 August 2022		16,328	588	376,356	(42,992)	350,280	224,472

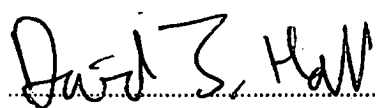
All of the Trust's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

Balance sheets 31 August 2022

	Notes	2022 Group £'000	2022 Trust £'000	2021 Group £'000	2021 Trust £'000
Fixed assets					
Tangible fixed assets	12	375,657	375,657	374,452	355,794
Investments		—	15	—	15
		<u>375,657</u>	<u>375,672</u>	<u>374,452</u>	<u>355,809</u>
Current assets					
Stock	13	34	34	25	25
Debtors	14	7,848	7,848	8,086	7,936
Cash at bank and in hand		43,652	43,637	42,640	42,614
		<u>51,534</u>	<u>51,519</u>	<u>50,751</u>	<u>50,575</u>
Liabilities					
Creditors: amounts falling due within one year	15	(29,881)	(29,881)	(29,409)	(30,276)
Net current assets		<u>21,653</u>	<u>21,638</u>	<u>21,342</u>	<u>20,299</u>
Total assets less current liabilities		397,310	397,310	395,794	376,108
Creditors: amounts falling due after more than one year	16	(4,038)	(4,038)	(6,502)	(6,502)
Net assets excluding pension scheme liabilities		393,272	393,272	389,292	369,606
Defined benefit pension scheme liabilities	19	(42,992)	(42,992)	(164,820)	(158,546)
Total net assets		<u>350,280</u>	<u>350,280</u>	<u>224,472</u>	<u>211,060</u>
Restricted funds					
. Restricted fixed asset funds	17	376,356	376,356	378,460	359,803
. Restricted general funds	17	588	588	786	—
. Pension reserve	17	(42,992)	(42,992)	(164,820)	(158,546)
Total restricted funds		<u>333,952</u>	<u>333,952</u>	<u>214,426</u>	<u>201,257</u>
Unrestricted funds					
Designated funds	17	1,179	1,179	1,059	1,059
General funds	17	15,149	15,149	8,987	8,744
Total unrestricted funds		<u>16,328</u>	<u>16,328</u>	<u>10,046</u>	<u>9,803</u>
Total funds		<u>350,280</u>	<u>350,280</u>	<u>224,472</u>	<u>211,060</u>

The financial statements on pages 39 to 72 were approved by the Board of Trustees of Academies Enterprise Trust (Company Registration Number 06625091) and signed on its behalf by:



David Hall

Date: 15 December 2022

Statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	7,832	3,680
Cash flows from investing activities	B	(5,590)	2,533
Cash flows from financing activities	C	(1,230)	230
Net cash movement on academy transfers		—	(212)
Change in cash and cash equivalents in the year		1,012	6,231
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2021		42,640	36,409
Cash and cash equivalents at 31 August 2022	D	43,652	42,640

A Reconciliation of net expenditure net cash flow from operating activities

	2022 £'000	2021 £'000
Net expenditure for the year	(11,505)	(11,918)
Adjusted for:		
Depreciation charges (note 12)	11,361	11,371
Capital grants from DfE/ESFA and other capital income	(6,840)	(10,903)
(Gain) loss on disposal of fixed assets	109	(16)
(Increase) decrease in stocks	(9)	10
Interest receivable (note 3)	(245)	(37)
Net transfer of assets on academies leaving the Trust	—	1,626
Defined benefit pension scheme cost less contributions payable (note 19)	12,496	7,841
Defined benefit pension scheme finance cost (note 19)	2,989	2,269
Decrease (increase) in debtors	238	(271)
(Decrease) increase in creditors	(762)	3,708
Net cash provided by operating activities	7,832	3,680

B Cash flows from investing activities

	2022 £'000	2021 £'000
Dividends, interest and rents from investments	245	37
Proceeds from tangible fixed asset	5	16
Purchase of tangible fixed assets (note 12)	(12,680)	(8,423)
Capital grants from DfE/ESFA	6,840	10,903
Net cash (used in) provided by investing activities	(5,590)	2,533

Statement of cash flows Year to 31 August 2022

C Cash flows from financing activities

	2022 £'000	2021 £'000
Repayments of borrowing	(1,230)	—
Cash inflows from new borrowing	—	230
Net cash provided by financing activities	(1,230)	230

D Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	43,652	42,640
Total cash and cash equivalents	43,652	42,640

E Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash at bank	42,640	1,012	43,652
ESFA Loan	(5,694)	1,000	(4,694)
Salix Loan	(808)	230	(578)
Total	36,138	2,242	38,380

Principal Accounting Policies Year to 31 August 2022

Academies Enterprise Trust is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees' Report.

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

The Trust meets the definition of a public benefit entity under FRS 102. These financial statements are presented in sterling and rounded to the nearest thousand pounds.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertaking. These are AET Solutions Limited and Unity City Academy Trust, an associate academy. The results of the subsidiary are consolidated on a line-by-line basis. All significant intercompany accounts and transactions have been eliminated.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

During the year AET (parent entity) had £243m income, £254m expenditure and £133m actuarial gain, resulting in an overall surplus of £122m.

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

Income

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

Income (continued)

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised 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.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured. Donations of fixed assets includes the recognition of long term leases on buildings held by the Trust.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the Trust on the conversion of a Local Authority maintained school to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants.

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. All expenditure is stated net of irrecoverable VAT.

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.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure (continued)

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

Termination benefits are recognised at the leaving date of the member of staff and measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Fund accounting

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

Designated funds represent those resources which have been set aside at the discretion of the Board of Trustees for specific purposes. The purposes and uses of these funds are set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and include grants from the Education and Skills Funding Agency.

Tangible fixed assets

All assets costing more than £5,000 are capitalised 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.

For the purposes of these financial statements, freehold land is deemed to have no commercial value on the basis that the original lease agreements specify that the land can only be used for educational purposes and those outlined in the funding agreement.

Depreciation on the relevant assets is charged directly to the restricted fixed asset funds 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. Any fixed assets which are donated are recognised at fair value on the date of donation.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

- | | |
|---------------------------|----------|
| • Freehold property | 2% |
| • Long leasehold property | 2% - 10% |
| • Motor vehicles | 33.3% |
| • Furniture and equipment | 33.3% |
| • Computer equipment | 33.3% |

Tangible fixed assets (continued)

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

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.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Taxation

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

Cash at Bank and in hand

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

Liabilities and provisions

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

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.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Operating leases (continued)

The Trust has 4 academies where the buildings are subject to a contract under the Private Finance Initiative (PFI). Under each contract the school premises are maintained and managed for a period of up to 25 years by the PFI contractor subject to contractual annual fees payable by the academy. Upon expiry of the PFI contract the residual benefit of the premises passes to the academy.

This transaction is accounted for as a leasing transaction. As the academy only enjoys the benefit of the premises subject to the restrictions under the PFI agreement, in the opinion of the Board, the academy does not hold substantially all the risks and rewards of ownership of the premises and the property is therefore accounted for as an operating lease. The premises are therefore not recognised as assets in the financial statements of AET. The annual charges under the PFI agreement are subject to a fixed formula but will vary over time, therefore the annual charges are expensed to the profit and loss account in the year they relate to as this treatment is considered to be more appropriate than recognition on a strict straight-line basis.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Pensions benefits (continued)

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

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

Critical accounting estimates and assumptions

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 are;

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 the notes to the financial statements, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements which are considered to have had a significant impact.

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, no academies within the AET group were subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next.

1. Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2022 Total funds £'000	2021 Total funds £'000
2022					
Capital grants	—	—	6,840	6,840	10,903
Donated fixed assets	—	—	6,716	6,716	—
Donations	719	—	—	719	355
	<u>719</u>	<u>—</u>	<u>13,556</u>	<u>14,275</u>	<u>11,258</u>

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000
2021				
Capital grants	—	—	10,903	10,903
Donations	84	271	—	355
	<u>84</u>	<u>271</u>	<u>10,903</u>	<u>11,258</u>

2. Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
2022				
Hire of facilities	1,563	—	1,563	876
Miscellaneous income	450	—	450	299
	<u>2,013</u>	<u>—</u>	<u>2,013</u>	<u>1,175</u>

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
2021			
Hire of facilities	876	—	876
Miscellaneous income	299	—	299
	<u>1,175</u>	<u>—</u>	<u>1,175</u>

3. Investment income

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
2022				
Interest receivable	245	—	245	37
	<u>245</u>	<u>—</u>	<u>245</u>	<u>37</u>

3. Investment income (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
2021			
Interest receivable	37	—	37
	37	—	37

4. Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
2022				
DfE/ESFA grants				
General Annual Grants (GAG)	—	186,157	186,157	174,231
Other DfE/ESFA grants				
. UIFSM	—	1,088	1,088	1,133
. Pupil Premium	—	12,630	12,630	12,024
. National College	—	32	32	150
. Other	—	10,975	10,975	13,680
	—	210,882	210,882	201,218
Other government grants				
Local authority grants	—	15,929	15,929	13,724
	—	15,929	15,929	13,724
Exceptional government funding				
Coronavirus Job Retention Scheme grant	—	—	—	130
	—	—	—	130
Other educational income				
. Trip Income	942	—	942	352
. Catering Income	2,828	—	2,828	1,204
. Other funding for the Trust's educational operations	1,042	—	1,042	1,473
COVID-19 additional funding (DfE/ESFA)				
. Catch-up premium	—	1,670	1,670	2,504
. Other DfE/ESFA COVID-19 funding	—	279	279	1,204
2022 total funds	4,812	228,760	233,572	221,931

The Trust received £1,670,000 of funding for Recovery Premium and costs incurred in respect of this funding totalled £1,670,000. The Trust also received £279,000 of Mass Testing and Vaccination funding and costs incurred in respect of this funding totalled £279,000.

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

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
2021			
DfE/ESFA grants			
General Annual Grants (GAG)	—	174,231	174,231
Other DfE/ESFA grants			
. Start-up grants	—	—	—
. UIFSM	—	1,133	1,133
. Pupil Premium	—	12,024	12,024
. National College	—	150	150
. Other	—	13,680	13,680
	—	201,218	201,218
Other government grants			
Local authority grants	—	13,724	13,724
	—	13,724	13,724
Exceptional government funding			
Coronavirus Job Retention Scheme grant	—	130	130
	—	130	130
Other educational income			
. Trip income	352	—	352
. Catering income	1,326	—	1,326
. Other funding for the Trust's educational operations	1,473	—	1,473
COVID-19 additional funding (DfE/ESFA)			
. Catch-up premium	—	2,504	2,504
. Other DfE/ESFA COVID-19 funding	—	1,204	1,204
2021 total funds	3,151	218,780	221,931

5. Expenditure

	Staff costs (note 7) £'000	Non pay expenditure		2022 Total funds £'000	2021 Total funds £'000
		Premises £'000	Other costs £'000		
2022					
Expenditure on raising funds					
. Direct costs	—	6	—	6	18
. Allocated support costs	1	—	1	2	8
	1	6	1	8	26
Trust's educational operations (note 6)					
. Direct costs	140,960	11,360	23,010	175,330	166,582
. Allocated support costs	42,075	14,174	30,023	86,272	78,101
	183,035	25,534	53,033	261,602	244,683
Transfers out of academies (note 23)	—	—	—	—	1,626
2022 total funds	183,036	25,540	53,034	261,610	246,335

5. Expenditure (continued)

2021	Staff costs (note 7) £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Expenditure on raising funds</i>				
. Direct costs	17	—	1	18
. Allocated support costs	4	1	3	8
	21	1	4	26
<i>Trust's educational operations (note 6)</i>				
. Direct costs	134,361	13,507	18,714	166,582
. Allocated support costs	38,229	3,206	36,666	78,101
	172,590	16,713	55,380	244,683
<i>Transfers out of academies (note 23)</i>	—	—	1,626	1,626
2021 total funds	172,611	16,714	57,010	246,335

Net expenditure for the year includes:	2022 £'000	2021 £'000
Operating lease rentals	6,139	6,112
(Gain) loss on disposal of fixed assets	109	—
Depreciation	11,361	11,371
Fees payable to auditor for		
. Audit	93	100
. Other services	9	21

6. Expenditure on educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
2022				
Direct costs – educational operations	1,248	174,082	175,330	166,582
Support costs – educational operations	150	86,122	86,272	78,101
	1,398	260,204	261,602	244,683

2021	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>Direct costs – educational operations</i>	1,382	165,200	166,582
<i>Support costs – educational operations</i>	400	77,701	78,101
	1,782	242,901	244,683

6. Expenditure on educational operations (continued)

	2022 Total funds £'000	2021 Total funds £'000
Analysis of support costs		
Support staff costs	42,075	38,229
Technology costs	4,876	3,206
Premises costs	14,174	14,859
Legal costs – other	439	71
Other support costs	24,522	21,524
Governance costs	186	212
Total support costs	86,272	78,101

7. Staff costs

Staff costs during the year were:

	2022 Total funds £'000	2021 Total funds £'000
Wages and salaries	124,231	121,705
Social security costs	13,299	12,338
Pension costs	39,397	33,895
	176,927	167,938
Supply staff costs	5,662	3,316
Staff restructuring costs	447	1,357
	183,036	172,611

	2022 £'000	2021 £'000
Staff restructuring costs comprise		
Redundancy payments	299	529
Severance payments	135	716
Other restructuring costs	13	112
	447	1,357

a) Severance payments

The academy trust paid 13 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	12
£25,001 - £50,000	1

b) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £134,784 (2021: £203,633).

Individually, the payments were: £39,999, £16,000, £14,000, £10,000, £10,000, £8,504, £7,500, £6,843, £6,281, £6,200, £5,500, £3,360, £597.

7. Staff costs (continued)

c) Staff numbers

The number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2022 expressed as average headcount and full time equivalents was as follows:

	2022 No.	2021 No.
Teachers	1,943	1,892
Administration and support	2,635	2,818
Management	70	77
	4,648	4,787
	2022 FTE	2021 FTE
Teachers	1,799	1,754
Administration and support	1,550	1,600
Management	68	74
	3,417	3,428

d) Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	106	103
£70,001 - £80,000	38	47
£80,001 - £90,000	19	13
£90,001 - £100,000	11	13
£100,001 - £110,000	9	6
£110,001 - £120,000	5	8
£120,001 - £130,000	4	3
£130,001 - £140,000	3	2
£140,001 - £150,000	—	1
£150,001 - £160,000	2	3
£170,001 - £180,000	—	—
£180,001 - £190,000	1	1
£200,001 - £210,000	1	1
£240,001 - £250,000	—	1

The above employees participated in both the Teachers' Pension Scheme and the Local Government Pension Scheme.

The key management personnel of the Trust comprises the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employee pension contributions and employer's national insurance contributions) received by key management personnel for their services to the Trust was £1,748,000 (2021: £1,804,000).

8. Trustees' remuneration and expenses

The individuals in the role of CEO during the year have been paid remuneration from their employment with the Trust but only receive remuneration in respect of services they provide in their role as Trust CEO under a contract of employment, and not in respect of their role as CEO.

The remuneration and other benefits receivable by these individuals was as follows:

	2022 £'000	2021 £'000
C J Drinkall, CEO (to 28 May 2021)		
. Remuneration	—	240 – 245
R Boomer-Clark, CEO (from 1 June 2021)		
. Remuneration	200 – 210	35 – 40
. Employer's pension contributions	40 – 45	10 – 15

During the year ended 31 August 2022, travel and subsistence expenses totalling £2,918 were reimbursed or paid directly to 6 Trustees (2021: £135 to one Trustee).

9. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2022 is not separately identifiable from total insurance costs for the current or previous year.

10. Central services

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

- ◆ Human resources;
- ◆ Financial services;
- ◆ Legal services;
- ◆ Educational support services;
- ◆ Marketing services;
- ◆ IT services; and
- ◆ Estates and facilities services.

The Trust charges individual academies for these services at 5% of the school's GAG funding allocation.

10. Central services (continued)

The actual amounts charged for the year were as follows:

	2022 £'000	2021 £'000
Anglesey Primary Academy	122	123
Ashington Primary Academy	44	40
Aylward Academy	480	455
Barton Hill Academy	152	142
Beacon Primary Academy	73	71
Bexleyheath Academy	390	406
Broadlands Academy	174	169
Brockworth Primary Academy	64	66
Caldicoates Primary Academy	54	53
Charles Warren Academy	51	49
Clacton Coastal Academy	451	442
Columbus School and College	130	130
Cottingley Primary Academy	69	63
Feversham Primary Academy	94	91
Firth Park Academy	365	348
Four Dwellings Academy	194	176
Four Dwellings Primary Academy	87	88
Greensward Academy	400	364
Greenwood Academy	316	281
Hall Road Academy	75	71
Hamford Primary Academy	77	71
Hazelwood Primary Academy	47	44
Hockley Primary Academy	70	65
Kingsley Academy	268	241
Kingswood Academy	423	358
Lea Forest Primary Academy	125	115
Maltings Academy	269	259
Meadstead Primary Academy	49	47
Montgomery Primary Academy	127	126
New Forest Academy	162	138
New Rickstones Academy	254	215
Newington Academy	83	75
Newlands Academy	38	35
Noel Park Primary Academy	147	131
North Ormesby Primary Academy	61	55
North Thoresby Primary Academy	26	21
Offa's Mead Academy	32	31
Percy Shurmer Academy	106	101
The Pioneer School	80	75
Plumberow Primary Academy	129	119
Richmond Park Academy	288	262
Severn View Primary Academy	—	16
Shafton Primary Academy	58	50
Sir Herbert Leon Academy	165	186
St Helens Primary Academy	55	50
St James the Great Academy	44	41
Tamworth Enterprise College	166	167
Tendring Technology College	529	487
The Green Way Academy	102	97
The Rawlett School	297	269
The Ridge School	25	25
The Ryde Academy	384	333
Trinity Primary Academy	122	115
Unity City Academy	299	290
Utterby Primary School	20	16
Westerings Primary Academy	89	76
Winton Community Academy	234	194
Wishmore Cross Academy	33	35
Total	9,268	8,659

10. Central services (continued)

In addition, a number of direct school operational areas have been centralised;

- ♦ front line IT support;
- ♦ day to day HR work and support;
- ♦ day to day finance processing work;
- ♦ caretaking and day to day management of the building; and
- ♦ procurement of trust-wide contracts including the management information software and recruitment.

If these areas of work had not been consolidated the schools would have needed to arrange these aspects of work themselves. Grouping the work together enables our schools to benefit from the Trust's economies of scale. The cost of the direct school services in the year is set out below:

	2022 £'000	2021 £'000
IT Support	2,294	2,240
HR, Finance & Procurement	4,330	4,368
Caretaking	3,482	3,215
Building maintenance and repairs	2,310	2,252
	12,416	12,075

11. Comparative information:

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

		Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Restricted pension fund 2021 £'000	Restricted fixed asset funds 2021 £'000	Total funds 2021 £'000
	Notes					
<i>Income from:</i>						
Donations and capital grants:	1	84	271	—	10,903	11,258
Charitable activities						
· Funding for the Trust's educational operations	4	3,151	218,780	—	—	221,931
Other trading activities	2	1,175	—	—	—	1,175
Investments	3	37	—	—	—	37
Gain on disposal of fixed asset		—	—	—	16	16
Total income		4,447	219,051	—	10,919	234,417
<i>Expenditure on:</i>						
Raising funds	5	26	—	—	—	26
Charitable activities						
· Trust's educational operations	6	1,782	219,244	10,110	13,547	244,683
Loss on disposal of fixed assets		—	—	—	—	—
Transfers out of academies	23	—	211	—	1,415	1,626
Total expenditure		1,808	219,455	10,110	14,962	246,335
Net income/(expenditure) before transfers		2,639	(404)	(10,110)	(4,043)	(11,918)
Transfers between funds	17	(693)	581	—	112	—
Net income (expenditure) for the year		1,946	177	(10,110)	(3,931)	(11,918)
Actuarial losses on defined benefit pension scheme	19	—	—	(27,477)	—	(27,477)
Net movement in funds		1,946	177	(37,587)	(3,931)	(39,395)
<i>Reconciliation of funds</i>						
Total fund balances brought forward at 1 September 2020	17	8,100	609	(127,233)	382,391	263,867
Total fund balances carried forward at 31 August 2021		10,046	786	(164,820)	378,460	224,472

12. Tangible fixed assets

Group and Trust	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Assets under construction £'000	Motor vehicles £'000	Total £'000
Cost/valuation							
At 1 September 2021	63,097	385,548	7,059	17,278	758	504	474,244
Additions	63	10,860	838	794	—	125	12,680
Disposals	—	(114)	—	—	—	—	(114)
Reclassifications	—	758	—	—	(758)	—	—
At 31 August 2022	63,160	397,052	7,897	18,072	—	629	486,810
Depreciation							
At 1 September 2021	11,419	65,746	6,553	15,702	—	372	99,792
Charge in year	1,261	7,908	597	1,478	—	117	11,361
At 31 August 2022	12,680	73,654	7,150	17,180	—	489	111,153
Net book value							
At 31 August 2022	50,480	323,398	747	892	—	140	375,657
At 31 August 2021	51,678	319,802	506	1,576	758	132	374,452

13. Stock

	Group 2022 £'000	Trust 2022 £'000	Group 2021 £'000	Trust 2021 £'000
Finished goods and goods for resale	34	34	25	25

14. Debtors

	Group 2022 £'000	Trust 2022 £'000	Group 2021 £'000	Trust 2021 £'000
Trade debtors	361	361	392	390
VAT recoverable	3,024	3,024	3,166	3,153
Other debtors	42	42	537	538
Prepayments and accrued income	4,421	4,421	3,991	3,855
	7,848	7,848	8,086	7,936

15. Creditors: Amounts falling due within one year

	Group 2022 £'000	Trust 2022 £'000	Group 2021 £'000	Trust 2021 £'000
Trade creditors	7,359	7,359	6,534	6,441
Taxation and social security	3,151	3,151	2,920	2,839
Amount due to group undertakings	—	—	—	1,267
Other creditors	7,241	7,241	5,737	5,647
Accruals and deferred income	12,130	12,130	14,218	14,082
	29,881	29,881	29,409	30,276
Deferred income (included above)				
Deferred income at 1 September 2021	1,249	1,249	1,902	1,804
Released during the year	(1,249)	(1,249)	(1,902)	(1,804)
Resources deferred in the year	1,561	1,561	1,249	1,249
Deferred income at 31 August 2022	1,561	1,561	1,249	1,249

Deferred income above includes amounts relating to Universal Infant Free School Meals for the 2021/22 year as well as Trip income collected in advance.

16. Creditors: Amounts falling due after more than one year

Group and Trust	2022 £'000	2021 £'000
Loans	4,038	6,502
	4,038	6,502

The above balance includes a loan of £574,000 from the ESFA in agreement with Salix Finance Ltd for a Salix energy efficiency fund which is provided for on the following terms; repaid in equal instalments biannually over a 7-year period.

In addition, a loan of £4,694,000, remains outstanding, from the ESFA, and was provided in line with the Trust's Turnaround Strategy. This is an interest free loan, and repayment is not due until the Trust's unrestricted reserves exceed 5% of total Trust income. The Trust has repaid £1,000,000 of this in August 2022, earlier than planned and in advance of conditions set by the loan agreement. The Trust will repay a further £1,230,000 before the end of 2022/23 and this amount is included in current liabilities.

17. Funds

	Bal ance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
. General Annual Grant (GAG)	721	186,157	(186,355)	—	523
Other DfE/ESFA grants					
. UIFSM	—	1,088	(1,088)	—	—
. Pupil Premium	—	12,630	(12,630)	—	—
. Teaching School Hub		32	(32)	—	—
. Other DfE/ESFA Covid-19 funding	65	—	—	—	65
. Other DfE/ ESFA	—	12,924	(12,924)	—	—
. Pension reserve	(164,820)	—	(15,485)	137,313	(42,992)
	<u>(164,034)</u>	<u>212,831</u>	<u>(228,514)</u>	<u>137,313</u>	<u>(42,404)</u>
Other restricted funds					
Local authority grants	—	15,929	(15,929)	—	—
	<u>—</u>	<u>15,929</u>	<u>(15,929)</u>	<u>—</u>	<u>—</u>
Total restricted funds	<u>(164,034)</u>	<u>228,760</u>	<u>(244,443)</u>	<u>137,313</u>	<u>(42,404)</u>
Restricted fixed asset funds					
Donated Fixed Assets	—	6,716	—	—	6,716
DfE/ESFA capital grants	378,460	6,840	(15,761)	101	369,640
Total fixed asset funds	<u>378,460</u>	<u>13,556</u>	<u>(15,761)</u>	<u>101</u>	<u>376,356</u>
Unrestricted funds					
. General funds	8,987	7,568	(1,406)	—	15,149
. Designated funds	1,059	221	—	(101)	1,179
Total unrestricted funds	<u>10,046</u>	<u>7,789</u>	<u>(1,406)</u>	<u>(101)</u>	<u>16,328</u>
Total funds	<u>224,472</u>	<u>250,105</u>	<u>(261,610)</u>	<u>137,313</u>	<u>350,280</u>

Restricted funds

Restricted funds represent the balance of funds available from revenue grants received from local/central government and other donors, the application of which is limited to the conditions imposed by the grantor/donor. The principal funding receivable from the government is the General Annual Grant (GAG) provided by the Education and Skills Funding Agency. Under the funding agreement with the Secretary of State, no academies in the Trust were not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Restricted funds also include the pension reserve which identifies the pension deficit inherited from the Local Authority upon conversion to academy status, and through which the pension scheme movements are recognised.

Restricted fixed asset funds

This fund equates to the net book value of the Trust's tangible fixed assets plus any capital funding received from central/local government and other donors which has not been expended by the balance sheet date. The capital funding may be used to complete capital projects or undertaken maintenance works on existing tangible fixed assets.

17. Funds (continued)***Restricted fixed asset funds (continued)***

The fund balance includes the carrying value of school buildings (and other tangible fixed assets) inherited by the Trust where a school has converted or joined from another academy Trust, and the carrying value of all other assets donated to the Trust.

Unrestricted funds

The unrestricted general funds represent monies which may be applied for any purpose within Academies Enterprise Trust's charitable objects.

Designated funds

The designated fund has been created to cover the replacement cost of 3G pitches in those schools that have them. The fund will be ongoing and allow for contributions and deductions when surfaces need replacing.

Comparative information for the year to 31 August 2021:

	Bal ance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<i>Restricted general funds</i>					
General Annual Grant (GAG)	609	174,231	(174,489)	370	721
UIFSM	—	1,133	(1,133)	—	—
Catch-up Premium	—	2,504	(2,504)	—	—
Other DfE/ESFA Covid-19 funding	—	1,204	(1,204)	—	—
Coronavirus Job Retention Scheme grant	—	130	(130)	—	—
Pupil Premium	—	12,024	(12,024)	—	—
Other DfE/ ESFA	—	13,680	(13,615)	—	65
Pension reserve	(127,233)	—	(10,110)	(27,477)	(164,820)
	<u>(126,624)</u>	<u>204,906</u>	<u>(215,209)</u>	<u>(27,107)</u>	<u>(164,034)</u>
<i>Other restricted funds</i>					
Local authority grants	—	13,724	(13,724)	—	—
Other restricted funds	—	421	(421)	—	—
	<u>—</u>	<u>14,145</u>	<u>(14,145)</u>	<u>—</u>	<u>—</u>
Total restricted funds	<u>(126,624)</u>	<u>219,051</u>	<u>(229,354)</u>	<u>(27,107)</u>	<u>(164,034)</u>
<i>Restricted fixed asset funds</i>					
DfE/ESFA capital grants	382,391	10,919	(13,547)	(1,303)	378,460
Total fixed asset funds	<u>382,391</u>	<u>10,919</u>	<u>(13,547)</u>	<u>(1,303)</u>	<u>378,460</u>
<i>Unrestricted funds</i>					
. General funds	8,100	4,447	(1,808)	(1,752)	8,987
. Designated funds	—	—	—	1,059	1,059
Total unrestricted funds	<u>8,100</u>	<u>4,447</u>	<u>(1,808)</u>	<u>(693)</u>	<u>10,046</u>
Total funds	<u>263,867</u>	<u>234,417</u>	<u>(244,709)</u>	<u>(29,103)</u>	<u>224,472</u>

17. Funds (continued)***Total funds analysis by academy***

In accordance with group ethos, we pooled for mainstream schools, but are unable to do this for special schools due to the specific DfE funding agreement.

	Total 2022 £'000	Total 2021 £'000
Columbus School and College	1,482	934
Newlands Academy	954	811
The Pioneer School	1,751	1,468
The Ridge Academy	141	45
Wishmore Cross Academy	857	509
Unity City Academy Trust	—	1,026
Academies Enterprise Trust	10,552	4,980
AET Designated fund	1,179	1,059
Total before fixed asset and pension reserve	16,916	10,832
Restricted fixed asset funds	376,356	378,460
Pension reserve	(42,992)	(164,820)
Total funds	350,280	224,472

Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2022 £'000
Fund balances at August 2022 are represented by:				
Tangible fixed assets	—	—	375,657	375,657
Current assets	16,328	34,507	699	51,534
Current liabilities	—	(29,881)	—	29,881
Non-current liabilities	—	(4,038)	—	(4,038)
Pension scheme liability	—	(42,992)	—	(42,992)
Total net assets	16,328	(42,404)	376,356	350,280

Analysis of net assets between funds at 31 August 2021:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds 2021 £'000
Fund balances at August 2021 are represented by:				
Tangible fixed assets	—	—	374,452	374,452
Current assets	10,046	36,697	4,008	50,751
Current liabilities	—	(29,409)	—	(29,409)
Non-current liabilities	—	(6,502)	—	(6,502)
Pension scheme liability	—	(164,820)	—	(164,820)
Total net assets	10,046	(164,034)	378,460	224,472

17. Funds (continued)

Analysis of expenditure by academy

Expenditure incurred by each academy during the year excluding loss on disposals and transfers out was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other Costs (excluding depn) £'000	Total 2022 £'000	Total 2021 £'000
Anglesey Primary Academy	1,969	241	188	327	2,725	2,612
Ashingdon Primary Academy	680	79	89	99	947	813
Aylward Academy	5,457	985	821	1,419	8,682	8,554
Beacon Academy	1,714	291	125	387	2,517	2,260
Bexleyheath Academy	4,073	341	448	2,504	7,366	7,761
Brockworth Primary Academy	1,003	242	86	214	1,545	1,467
Broadlands Academy	2,928	575	474	499	4,476	4,135
Barton Hill Academy	2,954	228	177	436	3,795	3,571
Caldicotes Primary Academy	1,048	115	136	284	1,583	1,356
Clacton Coastal Academy	5,409	763	844	2,663	9,679	9,344
Cottingley Primary Academy	1,156	132	134	256	1,678	1,582
Columbus School and College	3,499	710	202	707	5,118	4,732
Charles Warren Academy	850	95	107	137	1,189	1,171
Four Dwellings Academy	2,685	410	256	493	3,844	3,520
Four Dwellings Primary Academy	1,132	434	156	293	2,015	1,954
Firth Park Academy	4,826	1,104	543	832	7,305	6,814
Feversham Primary Academy	1,593	127	142	308	2,170	2,057
Greenwood Academy	4,146	836	643	751	6,376	6,074
Greensward Academy	5,435	604	422	952	7,413	6,639
Hockley Primary Academy	1,102	137	105	225	1,569	1,379
Hamford Primary Academy	1,366	115	211	202	1,894	1,642
Hall Road Academy	1,279	157	177	275	1,888	1,690
Hazelwood Academy	855	127	82	147	1,211	1,121
Kingsley Academy	3,659	566	363	717	5,305	4,828
Kingswood Academy	4,614	437	1,100	2,376	8,527	7,510
Lea Forest Primary Academy	1,893	311	278	415	2,897	2,649
Meadstead Primary Academy	1,160	108	100	200	1,568	1,327
Montgomery Primary Academy	1,648	370	299	419	2,736	2,670
Maltings Academy	3,427	651	385	738	5,201	4,935
New Forest Academy	2,167	312	259	393	3,131	2,663
Newlands Academy	1,541	251	220	290	2,302	2,084
North Ormesby Primary Academy	968	97	140	227	1,432	1,338
Noel Park Primary School	2,085	562	229	392	3,268	3,062
New Rickstones Academy	3,345	424	391	844	5,004	4,323
North Thoresby Primary Academy	475	1	53	72	601	519
Newington Academy	1,375	128	165	275	1,943	1,685
Offa's Mead Academy	583	115	55	94	847	677
The Pioneer School	2,228	342	140	200	2,910	2,726

17. Funds (continued)***Analysis of expenditure by academy (continued)***

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding deprn £'000	Total 2022 £'000	Total 2021 £'000
Plumberow Primary Academy	1,896	154	191	414	2,655	2,270
Percy Shurmer Academy	1,737	345	332	359	2,773	2,455
The Ridge Academy	1,010	461	137	159	1,767	1,643
Richmond Park Academy	4,138	371	346	721	5,576	5,337
The Rawlett School	3,910	669	374	754	5,707	5,094
Ryde Academy	5,346	436	634	900	7,316	6,800
Severn View Primary Academy	—	—	—	—	—	465
Shafton Primary Academy	853	126	63	216	1,258	1,043
Sir Herbert Leon Academy	2,452	585	422	654	4,113	4,188
St James the Great Academy	759	100	98	115	1,072	1,035
St Helen's Primary Academy	789	169	99	212	1,269	1,128
Tamworth Enterprise College	2,312	181	369	590	3,452	3,155
The Green Way Academy	1,672	116	150	414	2,352	2,185
Trinity Primary Academy	1,866	239	207	302	2,614	2,482
Tendring Technology College	7,040	1,334	622	1,220	10,216	9,687
Unity City Academy	4,253	495	960	918	6,626	6,179
Utterby Primary Academy	276	64	41	66	447	403
Wishmore Cross Academy	1,204	491	151	249	2,095	1,648
Winton Community Academy	2,848	435	557	603	4,443	3,698
Westerings Primary Academy	1,271	132	155	234	1,792	1,540
Central services	1,453	14,702	1,957	8,644	26,756	33,706
LGPS Costs	—	12,496	—	4,397	16,893	9,775
SCA Expenditure	—	—	—	4,400	4,400	2,136
Total net assets	135,412	47,624	18,610	48,603	250,249	233,296

18. Capital Commitments

At 31 August 2022, the Academy and Trust had capital commitments as follows:

	2022 £'000	2021 £'000
Contracted for, but not provided in the financial statements	966	2,397
	966	2,397

19. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and various Local Government Pension Schemes (LGPS) for non-teaching staff, which are managed by 25 different Local Authorities:

Avon Pension Fund
 Buckinghamshire County Council Pension Fund
 Devon County Council Pension Fund
 East Riding Pension Fund

19. Pension commitments (continued)

Essex County Council Pension Fund
Gloucestershire County Council Pension Fund
Hampshire County Council Pension Fund
Isle of Wight County Council Pension Fund
Kent County Council Pension Fund
Leicestershire County Council Pension Fund
Lincolnshire Pension Fund
London Borough of Bexley Pension Fund
London Borough of Enfield Pension Fund
London Borough of Haringey Pension Fund
London Borough of Hounslow Pension Fund
London Borough of Richmond Pension Fund
London Borough of Southwark Pension Fund
South Yorkshire Pension Fund
Staffordshire County Council Pension Fund
Suffolk County Council Pension Fund
Surrey Pension Fund
Teesside Pension Fund
West Midlands Council Pension Fund
West Yorkshire Pension Fund
Wiltshire Pension Fund

The TPS and the various LGPS are all multi-employer defined benefit pension schemes.

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

Contributions amounting to £3,042,000 were payable to the schemes at 31 August 2022 (2021: £2,868,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

19. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the year amounted to £17,873,585 (2021: £17,390,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £11,415,000 (2021: £10,822,000), of which employer's contributions totalled £9,020,000 (2021: £8,502,000) and employees' contributions totalled £2,395,000 (2021: £2,320,000). The agreed contribution rates for future years are variable based on pay.

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

The following are the average principal assumptions used in the 25 local authority pension funds.

19. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2022 %	At 31 August 2021 %
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment / inflation	2.90	2.95
Discount rate for scheme liabilities	4.25	1.75
Inflation assumption (CPI)	2.90	2.95

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

	At 31 August 2022 (years)	At 31 August 2021 (years)
<i>Retiring today</i>		
Males	21.40	21.3
Females	23.70	23.6
<i>Retiring in 20 years</i>		
Males	22.60	22.5
Females	25.10	25.0

The effect on the net pension liability as a result of changes in actuarial assumption would be as follows:

	At 31 August 2022 £'000	At 31 August 2021 £'000
Discount rate +0.1 %	(4,799)	(7,644)
Discount rate -0.1 %	4,914	7,829
Mortality assumption - 1 year increase	6,613	9,455
Mortality assumption - 1 year decrease	(5,860)	(8,427)
CPI rate +0.1%	4,312	6,853
CPI rate -0.1%	(4,223)	(6,711)

19. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	95,321	103,879
Bonds	22,829	24,600
Property	17,699	13,096
Cash	5,780	4,426
Other	23,046	18,278
Total market value of assets	164,675	164,279
Present value of scheme liabilities		
· Funded	207,667	(329,100)
Deficit in the scheme	(42,992)	(164,821)

The actual return on scheme assets was a loss of £8,594,000 (2021: surplus of £29,117,000).

Amounts recognised in Statement of Financial Activities	2022 £'000	2021 £'000
Current service cost (net of employee contributions)	(21,472)	(16,343)
Past service cost	(44)	—
Interest cost	(2,807)	(2,092)
Admin expenses	(181)	(177)
Total operating charge	(24,504)	(18,612)
Analysis of pension finance income/(costs)		
Interest on pension liabilities	5,760	4,318
Pension finance income	5,760	4,318

Changes in the present value of defined benefit obligations	2022 £'000	2021 £'000
Scheme obligations as at 1 September 2021	329,100	253,928
Current service cost	21,472	16,343
Interest cost	5,760	4,318
Employee contributions	2,395	2,320
Actuarial losses	(148,861)	54,369
Benefits paid	(2,243)	(2,178)
Past service costs	44	—
At 31 August 2022	207,667	329,100

19. Pension commitments (continued)***Valuation of the Teachers' Pension Scheme (continued)***

Changes in the fair value in the Trust's share of scheme assets	2022 £'000	2021 £'000
Fair value of scheme assets at 1 September 2021	164,279	126,695
Interest income	2,953	2,226
Actuarial gain (loss)	(11,548)	26,891
Employer contributions	9,020	8,502
Employee contributions	2,395	2,320
Benefits paid	(2,243)	(2,178)
Administration costs	(181)	(177)
At 31 August 2022	164,675	164,279

20. Operating lease commitments

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

	2022 £'000	2021 £'000
Amounts due within one year	6,390	6,069
Amounts due between one and five years	24,729	23,487
Amounts due after five years	43,277	43,255
	74,396	72,811

The majority of the Trust's future minimum lease payments relate to PFI contracts for the four schools at the Trust which operate their buildings under such agreements.

21. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The related party transactions entered into by the Trust during the year are set out below. The Academy Trust ensures that it conducts related party transactions 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 approval where required, and with its own financial regulations and procurement procedures. In addition, for goods or services exceeding £2,500 cumulatively in the year, the Academy Trust receives confirmation that the element above £2,500 has been provided at no more than cost.

For the following transactions, the Academy Trust sought the required approval of the ESFA: Jude Chin is a director and shareholder in SSAT (The Schools' Network) which provides services to Academies Enterprise Trust. During the year AET Academies purchased services from SSAT totalling £9,210 (2021: £12,224). The creditor balance at balance sheet date was £nil (2021: £nil). Unity City Academy Trust, a connected Trust, also made purchases from SSAT for a total of £1,595 (2021: £nil) until 1st August 2022.

21. Related party transactions (continued)

Deborah Eyre is a Director of Eyre's High Performance Learning Ltd which provides services to Academies Enterprise Trust. During the year AET academies purchased services from Eyre's High Performance Learning Ltd totalling £25,946 (2021: £19,995). The creditor balance at balance sheet date was £nil (2021: £nil). Unity City Academy Trust, a connected Trust, also made purchases from High Performance Learning Ltd for a total of £5,951 (2021: £19,995).

Diana Osagie is a Director of Courageous Leadership Consultancy Ltd which provides services to Academies Enterprise Trust. During the year, AET academies purchased services for Courageous Leadership Consultancy Ltd totalling £nil (2021: £3,900). The creditor balance at balance sheet date was £nil (2021: £660).

The following transactions did not require approval from the ESFA but are disclosed in the financial statements of the Academy Trust in the interests of transparency:

Andrew Thraves was a Director of Optimus Education Ltd which provides services to Academies Enterprise Trust. During the year AET academies purchased services from Optimus Education Ltd totalling £4,050 (2021: £8,477). The creditor balance at balance sheet date was £nil (2021: £nil).

22. Transfer in on academies joining the Trust

During the year ended 31 August 2022, Unity City Academy, the Academy managed by Unity City Academy Trust, was transferred into the Trust. At the date of transfer, the operations and assets and liabilities were transferred to the Trust for £nil consideration as set out below. During the year ended 31 August 2021, no academies joined the Trust.

Unity City Academy

On 1 August 2022, Unity City Academy transferred from UCA to AET.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2020 Total funds £'000
Tangible fixed assets				
. Leasehold land and buildings	—	—	18,100	18,100
. Other tangible fixed assets	—	—	39	39
	—	—	18,139	18,139
LGPS pension deficit	—	(2,439)	—	(2,439)
Current assets including cash	338	1,404	6	1,748
Current liabilities	—	(382)	—	(382)
Net (liabilities) assets	338	(1,417)	18,145	17,066

23. Transfers out of academies leaving the Trust

No academies left the trust during the year.

Severn View Primary Academy closed on 31 August 2021. At the date of closure, the assets and liabilities (excluding the LGPS liability) were transferred out of the Trust for £nil consideration.

The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net outgoing resources in the statement of financial activities as expenditure.

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

Severn View Primary Academy

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000
Tangible fixed assets				
Leasehold land and buildings	—	—	1,415	1,415
Budget surplus on ESFA and LA funds	—	202	—	202
Other liabilities	—	(6)	—	(6)
Current assets	—	15	—	15
Net assets	—	211	1,415	1,626

24. Principal Subsidiaries

AET Solutions Limited

Company registration number: 07003257

Total assets as at 31 August 2022: £15,017

Total liabilities as at 31 August 2022: £nil

Total equity as at 31 August 2022: £15,017

Turnover for the year ended 31 August 2022: £ nil

Expenditure for the year ended 31 August 2022: £nil

Result for the year ended 31 August 2022: £nil