

Company Registration No. 07732319 (England and Wales)

**ACES ACADEMIES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

# ACES ACADEMIES TRUST

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# ACES ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

B Curtis (Resigned 21 April 2020)  
C Glanville (Appointed 21 April 2020)  
C Sinclair (Appointed 21 April 2020)  
H Johal (Appointed 21 April 2020)

### Trustees

P Fenney  
A Goulding  
B Curtis (Appointed 21 April 2020)  
C Fluet  
B Message  
G Weston  
I Phillips (Appointed 3 February 2020)  
D Lewis (Appointed 9 June 2020)  
R Ryan (Appointed 9 July 2020)  
R Joshi (Appointed 2 September 2020)  
C Meddle (Appointed 1 September 2020)  
C Rose (Appointed 9 July 2020)  
A Rankine (Appointed 9 December 2019)  
R Gildersleeve (Resigned 31 October 2019)  
C Glanville (Resigned 21 April 2020)  
J Matemba (Appointed 20 October 2020)  
J Nicholson (Appointed 20 October 2020)

### Senior management team

- Chief Executive Officer	A Goulding
- Principal (Hinchingsbrooke School)	M Patterson
- Director of Finance and HR	D McMillan
- Vice Principal (Hinchingsbrooke School)	A Nightingale
- Vice Principal (Hinchingsbrooke School)	S Cooke
- Vice Principal (Hinchingsbrooke School)	K Tandy
- Headteacher (Cromwell Academy)	H Connor-Jones
- Accounting Officer	A Goulding

### Company registration number

07732319 (England and Wales)

### Principal and registered office

Brampton Road  
Huntingdon  
Cambridgeshire  
PE29 3BN  
United Kingdom

### Academies operated

Hinchingsbrooke School  
Cromwell Academy

### Location

Huntingdon  
Huntingdon

### Principal

M Patterson  
H Connor-Jones

### Independent auditor

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

## **ACES ACADEMIES TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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**Bankers**

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

**Solicitors**

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

# ACES ACADEMIES TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2020.

The Multi Academy Trust operates two academies. One for pupils aged 11 to 18 serving a catchment area in Huntingdonshire. Excluding the Sixth Form, Hinchingsbrooke School has a pupil capacity of 1,500 and had a roll of 1,498 in the school census on January 2020. There were a further 378 students in the Sixth Form, making a total roll of 1,876. Cromwell Academy is a single form entry primary school in Huntingdon with a capacity of 210 and had a roll of 187 in the January 2020 Census.

### **Structure, governance and management**

#### Constitution

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

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

The Directors of the Trust act as trustees for charitable activities of Hinchingsbrooke School and Cromwell Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as ACES Academies Trust.

#### Members' liability

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

#### Principal activities

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

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

#### Trustees' indemnities

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

#### Method of recruitment and appointment or election of trustees

The Trust currently has places for at least 13 Trustees, not including the CEO and 5 Members with a variety of skills to support the trust. They are supported in each school by a local governing body constituted in accordance with the Trust's Scheme of Delegation. Directors and members of the Local Governing Body are elected to serve for a four-year period; the CEO is an ex-officio Director.

#### Policies and procedures adopted for the induction and training of trustees

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

# **ACES ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### Organisational structure

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

Certain strategic decisions are reserved for the Board to make a final decision. These include: the appointment of Headteachers / Principals to any schools in the Trust; all decisions regarding the potential addition of new schools to the Trust, final decisions on budgets for all school in the Trust and the overarching Trust budget, all capital expenditure, confirmation of all policies that operate at Trust level and decisions and confirmations regarding key Trust priorities that are expected to drive development and inform priorities for each school within the Trust. Trust staff are then expected to see through these key issues and assure high standards in each school. Local Governing Bodies carry out local governance matters within these over-arching Trust parameters. The CEO is the named accounting officer for the Trust.

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

To ensure an efficient and effective committee structure with the Trust's School Development Plans at its core, there are Trust committees responsible for HR, Finance and Premises, Audit, Compliance and Risk, Standards and Innovation and the Local Governing Bodies committees responsible for ensuring clarity of ethos, vision and strategic direction and holding the educational leaders to account for the educational performance of the school.

The Senior Leadership Team are; the Chief Executive, the Director of Finance & Operations, Director of SEND and the Headteachers of Schools within the Trust. These leaders direct the Trust at an executive level implementing the policies adopted by the Governors and reporting back to them. The CEO undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team always contain a Trustee. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the CEO must countersign.

### Arrangements for setting pay and remuneration of key management personnel

There is no remuneration agreement for any Trustee with the exception of the Chief Executive Officer. A pay review committee reviews the Chief executive Officer's pay on at least an annual basis and the Chair of the Board approves any pay review.

The pay scales for Leadership positions are determined in line with the current School Teacher' Pay and Conditions (STPC) document Part 2.

The Board of Trustees review and approve the pay for the Senior Leaders on at least an annual basis and in making such a determination they take into account a range of factors including the nature of the post, the level of qualifications, skills and experience required, market conditions, the wider school context and achievement against performance targets.

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

## ACES ACADEMIES TRUST

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period -

Full-time equivalent employee number -

##### *Percentage of time spent on facility time*

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

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours -

#### Connected organisations, including related party relationships

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

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

Cambridgeshire County Council owns the playing fields that the Hinchingsbrooke School occupies and the site that Cromwell Academy occupies on a 125-year lease.

# ACES ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Values, Objectives, Core purpose and Activities

#### Our values

**We believe that it is important for a partnership of academies to be built on trust, openness and challenge.**

We are a mutually supportive organisation which values freedom of expression, tolerance and an appreciation of diversity. We are ambitious for our pupils, staff, academies and communities and we value professionalism and partnership working within a framework of appropriate accountabilities, so that our communities can have confidence in the Trust.

**We have the highest expectations of ourselves, the teams working across our academies and our students.**

The **ACES Academies Trust** has a shared local vision to raise aspiration and achievement for the communities we serve. We focus on the raising of standards, by sharing staff expertise and utilising additional resource gained through the sponsor's connections with a range of businesses. New staff are employed by the Trust to work where most needed and we aspire to enhance recruitment and retention, through our curriculum innovation and approach to staff development.

The schools in the Multi-Academy Trust develop a common set of values and expectations and work closely together using rigorous QA systems, monitoring and evaluating processes followed by timely and decisive action, in order to secure improvement.

The **ACES Academies Trust** uses the mantra of **Aspiration, Creativity and Excellence to create Success**. This seeks to ignite the imaginations of young people, kindle ambition and fuel the creative energy of communities, so that our students achieve excellence and become responsible global citizens. They will develop the ability to apply themselves with resilience, to think creatively, to question and reason, and to argue rationally, so they are equipped to take their place in the world. Tolerance, compassion and respect are central in all schools.

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

#### Objectives, strategies and activities

The objectives of the **ACES Academies Trust** are to:

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

Academies within our trust are expected to promote the objectives of **ACES** by:

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



# **ACES ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### Core purpose

Our core purpose is to provide effective and sustainable education so that we can nurture all of our students according to our mission and maximise their academic outcomes, their personal development and their capacity to be independent, autonomous and life-long learners.

### Public benefit

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

## **Strategic report**

### **Achievements and performance**

In January 2018, ACES Academies Trust was formed and combined Hinchingsbrooke School and Cromwell Academy. Since then it has consolidated its processes and focussed on the improvement of both schools. 1 September 2020, the Trust grew with the acceptance of Godmanchester Bridge Academy and Godmanchester Community Academy into the trust. Both are feeder schools to Hinchingsbrooke School, a key aspect of our growth strategy.

2020 has also brought with it the complexities in dealing with COVID. All schools have seen considerable change due to the effects of COVID but have remained open throughout the pandemic. The schools have embraced new technologies and procedures to ensure the continuity of education for all students and work has been undertaken to ensure staff and students alike remain secure and wish to attend school. Positive cases of COVID across the trust remain low with no linked instances and numbers in isolation kept at a minimum.

Hinchingsbrooke became an academy in 2011, taking responsibility for its own future in the context of the new freedoms to make educational choices. The school has a national reputation for Sport, has developed strong performing and creative Arts with some exciting partnerships developing in this area.

In April 2016 Ofsted rated the Hinchingsbrooke as "Good" in all areas.

The areas of development in 2016 were Science and SEND, both of which have now become areas of strength. The school enjoys a number of quite outstanding facilities. A thriving Arts curriculum has the use of a professional standard theatre which is also a focal point for the local community. Music and Drama have good specialist facilities and extensive sports facilities.

### Key Performance Indicators

Restricted general balances were £981,248 lower than 2019/20 due to the revaluation of the pension deficit. GAG reserves are nil at the year end however unrestricted and designated funds are £720,893.

### Going concern

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

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

# ACES ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Financial review**

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

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

The Trust's total incoming revenue resources for the period 1 September 2019 to 31 August 2020 amounted to £11,955,419 (2019: £12,163,491). The Trust's total incoming capital resources for the period 1 September 2019 to 31 August 2020 amounted to £93,116 (2019: £280,523).

The Trust held revenue fund balances of £720,893 excluding pension deficit and capital fund balances of £20,201,958 at 31 August 2020.

### Employee involvement

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender assignment, age or disability.

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

### Disabled students

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

### Investment and Reserves Policy

The Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

The Trustees aim to build the general reserves of the Trust to provide sufficient working capital to cover delays between spending and receipt of grant funding and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. It also seeks to have reserves to support further developments with schools joining the Trust.

The Trust is currently reviewing its reserves policy in line with the ESFA's guidance.

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

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

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

# ACES ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Principal risks and uncertainties

A Risk Register is maintained and reviewed on an Annual basis by the Audit, compliance and Risk Committee.

The Trustees have commissioned a systematic analysis of all risks to update the risk management register.

At overall trust level, there are identified risks relating to pupil performance in the Primary Schools. Capacity has been increased to mitigate these risks by the appointment of a Primary Lead teacher.

Ongoing significant increases to staff costs, such as the unfunded national increases to salaries and pension contributions are a significant risk. Lack of certainty over the future funding support from Government regarding these significant cost increases produces financial uncertainty and possibly a considerable threat to the Trust's financial position. The Trust continues to work very hard to reduce costs without adversely affecting educational standards in any of its schools. It makes appropriate use of ICFP.

Robust systems and checking mechanisms are in place across the Trust in order to guard against the risks that could have a very great impact, including child protection and safeguarding and matters of health and safety. The likelihood of potential risks actually occurring is low, but it is recognised that the impact would be very high if anything significant were to happen in these key areas.

Operational procedures around financial controls have been updated to further minimise risk.

The Trust has an effective system of internal financial controls and this is explained in more detail in this report.

### **Plans for future periods**

Our core purpose is to provide effective and sustainable education so that we can nurture all of our students according to our mission and maximise their academic outcomes, their personal development and their capacity to be independent, autonomous and life-long learners. We are focused on the growth of the Trust and we are actively investigating potential areas for expansion. The Trust has decided to increase the number of students at Hinchbrooke by 50 per year group starting with the Year 7 intake for September 2021. This will increase the likelihood of financial stability going forward and satisfy a greater proportion of the demand for places at this highly successful and popular school. The school should reach its new full capacity by September 2026.

### **Auditor**

In so far as the trustees are aware:

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

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

On 7 September 2020 Group Audit Services Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

A Goulding

B Message

# ACES ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

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

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
P Fenney	6	7
A Goulding	7	7
B Curtis (Appointed 21 April 2020)	7	7
C Fluet	5	7
B Message	7	7
G Weston	6	7
I Phillips (Appointed 3 February 2020)	3	4
D Lewis (Appointed 9 June 2020)	2	2
R Ryan (Appointed 9 July 2020)	0	0
R Joshi (Appointed 2 September 2020)	0	0
C Meddle (Appointed 1 September 2020)	0	0
C Rose (Appointed 9 July 2020)	0	0
A Rankine (Appointed 9 December 2019)	6	6
R Gildersleeve (Resigned 31 October 2019)	0	1
C Glanville (Resigned 21 April 2020)	3	4
J Matamba (Appointed 20 October 2020)	0	0
J Nicholson (Appointed 20 October 2020)	0	0

# **ACES ACADEMIES TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **Review of value for money**

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

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

### **1. Robust governance and oversight of Trust finances**

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

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

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

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

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

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

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

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

### **3. Maximising income generation**

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

# **ACES ACADEMIES TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **4. Reviewing controls and managing risks.**

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

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

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

### **5. Reviewing operations to maximise use of resources.**

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

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

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

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

# ACES ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

### **Review of effectiveness**

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

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

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

Approved by order of the board of trustees on 15 December 2020 and signed on its behalf by:

A Goulding

B Message

## **ACES ACADEMIES TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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As accounting officer of Aces Academies Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

A Goulding  
**Accounting Officer**

15 December 2020



# **ACES ACADEMIES TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The trustees (who are also the directors of Aces Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2020 and signed on its behalf by:

A Goulding

B Message

# **ACES ACADEMIES TRUST**

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

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Opinion**

We have audited the accounts of Aces Academies Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts 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.

## **ACES ACADEMIES TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the accounts**

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

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

## **ACES ACADEMIES TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Use of our report**

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

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

29 January 2021

Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP

## **ACES ACADEMIES TRUST**

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

#### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter dated 15 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aces Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Aces Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

## **ACES ACADEMIES TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Reporting Accountant**

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

Dated: 29 January 2021

# ACES ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	93,116	93,116	280,523
Charitable activities:						
- Funding for educational operations	4	573,024	10,842,679	-	11,415,703	11,106,177
- Funding for sports and leisure activities		200,689	-	-	200,689	341,424
Other trading activities	5	338,226	-	-	338,226	714,943
Investments	6	801	-	-	801	947
<b>Total</b>		<b>1,112,740</b>	<b>10,842,679</b>	<b>93,116</b>	<b>12,048,535</b>	<b>12,444,014</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	777,681	11,732,942	443,749	12,954,372	12,791,938
- Sports and leisure activities		173,580	-	-	173,580	441,402
<b>Total</b>	<b>7</b>	<b>951,261</b>	<b>11,732,942</b>	<b>443,749</b>	<b>13,127,952</b>	<b>13,233,340</b>
<b>Net income/(expenditure)</b>		<b>161,479</b>	<b>(890,263)</b>	<b>(350,633)</b>	<b>(1,079,417)</b>	<b>(789,326)</b>
Transfers between funds	21	(203,310)	191,015	12,295	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	22	-	(282,000)	-	(282,000)	(1,637,000)
<b>Net movement in funds</b>		<b>(41,831)</b>	<b>(981,248)</b>	<b>(338,338)</b>	<b>(1,361,417)</b>	<b>(2,426,326)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		762,724	(3,218,752)	20,540,296	18,084,268	20,510,594
Total funds carried forward		720,893	(4,200,000)	20,201,958	16,722,851	18,084,268

# ACES ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds	Restricted funds:		Total 2019
		£	General £	Fixed asset £	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	280,523	280,523
Charitable activities:					
- Funding for educational operations	4	732,309	10,373,868	-	11,106,177
- Funding for sports and leisure activities		341,424	-	-	341,424
Other trading activities	5	714,943	-	-	714,943
Investments	6	947	-	-	947
<b>Total</b>		<u>1,789,623</u>	<u>10,373,868</u>	<u>280,523</u>	<u>12,444,014</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	1,284,739	10,838,008	669,191	12,791,938
- Sports and leisure activities		441,402	-	-	441,402
<b>Total</b>	7	<u>1,726,141</u>	<u>10,838,008</u>	<u>669,191</u>	<u>13,233,340</u>
<b>Net income/(expenditure)</b>		63,482	(464,140)	(388,668)	(789,326)
Transfers between funds	21	(50,000)	48,652	1,348	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	22	-	(1,637,000)	-	(1,637,000)
<b>Net movement in funds</b>		13,482	(2,052,488)	(387,320)	(2,426,326)
<b>Reconciliation of funds</b>					
Total funds brought forward		749,242	(1,166,264)	20,927,616	20,510,594
Total funds carried forward		<u>762,724</u>	<u>(3,218,752)</u>	<u>20,540,296</u>	<u>18,084,268</u>



# ACES ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	14		20,138,172		20,510,064
<b>Current assets</b>					
Debtors	16	341,121		488,205	
Cash at bank and in hand		1,159,334		1,522,545	
		<u>1,500,455</u>		<u>2,010,750</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(707,442)		(1,102,879)	
<b>Net current assets</b>			793,013		907,871
<b>Total assets less current liabilities</b>			<u>20,931,185</u>		<u>21,417,935</u>
Creditors: amounts falling due after more than one year	18		(8,334)		(16,667)
<b>Net assets before defined benefit pension scheme liability</b>			<u>20,922,851</u>		<u>21,401,268</u>
Defined benefit pension scheme liability	22		(4,200,000)		(3,317,000)
<b>Total net assets</b>			<u><u>16,722,851</u></u>		<u><u>18,084,268</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	21				
- Fixed asset funds			20,201,958		20,540,296
- Restricted income funds			-		98,248
- Pension reserve			(4,200,000)		(3,317,000)
<b>Total restricted funds</b>			<u>16,001,958</u>		<u>17,321,544</u>
<b>Unrestricted income funds</b>	21		<u>720,893</u>		<u>762,724</u>
<b>Total funds</b>			<u><u>16,722,851</u></u>		<u><u>18,084,268</u></u>

The accounts on pages 21 to 46 were approved by the trustees and authorised for issue on 15 December 2020 and are signed on their behalf by:

A Goulding

B Message

Company Number 07732319

# ACES ACADEMIES TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	25		(381,889)		(114,120)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		801		947	
Capital grants from DfE Group		44,231		280,523	
Capital funding received from sponsors and others		48,885		-	
Purchase of tangible fixed assets		(66,662)		(21,427)	
<b>Net cash provided by investing activities</b>			27,255		260,043
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(8,333)		-	
Finance costs		(244)		-	
<b>Net cash used in financing activities</b>			(8,577)		-
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(363,211)		145,923
Cash and cash equivalents at beginning of the year			1,522,545		1,376,622
<b>Cash and cash equivalents at end of the year</b>			1,159,334		1,522,545

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

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

The trustees have taken consideration of the effects of COVID-19 in making their assessment.

#### 1.3 Income

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

##### Grants

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

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

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

##### Donations

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

##### Other income

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

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

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

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

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

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

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

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

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.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

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

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.11 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	87,276	87,276	280,523
Other donations	-	5,840	5,840	-
	<u>-</u>	<u>93,116</u>	<u>93,116</u>	<u>280,523</u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	9,383,857	9,383,857	9,335,617
Other DfE group grants	-	881,535	881,535	435,358
	-	10,265,392	10,265,392	9,770,975
<b>Other government grants</b>				
Local authority grants	-	446,350	446,350	449,397
<b>Other funding</b>				
Sports and leisure facilities	200,689	-	200,689	341,424
Other incoming resources	573,024	130,937	703,961	885,805
	773,713	130,937	904,650	1,227,229
<b>Total funding</b>	773,713	10,842,679	11,616,392	11,447,601

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Lettings	7,713	-	7,713	7,065
Catering income	330,513	-	330,513	707,878
	338,226	-	338,226	714,943

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	801	-	801	947



# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2020	2019
	£	£	£	£	£
Academy's educational operations					
- Direct costs	7,992,619	-	835,837	8,828,456	8,292,855
- Allocated support costs	2,073,993	1,231,258	820,665	4,125,916	4,499,083
Sports and leisure activities					
- Direct costs	108,940	-	64,640	173,580	441,402
	<u>10,175,552</u>	<u>1,231,258</u>	<u>1,721,142</u>	<u>13,127,952</u>	<u>13,233,340</u>

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Fees payable to auditor for:		
- Audit	13,850	13,525
- Other services	1,500	1,500
Operating lease rentals	33,101	33,345
Depreciation of tangible fixed assets	438,554	434,859
Bank and loan interest	244	-
Net interest on defined benefit pension liability	69,000	41,000

### 8 Central services

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

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

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

- flat percentage of income - Cromwell Academy 5%
- flat percentage of income - Hinchbrook School 3%

For the first year these charges have been limited to the central costs.

The amounts charged during the year were as follows:

	2020	2019
	£	£
Hinchbrook School	212,736	211,603
Cromwell Academy	38,194	38,034
	<u>250,930</u>	<u>249,637</u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	247,314	8,581,142	8,828,456	8,292,855
Sports and leisure activities	173,580	-	173,580	441,402
<b>Support costs</b>				
Educational operations	530,367	3,595,549	4,125,916	4,499,083
	<u>951,261</u>	<u>12,176,691</u>	<u>13,127,952</u>	<u>13,233,340</u>
<b>Analysis of costs</b>	<b>Sports and leisure facilities £</b>	<b>Educational operations £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Direct costs</b>				
Teaching and educational support staff costs	108,940	7,992,619	8,101,559	7,378,867
Staff development	-	21,164	21,164	44,418
Technology costs	-	15,265	15,265	6,918
Educational supplies and services	-	359,261	359,261	440,793
Examination fees	-	192,833	192,833	179,555
Other direct costs	64,640	247,314	311,954	683,706
	<u>173,580</u>	<u>8,828,456</u>	<u>9,002,036</u>	<u>8,734,257</u>
<b>Support costs</b>				
Support staff costs	-	2,073,993	2,073,993	1,905,588
Depreciation	-	438,554	438,554	434,859
Technology costs	-	98,405	98,405	68,648
Recruitment and support	-	37,792	37,792	59,462
Maintenance of premises and equipment	-	138,342	138,342	343,107
Rent, rates and other occupancy costs	-	654,362	654,362	704,160
Catering	-	384,041	384,041	758,411
Finance costs	-	69,244	69,244	41,000
Other support costs	-	215,770	215,770	165,373
Governance costs	-	15,413	15,413	18,475
	<u>-</u>	<u>4,125,916</u>	<u>4,125,916</u>	<u>4,499,083</u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Governance costs

	Total 2020 £	Total 2019 £
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal costs	-	3,450
Auditor's remuneration		
- Audit of financial statements	13,850	13,525
- Other audit costs	1,563	1,500
	<u>15,413</u>	<u>18,475</u>

### 11 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	7,398,379	6,980,763
Social security costs	680,281	661,787
Pension costs	2,031,204	1,431,147
	<u>10,109,864</u>	<u>9,073,697</u>
Staff costs - employees		
Agency staff costs	65,688	210,758
	<u>10,175,552</u>	<u>9,284,455</u>
Staff development and other staff costs	21,164	44,418
	<u>10,196,716</u>	<u>9,328,873</u>

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	127	129
Administration and support	114	110
Management	13	13
	<u>254</u>	<u>252</u>

## ACES ACADEMIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

#### 11 Staff

(Continued)

##### Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	5	3
£70,001 - £80,000	3	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>          </u>	<u>          </u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £684,728 (7 employees) (2019: £466,122 (5 employees)).

#### 12 Trustees' remuneration and expenses

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

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

Mr A Goulding (principal and trustee):

Remuneration £140,000 - £145,000 (2019: £135,000 - £140,000)

Employer's pension contributions £0 (2019: £0)

During the year, travel and subsistence payments totalling £nil (2019: £nil) were reimbursed or paid directly to trustees.

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

#### 13 Insurance for trustees and officers

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

The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 is included within insurance costs.

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 14 Tangible fixed assets

	Leasehold property	Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2019	22,938,799	73,599	593,863	7,500	23,613,761
Reclassification	(17,748)	-	17,748	-	-
Additions	-	62,700	3,962	-	66,662
At 31 August 2020	22,921,051	136,299	615,573	7,500	23,680,423
<b>Depreciation</b>					
At 1 September 2019	2,570,383	65,075	464,906	3,333	3,103,697
Charge for the year	382,428	15,425	38,201	2,500	438,554
At 31 August 2020	2,952,811	80,500	503,107	5,833	3,542,251
<b>Net book value</b>					
At 31 August 2020	19,968,240	55,799	112,466	1,667	20,138,172
At 31 August 2019	20,368,416	8,524	128,957	4,167	20,510,064

### 15 Financial instruments

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Trade debtors	69,223	28,574
Cash at bank	1,158,784	1,521,995
	1,228,007	1,550,569
<b>Carrying amount of financial liabilities</b>		
Trade creditors	176,846	384,547
Loans	16,667	25,000
Other creditors	179,926	129,225
Accruals	62,497	198,722
	435,936	737,494

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 16 Debtors

	2020 £	2019 £
Trade debtors	69,223	28,574
VAT recoverable	64,626	91,801
Prepayments and accrued income	207,272	367,830
	<u>341,121</u>	<u>488,205</u>

### 17 Creditors: amounts falling due within one year

	2020 £	2019 £
Government loans	8,333	8,333
Trade creditors	176,846	384,547
Other taxation and social security	177,393	168,377
Other creditors	179,926	129,225
Accruals and deferred income	164,944	412,397
	<u>707,442</u>	<u>1,102,879</u>

### 18 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Government loans	8,334	16,667
	<u>8,334</u>	<u>16,667</u>
<b>Analysis of loans</b>	<b>2020 £</b>	<b>2019 £</b>
Wholly repayable within five years	16,667	25,000
Less: included in current liabilities	(8,333)	(8,333)
	<u>8,334</u>	<u>16,667</u>
<b>Loan maturity</b>		
Debt due in one year or less	8,333	8,333
Due in more than one year but not more than two years	8,334	8,333
Due in more than two years but not more than five years	-	8,334
	<u>16,667</u>	<u>25,000</u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	102,447	213,675
Deferred income at 1 September 2019	213,675	166,134
Released from previous years	(213,675)	(166,134)
Resources deferred in the year	102,447	213,675
<b>Deferred income at 31 August 2020</b>	<b>102,447</b>	<b>213,675</b>

Deferred income relates to amounts received in advance for the 2020/21 school year for school trips and funding.

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	20,138,172	20,138,172
Current assets	751,183	668,819	80,453	1,500,455
Creditors falling due within one year	(164,944)	(534,165)	(8,333)	(707,442)
Creditors falling due after one year	-	-	(8,334)	(8,334)
Accruals and deferred income	134,654	(134,654)	-	-
Defined benefit pension liability	-	(4,200,000)	-	(4,200,000)
<b>Total net assets</b>	<b>720,893</b>	<b>(4,200,000)</b>	<b>20,201,958</b>	<b>16,722,851</b>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	20,510,064	20,510,064
Current assets	927,339	1,028,179	55,232	2,010,750
Creditors falling due within one year	(164,615)	(929,931)	(8,333)	(1,102,879)
Creditors falling due after one year	-	-	(16,667)	(16,667)
Defined benefit pension liability	-	(3,317,000)	-	(3,317,000)
<b>Total net assets</b>	<b>762,724</b>	<b>(3,218,752)</b>	<b>20,540,296</b>	<b>18,084,268</b>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	64,501	9,383,857	(9,678,640)	230,282	-
Other DfE / ESFA grants	-	881,535	(881,535)	-	-
Other government grants	-	446,350	(446,350)	-	-
Other restricted funds	33,747	130,937	(125,417)	(39,267)	-
Pension reserve	(3,317,000)	-	(601,000)	(282,000)	(4,200,000)
	<u>(3,218,752)</u>	<u>10,842,679</u>	<u>(11,732,942)</u>	<u>(90,985)</u>	<u>(4,200,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	30,232	87,276	(5,195)	(54,367)	57,946
Fixed asset fund	20,510,064	-	(438,554)	66,662	20,138,172
Private sector capital sponsorship	-	5,840	-	-	5,840
	<u>20,540,296</u>	<u>93,116</u>	<u>(443,749)</u>	<u>12,295</u>	<u>20,201,958</u>
<b>Total restricted funds</b>	<u>17,321,544</u>	<u>10,935,795</u>	<u>(12,176,691)</u>	<u>(78,690)</u>	<u>16,001,958</u>
<b>Unrestricted funds</b>					
General funds	387,481	504,490	(367,454)	(153,310)	371,207
School fund	96,392	228,425	(239,895)	-	84,922
HSSP	85,676	179,136	(170,332)	-	94,480
Sports and leisure activities	193,175	200,689	(173,580)	(50,000)	170,284
	<u>762,724</u>	<u>1,112,740</u>	<u>(951,261)</u>	<u>(203,310)</u>	<u>720,893</u>
<b>Total funds</b>	<u>18,084,268</u>	<u>12,048,535</u>	<u>(13,127,952)</u>	<u>(282,000)</u>	<u>16,722,851</u>



# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 21 Funds

(Continued)

The specific purposes for which the restricted general funds are to be applied are as follows.  
The restricted grant income in the year all relates to the provision of education for the pupils of the academy trust.

GAG funding has been in deficit of GAG expenditure this year and transfers of £203,310 have been made from unrestricted funds to address the GAG deficit brought forward from prior years and the deficit in the year. £39,267 has been transferred from the Teaching School Alliance restricted fund to the GAG fund following there no longer being a requirement for this fund. £3,962 of GAG funding was used to acquire tangible fixed assets in the year and £8,333 was used to make repayments on a capital loan. These are shown as transfers.  
Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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

The fixed asset fund represents the net book value of fixed assets purchased. Additions of £66,662 have been made in the year, £3,962 from revenue funds and the balance from various capital funds. These are shown as transfers between the relevant funds.

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

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

The Hinchbrook Leisure astro turf fund represents a fund for the replacement of the astro turf. This was a requirement under the original grant funding of the astro turf in 2007, which included a 21 year clawback clause in the event that this fund was not set up. The replacement of the astro turf occurred in the current and prior year with the fund being fully utilised. The trustees have also set aside a sum for repairs to the swimming pool which they anticipate will be required in the near future.

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

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	116,717	9,335,617	(9,436,485)	48,652	64,501
Other DfE / ESFA grants	-	435,358	(435,358)	-	-
Other government grants	-	449,397	(449,397)	-	-
Other restricted funds	31,019	153,496	(150,768)	-	33,747
Pension reserve	(1,314,000)	-	(366,000)	(1,637,000)	(3,317,000)
	<u>(1,166,264)</u>	<u>10,373,868</u>	<u>(10,838,008)</u>	<u>(1,588,348)</u>	<u>(3,218,752)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	4,120	280,523	(234,332)	(20,079)	30,232
Fixed asset fund	20,923,496	-	(434,859)	21,427	20,510,064
	<u>20,927,616</u>	<u>280,523</u>	<u>(669,191)</u>	<u>1,348</u>	<u>20,540,296</u>
<b>Total restricted funds</b>	<u>19,761,352</u>	<u>10,654,391</u>	<u>(11,507,199)</u>	<u>(1,587,000)</u>	<u>17,321,544</u>
<b>Unrestricted funds</b>					
General funds	319,134	1,048,058	(894,035)	-	473,157
School fund	86,955	400,141	(390,704)	-	96,392
Sports and leisure activities	343,153	341,424	(441,402)	(50,000)	193,175
	<u>749,242</u>	<u>1,789,623</u>	<u>(1,726,141)</u>	<u>(50,000)</u>	<u>762,724</u>
<b>Total funds</b>	<u>20,510,594</u>	<u>12,444,014</u>	<u>(13,233,340)</u>	<u>(1,637,000)</u>	<u>18,084,268</u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Funds (Continued)

#### Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Hinchingbrooke School	552,351	514,922
Cromwell Academy	168,542	345,103
Central services	-	947
Total before fixed assets fund and pension reserve	720,893	860,972
Restricted fixed asset fund	20,201,958	20,540,296
Pension reserve	(4,200,000)	(3,317,000)
Total funds	16,722,851	18,084,268

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Hinchingbrooke School	7,276,237	1,727,607	326,594	1,950,743	11,281,181	11,625,768
Cromwell Academy	584,915	142,921	32,372	164,852	925,060	872,809
Central services	240,407	203,465	295	38,990	483,157	284,004
	8,101,559	2,073,993	359,261	2,154,585	12,689,398	12,782,581

### 22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £176,370 (2019: £128,745) were payable to the schemes at 31 August 2020 and are included within creditors.

## ACES ACADEMIES TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

#### 22 Pension and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

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

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

###### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £1,158,025 (2019: £772,865).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.1% to 22% for employers and 5.5% to 6.8% for employees.

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

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	357,000	344,000
Employees' contributions	112,000	102,000
Total contributions	469,000	446,000
<b>Principal actuarial assumptions</b>	<b>2020 %</b>	<b>2019 %</b>
Rate of increase in salaries	2.7	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020 Years	2019 Years
Retiring today		
- Males	22	21.5
- Females	24	23.5
Retiring in 20 years		
- Males	22.7	22.4
- Females	25.5	24.9

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

	2020 £'000	2019 £'000
0.5% decrease in Real Discount Rate	1,587	1,520
0.5% increase in the Salary Increase Rate	79	186
0.5% increase in the Pension Increase Rate	1,486	1,307

#### Defined benefit pension scheme net liability

Scheme assets	8,170,000	7,747,000
Scheme obligations	(12,370,000)	(11,064,000)
Net liability	(4,200,000)	(3,317,000)

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Pension and similar obligations

(Continued)

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

	2020	2019
	Fair value	Fair value
	£	£
Equities	5,719,000	5,810,000
Bonds	899,000	1,007,000
Cash	327,000	78,000
Property	1,225,000	852,000
Total market value of assets	8,170,000	7,747,000

The actual return on scheme assets was £31,000 (2019: £344,000).

#### Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	889,000	635,000
Past service cost	-	34,000
Interest income	(151,000)	(202,000)
Interest cost	220,000	243,000
Total operating charge	958,000	710,000

#### Changes in the present value of defined benefit obligations

	2020	2019
	£	£
At 1 September 2019	11,064,000	8,318,000
Current service cost	889,000	635,000
Interest cost	220,000	243,000
Employee contributions	112,000	102,000
Actuarial loss	162,000	1,779,000
Benefits paid	(77,000)	(47,000)
Past service cost	-	34,000
At 31 August 2020	12,370,000	11,064,000

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Pension and similar obligations (Continued)

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

	2020 £	2019 £
At 1 September 2019	7,747,000	7,004,000
Interest income	151,000	202,000
Actuarial loss/(gain)	(120,000)	142,000
Employer contributions	357,000	344,000
Employee contributions	112,000	102,000
Benefits paid	(77,000)	(47,000)
	<u>          </u>	<u>          </u>
At 31 August 2020	8,170,000	7,747,000
	<u>          </u>	<u>          </u>

### 23 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,522,545	(363,211)	1,159,334
Loans falling due within one year	(8,333)	-	(8,333)
Loans falling due after more than one year	(16,667)	8,333	(8,334)
	<u>          </u>	<u>          </u>	<u>          </u>
	1,497,545	(354,878)	1,142,667
	<u>          </u>	<u>          </u>	<u>          </u>

### 24 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	27,520	33,101
Amounts due in two and five years	20,771	48,291
	<u>          </u>	<u>          </u>
	48,291	81,392
	<u>          </u>	<u>          </u>

# ACES ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 25 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(1,079,417)	(789,326)
Adjusted for:		
Capital grants from DfE and other capital income	(93,116)	(280,523)
Investment income receivable	(801)	(947)
Finance costs payable	244	-
Defined benefit pension costs less contributions payable	532,000	325,000
Defined benefit pension scheme finance cost	69,000	41,000
Depreciation of tangible fixed assets	438,554	434,859
Decrease/(increase) in debtors	147,084	(144,986)
(Decrease)/increase in creditors	(395,437)	300,803
<b>Net cash used in operating activities</b>	<b>(381,889)</b>	<b>(114,120)</b>

### 26 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the Hinchingsbrooke School received £72,794 (2019: £75,775) from The Hinchingsbrooke Foundation. There are trustees in common to both organisations. The school also occupies property owned by The Hinchingsbrooke Foundation on a rent free basis.

Mrs J Elliot, wife of the chief executive officer of the academy trust, provided educational consultancy services to the trust in the year amounting to £4,700 (2019 : £2,050).

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

### 27 Members' liability

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

No individual has a controlling interest in the charitable company.



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